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SEVENTEENTH JUDICIAL DISTRICT COURT
JUDICIAL DISTRICT FIVE

BAYOU BOULE, LOUISIANA

JUNE 10, 1937

UNDER provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or receiver, entity and other appropriate public officials. The report is available for public inspection at the Bayou Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Witness My Hand and Seal this 10th day of June, 1937.

L. A. CHAMPAGNE & CO., L.L.P.

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INDEPENDENT AUDITOR'S REPORT

Honorable Judges of the
Nineteenth Judicial District Court

We have audited the accompanying general purpose financial statements of the Nineteenth Judicial District Court - Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended June 30, 1987, as listed in the table of contents. These general purpose financial statements are the responsibility of the Judicial Expense Fund's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Nineteenth Judicial District Court - Judicial Expense Fund as of June 30, 1987, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 1987 on our consideration of the Nineteenth Judicial District Court - Judicial Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Nineteenth Judicial District Court - Judicial Expense Fund taken as a whole. The

Continued . . .

supplementary information - individual fund financial statements and schedule of general fixed assets - by sources listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Minnesota Judicial District Court - Judicial Expense Fund. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

R. L. Chamberlain & Co., P.C.
September 10, 1997

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS**

June 30, 1987
 (With comparative totals for June 30, 1986)

	Governmental Fund Type		Judicial Fund Type		Account Groups		Total (Memorable only) 1987
	General	Non-Judicial	General	Special	General	Long-Term Debt	
ASSETS AND OTHER DEBITS							
Cash	818,842.4	342.8	-	-	-	-	819,185.2
Accounts Receivable	122,712	-	-	-	-	-	122,712
Prepaid Expenses	15,634	-	-	-	-	-	15,634
Accrued (earned) and other	23,319	-	-	-	-	-	23,319
Due from Special Revenue Fund	37	-	-	-	-	-	37
Investment in structured compen- sation plan	-	-	228,453	-	-	-	228,453
FUND ASSETS	-	-	-	228,453	1,426,482	-	1,654,935
LIABILITIES AND OTHER CREDITS							
Accounts Payable	887,302.8	943.8	228,453.8	3,454,482.0	466,313.8	3,148,812.8	3,158,195.2
Total Assets and Other Debits	-	-	-	-	586,313.8	-	686,313.8
LIABILITIES, FUND EQUITY AND OTHER CREDITS							
Current Liabilities	887,302.8	943.8	228,453.8	-	-	-	1,116,700.4
Due to General Fund	-	-	-	-	-	-	-
Accrued compensated absences	86,282	-	-	-	-	-	86,282
Multi-year Liabilities	-	-	228,453	-	-	-	228,453
Capital and other accounts	-	-	-	-	466,313.8	-	466,313.8
Accrued compensated absences	-	-	-	-	-	-	-
Total Liabilities	887,302.8	943.8	228,453.8	-	466,313.8	-	1,582,913.2

Amounts to be provided for retirement of long-term debt...

	Governmental Fund Types		Proprietary Fund Types		Amount Groups		Totals
	Special Services (Bonded Loans)	Agency	General Fund Assets	Special Long Term Debt	General Fund Assets	Bonds	
ASSETS							
Investments in general fund assets.....	-	-	\$ 1,626,883	-	-	\$ 1,626,883	\$ 1,626,883
Fund balances:							
Unassigned.....	385,000	-	-	-	-	385,000	385,000
Total fund equity and other assets.....	385,000	-	\$ 1,626,883	-	-	\$ 1,626,883	\$ 1,626,883
Total liabilities, fund equity and other credits.....	385,000	342	\$ 1,626,883	\$ 342	\$ 1,626,883	\$ 1,626,883	\$ 1,626,883

FUND EQUITY AND OTHER CREDITS

Consists in general fund assets, fund balances, unassigned, total fund equity and other assets

TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS

Consists in investments in general fund assets, fund balances, unassigned, total fund equity and other assets, total liabilities, fund equity and other credits

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES**

For the fiscal year ended June 30, 1997
with comparative totals for the fiscal year ended June 30, 1996

	Governmental Fund Types		Totals
	General	Special Revenue (Contributors)	Non-Debt only
	1997	1996	1996
REVENUES			
Charges of Court - pleas and probable closing fees.....	149,121	-	149,121
Real Estate Sale Proceeds (Barrister)			
Court costs.....	194,384	-	194,384
Court document costs.....	842,828	-	842,828
Real bond distributions.....	16,842	-	16,842
Fines.....	252,153	-	252,153
Real Estate Sale Proceeds (Barrister)			
ITW employees benefits.....	33,323	-	33,323
Real Bond (Court Fee).....	107,129	-	107,129
Louisiana Department of Public Safety - Florida Don.			
Continuing Education on Law Enforcement			
Real Estate Sale Proceeds	9,122	-	9,122
Grants of Louisiana.....	-	218,251	218,251
Grants for services.....			
Transfer of charges to attorney.....	215,256	-	215,256
Expenditures for.....	2,514	-	2,514
Copy charges for probable cause affidavits.....	1,414	-	1,414
Process.....	18,492	-	18,492
Other.....	942	-	942
Total revenues.....	1,889,429	218,251	2,107,680
GRAND FINANCIAL POSITION			
Operating transfers in.....	-	27,887	27,887
Total revenues and other financing resources.....	1,889,429	246,144	2,135,573

Continued

**ADMINISTRATIVE
Operating Costs
Schedule**

	Competition Fund Types		Totals	
	General	Special Services (Specialized)	Competition only	Total
Personnel services	1,029,810	100,000	1,129,810	
Group benefits	8,480	1,400	9,880	
Periodicals	-	2,380	2,380	
Group insurance	88,800	20,810	109,610	
Telephone	-	-	-	
Supplies	22,400	2,200	24,600	
Stationery	8,000	6,000	14,000	
Computer supplies	48,200	-	48,200	
Postage	2,400	2,810	5,210	
Travel and transportation	4,100	80	4,180	
Other	-	-	-	
Contractual services	40,000	2,100	42,100	
Legal and other professional fees	20,400	-	20,400	
Printing and other	51,700	-	51,700	
Judges' professional liability insurance	900	-	900	
Bankers' commissions (expense for assembly service centers)	-	-	-	
Development and assembly public address office (reimbursed by Federal Grand Jury services)	11,500	1,700	13,200	
Group services	4,000	4,000	8,000	
Printing fees	20,500	1,000	21,500	
Travel, mileage and contracts	40,100	2,000	42,100	
Equipment, repair and maintenance	1,000	900	1,900	
Telephone	-	1,000	1,000	
TOTAL CURRENT	2,583,400	287,900	2,871,300	
				1,180,700

	Governmental Fund Types		TOTAL (Governmental only)
	GENERAL	SPECIAL Revenue (Account Group)	
Capital assets:			
Computer equipment, including software.....	\$ 35,208	\$ -	\$ 35,208
Other office equipment.....	3,247	-	3,247
Furniture and fixtures.....	38,549	-	38,549
Total capital assets.....	76,904	-	76,904
Total expenditures.....	1,973,898	387,382	2,361,280
DEBT DEBT			
Contracting transfers out.....	13,500	-	13,500
Total expenditures and other items.....	1,987,398	387,382	2,374,780
NET CHANGES IN NET POSITION			
Increase (decrease) or transfers and other items received.....	64,320	-	64,320
Increase (decrease) or transfers and other items received.....	885,980	-	885,980
Total balance - beginning of year.....	538,580	\$ -	538,580
Total balance - end of year.....	\$ 1,486,880	\$ -	\$ 1,486,880

-----General Fund-----Special Services Fund-----
 (See page 1) (Continued)

	Budget	Actual	Variable Payables Reserve	Budget	Actual	Variable Payables Reserve
GENERAL FUND						
Station, Court						
Clerks						
Travel: airfare		48,075,376	11,887	28,222	28,222	
Group benefits	500	5,087	18,287	1,460	1,460	
Payroll				7,781	7,781	(773)
City contract	81,000	85,702	80	24,000	24,000	
Travel: auto						
Utilities	25,000	11,141	(841)	3,000	3,000	389
Drug screen for suppliers	30,000	60,568	(2,344)			
Computer supplies	1,000	8,704	846			
Post and telecommunications	1,000	2,473	807	5,789	5,409	(1,207)
C-SAC	4,100	4,788	3,428	1,000	1,000	1,433
Commuter services	30,000	62,438	12,000	300	3,711	(1,407)
Legal and other professional fees	20,000	27,000	844			
Information system	20,000	27,000	844			
Judge's professional liability insurance	37,781	37,781				
Workers' compensation insurance for community service workers	500	500				
Investigator and employee travel						
In-house' vehicle (maintained by Federal, state)						
State contractual services	30,000	31,870	118,000		3,287	(1,787)
Drug screen	4,000	4,000	(3,000)			
Travel: auto	20,000	140	2	2,000	2,000	138
Travel: mileage and contract	40,000	48,221	(4,121)	3,000	3,000	200
Telephone, repair and maintenance	1,000	1,823	81	2,000	2,000	283
Deposits						
TOTAL GENERAL		1,487,474	126,143	287,783	287,889	(1,291)

	General Fund		Special Revenue Fund		Special Revenue Fund	
	(2000-2001)		(2000-2001)		(2000-2001)	
	Budget	Actual	Variance - (under/over)	Budget	Actual	Variance - (under/over)
capital outlay:						
Computer equipment, existing accounts.....	51,139 \$	51,573 \$	2,847 \$	- \$	- \$	-
Other audio equipment.....	21,000	22,468	1,468	-	-	-
Total capital outlay.....	72,139	74,041	3,918	-	-	-
Total expenditures.....	3,265,403	3,253,878	(11,525)	247,783	247,783	(1,139)
OTHER DATA						
Operating transfers out.....	20,202	27,887	8,685	-	-	-
Total expenditures and other use.....	3,285,605	3,281,765	(11,713)	247,783	247,783	(2,973)
CHANGES IN FUND BALANCES AND OTHER FUND DATA						
Fiscal year beginning Jan 1, 2000.....	(25,127)	(25,982)	(8,655)	-	-	-
Fund balances - beginning of year.....	161,883	161,883	-	-	-	-
Fund balances - end of year (budget basis).....	136,756	135,901	(8,655)	-	-	-
Adjustments to conform with generally accepted accounting principles:						
Net change in accounts receivable.....		(2,821)	(2,821)			
Net change in accounts payable.....		12,682	12,682			
Fund balances - end of year (GAAP basis).....		\$ 145,762	\$ 145,762			

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

considered part of the City of Baton Rouge, Parish of East Baton Rouge for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the primary government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are financially dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The judicial expense fund is part of the operations of the district court system which is financially dependent on the City-Parish. The City-Parish provides directly to the court office space, courtrooms, personal services, and other supplies and services. The nature and significance of the relationship between the judicial expense fund and the district court and the City-Parish is significant. Therefore, the judicial expense fund was determined to be a component unit of the City of Baton Rouge, Parish of East Baton Rouge, the financial reporting entity. The accompanying financial statements present information only on the judicial expense fund maintained by the Nineteenth Judicial District Court and do not present any other information on the District Court, or the City-Parish, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Judicial Expense Fund, the accounts are maintained in accordance with the principles of fund accounting.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate "fund types."

Governmental funds are used to account for general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds). The Funds of the Judicial Expense Fund are described as follows:

General fund - the general fund is the principal fund and accounts for all activities of the Judicial Expense Fund not accounted for in some other fund. The various fees and charges due to the judicial expense fund are accounted for in this fund. Operating expenditures are paid from this fund.

Commissioners' special revenue fund - this special revenue fund accounts for all activities of the Commissioners' offices. The special appropriation from the State of Louisiana for the operation of the Commissioners' offices is accounted for in this fund. Operating expenditures of the Commissioners' offices are paid from this fund.

Fiduciary funds account for assets held by the Judicial Expense Fund in a trustee or agency capacity. An agency fund is custodial in nature and does not involve measurement of results of operations.

Basis of accounting

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of these funds presents increases and decreases in net current assets.

The modified accrual basis of accounting is used by the Judicial Expense Fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The revenues susceptible to accrual are filing and license fees, fines, and court costs collected by other agencies and remitted to the Judicial Expense Fund in the following month, as well as, amounts due under grant contracts, interest and dividend revenues, transcript charges to attorneys, and drug enforcement forfeitures collected by the District Attorney and paid annually or upon request.

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses).

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Judicial and budgetary accounting

The Judicial Expense Fund follows these procedures in establishing the budgetary data reflected in the financial statements with regard to the general fund:

- (1) In accordance with the Local Government Budget Act of the State of Louisiana, an operating budget is prepared for the general fund at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- (2) The budget is available for public inspection at least fifteen days prior to the beginning of the fiscal year.
- (3) The budget is adopted after consideration of public comment, if any, and authorized for implementation on the first day of the fiscal year.
- (4) The budget is prepared on a basis which differs significantly from that used to present financial statements in conformity with generally accepted accounting principles. A reconciliation of timing differences in the course (deficiency) of revenues over expenditures and other financing sources issued for the year ended June 30, 1997, is presented below:

	General Fund
Excess of revenues over expenditures and other uses (budgetary basis).....	\$ 10,000
Adjustments:	
Net change in accounts receivable.....	(25,000)
Net change in accounts payable.....	15,000

Deficiency of revenues over expenditures and other uses (GAAP basis).....	\$ (25,000)

- (5) The general fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by character (personal services, group benefits, supplies, contractual services and capital outlay). Total expenditures constitute the legal level of control. Expenditures may not exceed the sum of appropriations plus the unreserved prior year fund balance. The budget may be revised during the year as estimates regarding revenues and expenditures change.
- (6) Appropriations lapse at the end of each fiscal year.

With regard to the special revenue fund, which is an appropriation of the Louisiana Supreme Court for the operation of the commissioner's offices, the budget is governed by the Judicial Budgetary Control

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board. R.S. 10:48 exempts the judiciary of the state from the State Division of Administration budgetary control, and since budgetary reporting for the Commissioners' Fund is the responsibility of the Judicial Budgetary Control Board, the Wisconsin Judicial District Court is of the opinion that the Commissioners' Fund is also not subject to the Local Government Budget Act (R.S. 29:1303-14), in particular, those requirements relating to public hearings and advertisement. Accordingly, the Commissioners' Fund budget to actual presentation will utilize the budget data formulated under the auspices of the Judicial Budgetary Control Board.

These procedures are followed in establishing the budgetary data reflected in the financial statements with regard to the special revenue fund:

- (1) An operating budget is prepared for the commissioners' fund prior to the commencement of the budgetary fiscal year and submitted to the Judicial Budgetary Control Board. The operating budget includes proposed expenditures for the upcoming year.
- (2) The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- (3) All funds remaining unexpended or unencumbered at year end shall be returned to the state general fund.
- (4) Any surpluses occurring in the appropriation may be transferred from one line-item to another during the fiscal year.

Formal budget integration within the accounting records is not employed as a management control device for the general and the special revenue funds.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting (under which purchase orders, contracts, and other commitments for expenditures of resources are recorded to reserve that portion of the applicable appropriation) is not utilized by the judicial expense fund. Encumbrances at year end, even if utilized, would not be considered expenditures in the financial statements presented on the GAAP basis. However, encumbrances would be considered part of the budgetary process and would be included in actual expenditures when a comparison with budget is necessary.

Fixed assets

Fixed assets are recorded as expenditures at the time purchased in the fund used to acquire them, and the related assets are reported in the general fixed asset account group. All fixed assets are valued at historical cost and no depreciation is charged against them. Fixed assets reported herein include only those assets purchased by the Judicial Expense Fund, and do not reflect assets of the court obtained from other sources.

A: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Vacation and sick leave

On July 1, 1981, an annual and sick leave plan was adopted which allows a maximum of 21 days of vacation leave per year. The plan was amended in March, 1994 to allow employees to accumulate a maximum of 120 days starting in 1994. Previously, the maximum allowed to accumulate was 80 days. Effective September 13, 1993, the maximum number of days was reduced to 80. Upon termination, employees are paid for the unused vacation leave. Sick leave is allowed to accrue and accumulate. However, such sick leave benefits are payable only upon absence from work for medical reasons. Upon termination, accumulated sick leave lapses, and no payments are made for the unused accumulations.

In accordance with GASB Statement No. 16, which requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement, the judicial expense fund has recorded a liability as of June 30, 1997 for a total of 100% of the accrued vacation for each employee up to a maximum of 48 days at the employees' current rate of pay. Additionally, applicable percentages of retirement contribution, social security, and Medicare have been added to the above accrued leave.

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. Since the amount of accumulated sick leave lapses upon termination, no amount has been accrued.

The amounts shown for fiscal year 1997 in the accompanying financial statements for accrued compensated absences represent the liability for all employees of the District Court except the judges, the commissioners, and employees of the commissioners.

The management of the judicial expense fund has estimated that 20% of the liability for accrued compensated absences will be paid from expendable available financial resources and is reported in the general fund. The remainder will be paid from future years' resources and is reported in the general long-term debt account group.

Memoranda only - total columns

Total columns on the financial statements are captioned "memoranda only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Inferred eliminations have not been made in the aggregation of this data.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Judicial Expense Fund's financial position and operations.

Reclassifications

Certain reclassifications have been made to the 1996 financial statements to conform with the 1997 financial statement presentation.

B: CASH AND INVESTMENTS

Cash includes amounts in demand deposits and time deposits. Under state law, the judicial expense fund may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

At June 30, 1997, the judicial expense fund had cash (book balances) as follows:

Interest-bearing demand deposits.....	\$ 60,873
Other demand deposits.....	5,710
Time deposits (certificates of deposit)...	700,000

	\$ 814,383

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the judicial expense fund has \$822,934 in deposits (collected bank balances). These deposits are secured from risk by \$600,000 of federal deposit insurance and \$222,934 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1225 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the judicial expense fund that the fiscal agent has failed to pay deposited funds upon demand.

C: SALARY EXPENDITURES

The Judicial Expense Fund administers the payroll for all District Court employees excluding the judges and the commissioners. The parish of East Baton Rouge reimburses the fund for those salaries disbursed by the fund but appropriated in the City-Parish budget. Also, the Clerk of Court reimburses the fund for a portion of the salary of an employee who works for both the Nineteenth Judicial District Court and the East Baton Rouge Parish Clerk of Court. The amounts shown in the accompanying financial statements are the actual salary expenditures of the Judicial Expense Fund and do not include any amounts for salaries reimbursed by either the City-Parish or the Clerk of Court.

D: INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables due to the general fund at June 30, 1997 are as follows:

East Baton Rouge District Attorney.....	\$ 18,778
East Baton Rouge Parish Sheriff.....	96,684
East Baton Rouge Parish Clerk of Court....	3,963
Louisiana Department of Public Safety.....	1,413
City of East Baton Rouge, Parish of East Baton Rouge.....	600

	\$ 112,718

E: GENERAL FIXED ASSETS

A summary of changes to general fixed assets for the year ended June 30, 1997 is as follows:

	Balance June 30, 1996	Additions	Deletions	Balance June 30, 1997
Computer equipment, including software....	\$ 837,383	\$ 38,324	\$ 678	\$ 875,029
Other office equipment	328,828	12,289	8,428	332,689
Furniture and fixtures	599,538	28,555	1,528	626,545
Office renovations....	328,438	-	-	328,438
	-----	-----	-----	-----
	\$1,504,187	\$ 79,168	\$ 1,634	\$ 1,621,721
	-----	-----	-----	-----

F: PENSION PLANS

Louisiana State Employees Retirement System
Plan Description. The employees of the Commissioners' offices, whose salaries are paid from an appropriation from the State of Louisiana, are members of the Louisiana State Employees Retirement System ("System"), a single employer, public employee retirement system (PERC). The System is a statewide public retirement system.

F. PENSION PLANS (Continued)

for the benefit of state employees, which is administered and controlled by a separate Board of Trustees. The System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System was established and provided for within Title 11 Chapter 40 of the Louisiana Revised Statutes (RS). The Louisiana State Employees Retirement System issued a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Louisiana State Employees Retirement System, P.O. Box 41214, Baton Rouge, Louisiana 70804-4121, or by calling 1-800-284-8282.

Funding Policy. Plan members are required by state statute to contribute 7.0 percent of gross salary to which the Commissioners' offices add 13.0 percent contribution as an employer's match. The contribution requirements of plan members and the Commissioners' offices are established and may be amended by the System's Board of Trustees. The Commissioners' offices statutory and actual contributions for the years ending June 30, 1997, 1998, and 1999 were \$24,938, \$24,282, and \$21,976, respectively.

Louisiana Clerk of Court Retirement and Relief Fund

Plan Description. Other court employees, whose salaries are expenditures of the Judicial Expense Fund are members of the Louisiana Clerks of Court Retirement and Relief Fund (Fund), multiple-employer, cost sharing public employee retirement system, controlled and administered by a separate Board of Trustees. The Fund provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11754 Briarwood Avenue, Suite 81, Baton Rouge, Louisiana 70818, or by calling (504) 293-1382.

Funding Policy. Plan members are required by state statute to contribute 5.25 percent of their annual covered salary and the Nineteenth Judicial District Court is required to contribute at an actuarially determined rate. The current rate is 11.00 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxed sales to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Nineteenth Judicial District Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Nineteenth Judicial District Court's contributions to the System for the years ending June 30, 1997, 1998, and 1999, were \$68,675, \$61,003, and \$37,888, respectively, which was equal to the required contributions for each year.

G. DEFERRED COMPENSATION

The Nineteenth Judicial District Court offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Nineteenth Judicial District Court employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The amount deferred by the employee is not available until termination, retirement, death or unforeseeable emergency. All amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are until paid or made available to the employee or other beneficiary solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of the general creditors of the government in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management that the Nineteenth Judicial District Court has no liability for losses under the plan and that the deferred amounts will ultimately be paid to the employees. Management also believes that the assets will not be used to satisfy the claims of general creditors.

Assets totaling \$208,483 are held by Public Employees Benefit Services Corporation, a deferred compensation center, under agreement with the Nineteenth Judicial District Court.

A summary of changes to the deferred compensation plan for the year ended June 30, 1987 follows:

Balance - Beginning of year.....	\$ 118,690
Additions.....	114,877
Debitives.....	(1,884)

Balance - end of year.....	\$ 229,483

H. OTHER POSTEMPLOYMENT BENEFITS

District Court Employees - In addition to the pension benefits described in Note F, the Parish of East Baton Rouge provides post retirement health care benefits. Employees are eligible to continue participation in the health, dental and life insurance programs upon retirement.

Health and dental benefits

Employees may at their option participate in the group health and dental insurance program. Employees are offered their choice of two health maintenance organizations or an indemnity plan for health benefits. Employees may also participate in the indemnity plan for dental benefits. Upon retirement the employee may continue coverage with the same benefits available to active employees. The minimum premium plan is funded with employee and retiree contributions and the Parish of East Baton Rouge contributing and of the premium. Retirees may continue coverage in accordance with

E: OTHER POSTEMPLOYMENT RECEIPTS (Continued)

Parish Resolution 18178 adopted by the Parish Council on December 13, 1972. The portion paid by the Parish of East Baton Rouge of the post retirement benefit for health and dental coverage is funded on a pay-as-you-go basis from the City-Parish General Fund-Risk Management budget.

Life Insurance Benefits

In accordance with City Resolution 5942 and Parish Resolution 12478 adopted by the respective councils on April 14, 1976, all employees who retire after May 1, 1974, have \$3,000 of term life insurance coverage. The cost of this insurance is paid by the City-Parish through an actuarially determined monthly assessment of 70 cents per active employee. The premium is paid into an Insurance Contingency Fund Account.

Expenditures for these benefits are not recognized by the Judicial Expense Fund since they are provided by the Parish of East Baton Rouge.

Commissioners' Office Employees - In addition to the pension benefits described in Note F, the State of Louisiana provides post retirement health care benefits. LAC 43:021 through 43:028 establishes the self-insured and self-funded state employees group health care and life insurance program and authorizes the commissioners' office to provide certain continuing health care and life insurance benefits for its retired employees. Substantially all of the commissioners' employees become eligible for these benefits if they reach normal retirement age while working for the commissioners' office. Monthly premiums are paid jointly by the employees and the employer (from the commissioners' office appropriation) for active employees' benefits regardless of whether benefits are provided by Group Benefits or one of the HMO's authorized by Group Benefits.

Expenditures for these benefits are not recognized by the Judicial Expense Fund since they will be included in the annual appropriation from the State of Louisiana.

F: INTERFUND TRANSACTIONS

The following is a summary of amounts due from and due to other funds at June 30, 1987:

	due from	due to
	-----	-----
General fund		
Commissioners' fund.....	\$ 37 \$	-
Special revenue fund (commissioners')		
General fund.....	-	37
	\$ 37 \$	37
	-----	-----

1. INTERFUND TRANSACTIONS (Continued)

The following is a summary of operating transfers in and out for the year ended June 30, 1997:

	Transfers In	Transfers Out
General fund.....	\$ -	\$ 17,697
Special Revenue Fund (Commissioners').....	17,697	-
	\$ 17,697	\$ 17,697

2. CONCENTRATIONS OF CREDIT RISK

Intergovernmental receivables represent amounts due from other East Baton Rouge Parish governmental agencies and the State of Louisiana. The majority of the other receivables are due from Louisiana attorneys who practice before the court. Payment of these amounts is partly dependent upon the economic and financial conditions within East Baton Rouge Parish and the State of Louisiana.

3. EXPENDITURES OF THE DISTRICT COURT PAID BY THE CITY-PARISH

Certain operating expenditures of the district court are paid by the City-Parish and are not included in the accompanying financial statements. The City-Parish has a calendar year end, and the expenditures for the operation of the district court for the year ended December 31, 1996 are summarized as follows:

Personal services.....	\$2,321,818
Group benefits.....	686,319
Supplies.....	308,829
Contractual services.....	353,832
	\$3,270,500

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100-90760000

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Judges of the
Nineteenth Judicial District Court

We have audited the general purpose financial statements of the Nineteenth Judicial District Court - Judicial Expense Fund, a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated September 19, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Nineteenth Judicial District Court - Judicial Expense Fund's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Nineteenth Judicial District Court - Judicial Expense Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

Continued...

detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the Nineteenth Judicial District Court - Judicial Expenses Fund, the City of Baton Rouge, Parish of East Baton Rouge, Louisiana, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

L. A. Champagne, CPA, Ltd. P.

September 18, 1987

SUPPLEMENTARY INFORMATION

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 GENERAL FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 1997 and 1996**

	1997	1996
	-----	-----
ASSETS		
Cash:		
Demand deposits.....	\$ 88,040	\$ 210,800
Time deposits.....	758,000	600,000
Receivables:		
Intergovernmental:		
East Baton Rouge District Attorney.....	15,770	45,343
East Baton Rouge Parish Sheriff.....	88,684	87,570
East Baton Rouge Parish Clerk of Court..	1,963	8,108
Legislature Department of Public Safety...	1,413	1,888
City of Baton Rouge, Parish of East		
Baton Rouge.....	908	-
Louisiana Commission on Law Enforcement,	-	15,000
Attorneys for transcripts.....	35,494	45,267
Accrued interest and other.....	23,019	9,879
Due from Special Revenue Fund.....	37	37
Total assets.....	\$ 987,308	\$ 1,022,091
	-----	-----
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ 4,963	\$ 21,624
Accrued compensated absences.....	56,257	69,807
Total liabilities.....	61,220	91,431
Fund balances:		
Unreserved - undesignated.....	926,088	958,650
Total fund balances.....	926,088	958,650
Total liabilities and fund equity.....	\$ 987,308	\$ 1,022,091
	-----	-----

See accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 1997 and 1996**

	1997	1996
	-----	-----
REVENUES		
Intergovernmental:		
Clark of Court - civil and probate		
Filing fees..... \$	189,122	\$ 159,594
East Baton Rouge Parish Sheriff:		
court costs.....	154,384	176,509
court defrayment costs.....	540,828	582,374
Bail bond forfeitures.....	31,942	36,726
Fines.....	882,793	882,408
East Baton Rouge District Attorney:		
Drug enforcement forfeitures.....	29,533	58,104
Bail bond license fees.....	187,789	187,585
Louisiana Department of Public Safety -		
license fees.....	24,988	23,888
Louisiana Commission on Law Enforcement:		
Fees-through grants.....	6,202	23,288
Charges for services:		
Transcript charges to attorneys.....	115,568	117,634
Supervision fees.....	2,614	4,542
Copy charges for probable cause		
affidavits.....	1,614	1,958
Interest.....	38,478	20,252
Other.....	892	24,239
	-----	-----
Total revenues.....	1,565,625	1,694,177
	-----	-----
EXPENDITURES		
District Court:		
Current:		
Personal services:		
Salaries.....	1,180,810	1,166,170
Group benefits:		
Payroll taxes.....	4,480	633
Group insurance.....	-	62
Retirement.....	68,920	62,096
Supplies:		
Office supplies.....	11,437	4,000
Computer supplies.....	8,054	4,996
Drug screen lab supplies.....	48,888	22,888
Dues and subscriptions.....	2,478	5,238
Other.....	4,785	2,520

Continued . . .

	1997	1996
Contractual services:		
Legal and other professional fees.....	\$ 48,674	\$ 48,520
Probation officer.....	26,443	23,798
Judges' professional liability insurance.....	17,744	-
Workers' compensation insurance for community service workers.....	345	610
Investigator and assistant-public defenders' office (reimbursed by Federal grant).....	-	25,694
Other contractual services.....	11,596	4,785
Drug screens.....	4,850	20,801
Tasking fees.....	38,530	34,944
Travel, meetings and conferences.....	49,167	50,759
Equipment repair and maintenance.....	1,821	2,785
Total current.....	1,503,487	1,460,160
Capital outlay:		
Computer equipment, including software..	26,225	19,197
Other office equipment.....	2,347	30,256
Equipment and furniture.....	28,469	9,865
Total capital outlay.....	56,999	59,318
Total expenditures.....	1,570,498	1,493,470
OTHER USES		
Operating transfers out.....	27,683	24,361
Total expenditures and other uses..	1,598,181	1,514,079
EXCESS (DEFICIENCY) OF EXPENDITURES OVER REVENUES AND OTHER USES		
Fund balances - beginning of year.....	124,5780	178,126
Fund balances - beginning of year.....	960,480	771,144
Fund balances - end of year.....	\$ 836,880	\$ 850,650

See accompanying notes

**NINETEENTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 SCHEDULE OF GENERAL FIXED ASSETS -
 BY SOURCE**

June 30, 1997

	General	Special Revenue (Comma- nioners')	Total
	-----	-----	-----
COMPUTER EQUIPMENT, INCLUDING SOFTWARE.....	\$ 853,806	\$ 9,840	\$ 863,646
	-----	-----	-----
OTHER OFFICE EQUIPMENT.....	329,889	11,364	341,253
	-----	-----	-----
OFFICE FURNITURE AND FIXTURES			
Office furniture.....	288,463	4,871	293,334
Filing cabinets.....	94,848	1,876	96,724
Miscellaneous fixtures.....	29,743	571	30,314
	-----	-----	-----
	313,054	6,318	319,372
	-----	-----	-----
OFFICE RENOVATIONS.....	186,618	-	186,618
	-----	-----	-----
Total general fixed assets.	\$ 1,460,123	\$ 26,790	\$ 1,486,913
	-----	-----	-----
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE			
General fund.....	\$ 1,460,123	\$ -	\$ 1,460,123
Special revenue fund (Commissioners').....	-	26,790	26,790
	-----	-----	-----
Total general fixed assets.	\$ 1,460,123	\$ 26,790	\$ 1,486,913
	-----	-----	-----

**NINETEENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
SCHEDULE OF CORRECTIVE ACTION TAKEN
ON PRIOR YEAR FINDINGS**

Year ended June 30, 1997

Finding: Noncompliance with Municipal Budget Act
The public notice, which stated that the budget would be available for public inspection, was not published in a timely manner, as required by law. Also, the notice did not mention that there would be a public hearing on the budget.

Corrective

Action: The public notice concerning the budget for fiscal year ending June 30, 1997, was published timely and specified that a public hearing would be held.

Finding: Lack of segregation of duties
An administrative employee was performing certain incompatible accounting functions and had access to all phases of a transaction.

Corrective

Action: Certain incompatible accounting functions previously performed by one employee have now been segregated and assigned to existing personnel.

Finding: Certain assets could not be located during physical inspection
During the physical inspection of the assets listed in the Court's general fixed assets and movable property records, two items selected for testing could not be located by Court personnel.

Corrective

Action: All items selected for testing during our 1997 audit in the Governmental Building were located during the inspection of the assets listed in the Court's general fixed assets and movable property records.

