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TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Booster and Webster Parishes
State of Louisiana
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2003

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

Release Date 7-28-08

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana
Annual Financial Report
Year Ended December 31, 2003

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SOCIETY OF LOUISIANA
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INDEPENDENT AUDITORS' REPORT

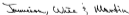
The Honorable Judges of the
Twenty-Sixth Judicial District
Bossier and Webster Parishes, Louisiana

We have audited the accompanying general purpose financial statements of the Twenty-Sixth Judicial District Court Expense Fund as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Twenty-Sixth Judicial District Court 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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. A risk audit includes examining, on a test basis, a volume supporting the accounts 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 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 Twenty-Sixth Judicial Court Expense Fund as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2004 on our consideration of the Twenty-Sixth Judicial District Court Expense Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Monroe, Louisiana
June 24, 2004

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Judges of the
Twenty-Sixth Judicial District
Bossier and Webster Parishes, Louisiana

We have audited the general purpose financial statements of the Twenty-Sixth Judicial District Court Expense Fund as of and for the year ended December 31, 2003, and have issued our report thereon dated June 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Twenty-Sixth Judicial District Court Expense Fund's general purpose financial statements are free of material misstatements, 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 statement 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 one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item 83-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twenty-Sixth Judicial District Court Expense Fund's internal control over financial reporting in a effort to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over the financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. 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 general purpose financial statements being audited may occur and not be 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 operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the judges of the Twenty-Sixth Judicial District Court Expense Fund and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

J. J. Johnson, W. J. & M. J. Johnson

Minors, Louisiana
June 24, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Boatier and Webster Parishes
State of Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 2003

	Governmental	
	Fund	
	Judicial Expense Fund	Child Support Enforcement
ASSETS		
Cash	\$ 294,238	67,599
Certificates of deposit	1,054,956	58,508
Due from other:		
governmental units	90,211	-
other	-	-
Equipment	-	-
Total assets	<u>\$1,339,395</u>	<u>124,896</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 11,893	-
Payroll payables and withholdings	21	-
Payable - salary related	16,379	-
Total liabilities	<u>27,493</u>	<u>-</u>
Fund equity:		
Investment in general fixed assets	-	-
Fund balances:		
Unreserved - undesignated	1,311,902	124,896
Total fund equity	<u>1,311,902</u>	<u>124,896</u>
Total liabilities and fund equity	<u>\$1,339,395</u>	<u>124,896</u>

The accompanying notes are an integral part of this statement.

Account Group	Totals	
	(Memorandum Only)	
	2003	2004
-	161,818	304,317
-	1,111,463	1,888,944
-	30,231	17,118
-	"	250
<u>218,239</u>	<u>218,239</u>	<u>281,478</u>
<u>218,239</u>	<u>1,893,734</u>	<u>1,812,686</u>
-	11,000	10,770
-	21	18
-	16,278	15,001
-	<u>27,433</u>	<u>25,781</u>
218,239	218,239	291,478
-	1,488,038	1,385,434
<u>218,239</u>	<u>1,696,267</u>	<u>1,186,904</u>
<u>218,239</u>	<u>1,693,718</u>	<u>1,512,686</u>

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bozart and Webster Parishes
State of Louisiana

Statements of Revenues, Expenditures and
 Changes in Fund Balances - Judicial Expense Fund
 Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Revenues:		
Court fees and fines	\$ 474,481	113,689
Interest earnings	26,483	28,333
Other income	224	798
FPSB grant	18,089	36,708
FPSB other	597	1,343
FSP grant	9,094	1,821
Total revenues	<u>538,867</u>	<u>284,682</u>
Expenditures:		
Judicial expenditures -		
Court administrator salary	65,209	67,527
Law clerk salary	72,656	66,862
Office labor	2,587	1,873
Law clerk expense	472	1,258
Office supplies	4,544	7,181
Services and conferences	41,517	26,051
Books and publications	17,172	28,288
Accounting and audit	3,653	3,732
Capital outlay	8,152	4,968
Equipment rental	30,245	24,652
Professional fees and fees	5,734	3,158
Telephone	3,781	4,343
Internet	4,879	-
Staff education	207	131
Repairs and maintenance	13,078	1,019
Research and access expense	14,673	13,874
Utilities expense	6,273	12,669
Meals & entertainment	1,521	-
Miscellaneous	3,732	4,958
Total judicial expenditures	<u>365,395</u>	<u>282,639</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Beauregard and Webster Parishes
State of Louisiana

Statement of Revenues, Expenditures and
 Changes in Fund Balances - Judicial Expense Fund
 (Continued)
 Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Non-support expenditures -		
Heating officer salary	50,862	29,518
Part-time wages	5,239	-
Payroll taxes	2,032	-
Non-support dues and fees	33	88
Non-support office and other	7,808	2,293
Hearing officer conference and travel	<u>3,805</u>	<u>3,881</u>
Total non-support expenditures	<u>69,967</u>	<u>35,880</u>
FDS grant expenditures -		
FDS salary expense	63,693	37,076
FDS travel	3,174	2,494
FDS telephone expense	2,177	2,048
FDS books, dues and fees	380	468
FDS equipment	-	4,436
FDS office and other	<u>2,184</u>	<u>6,991</u>
Total FDS grant expenditures	<u>71,518</u>	<u>53,513</u>
FSP grant expenditures -		
FSP secretary salary	12,870	12,870
FSP payroll taxes	983	1,434
FSP travel	1,488	456
FSP office and other	<u>178</u>	<u>481</u>
Total FSP grant expenditures	<u>15,519</u>	<u>15,241</u>
Total expenditures	<u>147,381</u>	<u>147,215</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balances - Judicial Expense Fund
(Continued)
Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Excess (deficiency) of revenues over expenditures	71,488	(202,927)
Other financing sources:		
Operating transfers in	<u>-</u>	<u>341,974</u>
Excess of revenues and other sources over expenditures	71,488	139,047
Fund balance, beginning	<u>1,280,482</u>	<u>1,370,015</u>
Fund balance, ending	<u>\$1,351,970</u>	<u>1,509,062</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Becker and Wilcox Families
State of Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Judicial Expense Fund
Year Ended December 31, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Court fees and fines	\$ 482,180	474,480	(7,699)
Interest earnings	23,080	24,403	1,423
FMSI grant	28,080	28,008	-
FMSI other	-	597	597
FSP grant	5,080	5,086	66
Other	-	224	224
Total revenues	<u>543,320</u>	<u>546,808</u>	<u>(3,488)</u>
Expenditures:			
Judicial expenditures:			
Court administrative salary	65,808	63,289	(2,519)
Law clerk salary	75,808	72,620	318
Office labor	2,708	2,987	113
Law clerk expense	588	473	115
Office supplies	1,588	4,948	(3,360)
Business and conference	38,088	41,317	(3,229)
Books and publications	28,088	37,172	(9,084)
Accounting and audit	2,788	3,453	(665)
Capital outlay	18,088	8,932	9,156
Equipment rental	21,888	24,289	(2,401)
Professional dues and fees	4,878	5,724	(846)
Telephone expense	3,888	3,791	97
Staff education	708	287	421
Repairs and maintenance	12,808	12,178	630
Research and access expense	16,808	14,673	2,135
Uniforms	7,488	6,275	1,213
Miscellaneous	15,188	16,222	(1,034)
Total judicial expenditures	<u>509,478</u>	<u>528,252</u>	<u>(18,774)</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Revenue and Website Portals
State of Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual - Judicial Expense Fund
(Continued)
Year Ended December 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Non-support expenditures -			
Hearing officer salary	50,000	50,562	(562)
Part-time wages	1,000	1,229	(229)
Payroll taxes	1,000	1,032	(32)
Non-support dues and fees	-	10	(10)
Non-support office and other	3,000	1,906	994
Hearing officer conference and travel	4,000	3,905	95
Total non-support expenditures	<u>69,000</u>	<u>69,645</u>	<u>(645)</u>
FMS grant expenditures -			
FMS salary expense	64,000	65,653	(1,653)
FMS travel	3,000	3,174	(174)
FMS telephone expense	1,500	2,177	(677)
FMS books, dues and fees	-	390	(390)
FMS equipment	-	-	-
FMS office and other expense	3,100	3,184	(84)
Total FMS grant expenditures	<u>71,700</u>	<u>78,578</u>	<u>(6,878)</u>
FSP grant expenditures -			
FSP secretary salary	11,000	12,879	(1,879)
FSP payroll taxes	1,150	953	145
FSP travel	1,000	1,458	(458)
FSP office and other expense	150	178	(28)
Total FSP grant expenditures	<u>13,300</u>	<u>15,568</u>	<u>(2,268)</u>
Total expenditures	<u>158,000</u>	<u>163,891</u>	<u>(5,891)</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
 Senate and White House Periods
 State of Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - Judicial Expense Fund

(Continued)

Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over expenditures	83,678	71,458	(12,190)
Fund balance, beginning	<u>1,368,482</u>	<u>1,368,482</u>	<u> </u>
Fund balance, ending	<u>\$1,444,151</u>	<u>1,439,940</u>	<u>(4,191)</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balances - Child Support Enforcement
For the Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Revenues:		
Administrative fees	\$ -	341,874
Other	14	-
Interest earned	<u>534</u>	<u>2,611</u>
Total revenues	<u>548</u>	<u>344,485</u>
Expenditures:		
Refunds	1,319	100
Miscellaneous	<u>87</u>	<u>-</u>
Total expenditures	<u>1,406</u>	<u>200</u>
Excess of revenues over expenditures	(858)	344,285
Other financing uses:		
Operating transfers out	<u>-</u>	<u>(341,874)</u>
Excess/(deficiency) of revenues over expenditures and other uses	(858)	2,411
Fund balance, beginning	<u>124,852</u>	<u>172,671</u>
Fund balance, ending	<u>\$ 124,094</u>	<u>174,952</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Easton and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 2013

INTRODUCTION

The Twenty-Sixth Judicial District Court Expense Fund was established under Louisiana Revised Statutes 11:866.50 which provides for a separate fund for the receipt and disbursement of designated court fees, costs or forfeitures imposed under the law for the judicial expense fund. The judicial expense fund is administered by the judges, en banc, of the Twenty-Sixth Judicial District. The monies of the Twenty-Sixth Judicial District Court Expense Fund may be expended for those expenditures deemed necessary for the proper operation of the court including clerical and other necessary personnel, law library costs, court equipment and supplies, and travel expenses and fees incurred by any judge or clerk in attending seminars or conferences. No salaries may be paid to any of the judges of the district from the judicial expense fund.

The accounting and reporting policies of the Twenty-Sixth Judicial District Court Expense Fund conform to generally accepted accounting principles as applicable to governmental entities.

1. Summary of significant accounting policies

A. Reporting entity

These financial statements include only information pertaining to the transactions of the Twenty-Sixth Judicial District Court Expense Fund. Other local governmental entities are considered separate reporting entities and are thus excluded from the accompanying financial statements.

B. Fund accounting

The accounts of the Twenty-Sixth Judicial District Court Expense Fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Twenty-Sixth Judicial District Court Expense Fund maintains two governmental fund types.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bayou and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 2003

The Judicial Expense Fund is the general operating fund of the Twenty-Sixth Judicial District Court Expense Fund and is used to account for all funds received and expended in accordance with Louisiana Revised Statute 11:596.50. The Child Support Enforcement Fund was established in accordance with Louisiana Revised Statute 48:216.5. This fund is used to account for all funds received and expended for the expedient process for establishment of paternity and establishment or enforcement of support obligations which are brought by the Department of Social Services.

C. Basis of accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The two funds of the Twenty-Sixth Judicial District Court Expense Fund are accounted for using the modified accrual basis of accounting.

Revenues

Fines, bonds forfeited, civil fees, probate fees, and adoption fees imposed by the district courts are recorded in the year they are collected by the district courts within the judicial district.

The program director fees based on a 2% surcharge on child support payments within the Twenty-Sixth Judicial District are recorded when the income is available.

Interest earned on investments is recorded when the investments have matured and the income is available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 2003

D. Budgetary and budgetary accounting.

Actually, the judges prepare a budget for the Expense Fund on the modified accrual basis of accounting. The authority to amend the budget is reserved by the judges. Formal budget integration (or the accounting records) is employed as a management control device during the year. Appropriations lapse at year end and a system of encumbrance accounting is not used by the expense fund.

E. Cash and cash equivalents

At December 31, 2003, the Twenty-Sixth Judicial District Court Expense Fund has cash and cash equivalents as shown below:

	<u>Book</u> <u>Balance</u>	<u>Bank</u> <u>Balance</u>
Demand deposits	\$ 294,228	\$ 340,971
Interest-bearing deposits	67,990	67,990
Certificates of deposits	1,111,462	1,111,462
Total	<u>\$ 1,473,680</u>	<u>\$ 1,520,423</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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 December 31, 2003, the Twenty-Sixth Judicial District Court Expense Fund has \$1,520,423 in deposits. These deposits are secured from risk by \$1,064,469 of federal deposit insurance and \$415,716 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$101,818 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1223 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified by the Twenty-Sixth Judicial District Court Expense Fund that the fiscal agent has failed to pay deposited funds upon demand.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND

**Bossier and Webster Parishes
State of Louisiana**

**Notes to Financial Statements
December 31, 2003**

F. Fixed assets and long-term liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending, or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. General fixed assets provided by the parish police juries are not recorded within the General Fixed Assets Account Group. Fixed assets are valued at historical cost or estimated historical cost or, if doubted, at fair market value on the date donated. No depreciation has been provided on general fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. No long-term liabilities existed at December 31, 2003.

G. Total columns on combined statements

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

H. Vacation and sick leave

All of the employees of the expense fund are considered employees of either the Bossier or Webster Parish Police Juries. At December 31, 2003, the expense fund had no full-time employees. Accordingly, there are no accumulated and vested benefits relating to normal and sick leave that requires disclosure or accrual to conform with generally accepted accounting principles.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Benise and Webster Parishes
State of Louisiana

Notes to Financial Statements
 December 31, 2003

2. Due from other governmental units

Amounts due from other governmental units are as follows:

		2003	2002
Benise Parish Clerk of Court	\$	1,850	1,015
Benise Parish Sheriff's Department		4,783	4,462
Webster Parish Clerk of Court		361	368
Webster Parish Sheriff's Department		3,975	2,148
Webster Parish Bond For		<u> </u>	<u>9,127</u>
Total	\$	<u>10,971</u>	<u>17,118</u>

3. Changes in general fixed assets

A summary of changes in general fixed assets follows:

	Balance January 1, 2003	Additions	Deletions	Balance December 31, 2003
Equipment	\$101,428	8,180	—	\$109,608

4. Pension Plan

All of the expense fund's employees are considered employees of the Benise and Webster Parish Police Juries and, accordingly, are enrolled by the respective Police Juries as members of Plan A of the Parochial Employees Retirement System of Louisiana ("System"), a multiple-employer (cost-sharing), public employees retirement system (PERS), controlled and administered by a separate board of trustees. The respective Police Juries and the expense fund do not guarantee any of the benefits granted by the System.

5. Leases

The expense fund does not have any capital at December 31, 2003. The expense fund has several operating leases involving computers and other office equipment.

6. Litigation

There is no litigation pending against the expense fund at December 31, 2003.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

Notes to Financial Statements
December 31, 2003

7. Arrangements with local government:

The district judges' office space, including utilities and certain office equipment and furniture, are furnished by the Bossier and Webster Parish Police Juries free of charge.

8. Child Support Enforcement Fund:

As established by Louisiana Revised Statute 46:126.3, which allows any court to establish or enforce support obligations to implement an expedited process for the establishment or enforcement of support, and which provides, that the judges of the appropriate court shall oversee the operations of the fund and shall appoint a hearing officer to hear support and support-related matters. At the end of the reporting period all residual funds from the Child Support Enforcement Fund are to be transferred to the general operating account of the Expense Fund. There were no such residual funds in the Child Support Enforcement Fund at December 31, 2003 because all related funds were deposited in the general operating account of the Expense Fund throughout the year.

9. Deficit in Fund Balance

There were no deficit fund balances for the year ended December 31, 2003.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2003

02-1: Un collateralized Deposits

The State of Louisiana, in LSA Revised Statute 39:1125, requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. For the year ended December 31, 2003, the Twenty-Sixth Judicial District Court Expense Fund has \$191,818 in deposits that are not secured by either federal deposit insurance or the pledge of securities (Note 1). During the course of the audit, we discovered the non-existence of pledged securities at one of the fiscal agent banks on the Twenty-Sixth Judicial District Court Expense Fund's excess deposits.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Booster and Webster Parishes
State of Louisiana

CORRECTIVE ACTION PLAN
December 31, 2003

MANAGEMENT'S RESPONSE

03-1: Uncollateralized Deposits

Upon discovering that the Twenty-Sixth Judicial District Court Expense Fund's account deposits were encumbered by pledged securities of the fiscal agent bank, the necessary measures were taken by the bank to bring the Expense Fund into compliance with LSA revised Statute 39:1121. The bank stated that the problem had been resolved and as of June 28, 2004, all of the Expense Fund's income deposits were adequately secured. Upon the maturation of the certificates of deposit in the uncollateralized accounts, the Expense Fund plans on transferring the certificates of deposit to financial institutions that adequately supervise their governmental client's income deposits.

TWENTY-SIXTH JUDICIAL DISTRICT COURT EXPENSE FUND
Iberia and Westbay Parishes
State of Louisiana

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
December 31, 2003

62-0: Unilateralized Deposits

The State of Louisiana, in LSA Revised Statute 38:1221, requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. For the year ended December 31, 2003, the Twenty-Sixth Judicial District Court Expense Fund had \$9,187 in deposits that are not secured by either federal deposit insurance or the pledge of securities (Note 1). During the course of the audit, we discovered the non-existence of pledged securities at one of the fiscal agent banks on the Twenty-Sixth Judicial District Court Expense Fund's excess deposits.