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**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 1998
AND
AUDITORS' REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 ~~FEB 24 1999~~

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**COMPONENT UNIT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1998
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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INDEPENDENT AUDITORS' REPORT

The Honorable D. Milton Moore, III., Chief Judge
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

We have audited the accompanying component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund, a component unit of the Ouachita Parish Policy Jury, and supplementary information of the Fourth Judicial District Court, Judicial Expense Fund, as of and for the year ended June 30, 1998, as listed in the table of contents. These component unit financial statements are the responsibility of the Fourth Judicial District Court, Judicial Expense Fund's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Fourth Judicial District Court, Judicial Expense Fund has included such disclosures in Note 13. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Fourth Judicial District Court, Judicial Expense Fund's disclosures with respect to the year 2000 issue made in Note 13. Further, we do not provide assurance that the Fourth Judicial District Court, Judicial Expense Fund is or will be year 2000 ready, that the Fourth Judicial District Court, Judicial Expense Fund's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Fourth Judicial District Court, Judicial Expense Fund does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the component unit financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Fourth Judicial District Court, Judicial Expense Fund as of June 30, 1998. Also, in our opinion, the combining, individual funds and account group component unit financial statements referred to above present fairly the financial position of the individual funds and account group of the Fourth Judicial District Court, Judicial Expense Fund as of June 30, 1998, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

*Minchew, Robinson, Gardner,
Langston & Bryan, CPAs*

November 20, 1998

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS
(Combined Statements - Overview)

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET, JUNE 30, 1998

	Governmental Funds		Fiduciary Funds	Account Groups	Totals	
	General Fund	Special Revenue Funds	Agency Funds	General Fixed Assets	June 30, 1998	June 30, 1997
ASSETS						
Assets:						
Cash and cash equivalents	\$ 328,347	\$ 1,174,114	\$ 1,048	\$	\$ 1,503,509	\$ 1,263,297
Accounts receivables		4,114			4,114	4,114
Due from other governmental units	16,126				16,126	25,983
Equipment and furnishings				430,580	430,580	376,627
Prepaid expenses and deposits		1,079			1,079	888
Total assets	\$ 344,473	\$ 1,179,307	\$ 1,048	\$ 430,580	\$ 1,955,408	\$ 1,670,909
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and other payables	\$ 3,194	\$ 6,371	\$	\$	\$ 9,565	\$ 14,046
Due to State of Louisiana benefits plan	251				251	46
Due to other governmental units	1,936	12,154			14,090	33,541
Deposits due others (Note 10)			1,048		1,048	147
Compensated absences (Note 8)	1,726	6,480			8,206	7,760
Total liabilities	\$ 7,107	\$ 25,005	\$ 1,048	\$	\$ 33,160	\$ 55,540
Fund Equity:						
Investment in general fixed assets	\$	\$	\$	\$ 430,580	\$ 430,580	\$ 376,627
Fund balances						
Unreserved						
Undesignated	293,053	1,154,302			1,447,355	1,038,878
Designated	44,313				44,313	199,864
Total fund equity	\$ 337,366	\$ 1,154,302	\$	\$ 430,580	\$ 1,922,248	\$ 1,615,369
Total liabilities and fund equity	\$ 344,473	\$ 1,179,307	\$ 1,048	\$ 430,580	\$ 1,955,408	\$ 1,670,909

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1998
WITH COMPARABLE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	General Fund	Special Revenue Funds	Totals (Memorandum Only)	
			June 30, 1998	June 30, 1997
REVENUES				
Court fees	\$ 208,236	\$ 649,209	\$ 857,445	\$ 797,942
Grant revenue	28,000		28,000	56,000
Interest income	12,751	49,385	62,136	50,416
Other income	403	2,058	2,461	82
Total revenues	\$ 249,390	\$ 700,652	\$ 950,042	\$ 904,440
EXPENDITURES				
Current				
General government				
Asset expenditures	\$ 33,189	\$ 20,845	\$ 54,034	\$ 130,982
City Court				5,000
Court reporter	6,392		6,392	6,119
Insurance	4,142	31,566	35,708	27,691
Internet access	2,882	570	3,452	1,457
Miscellaneous	1,006	2,266	3,272	1,915
Office supplies and postage	6,090	18,919	25,009	20,901
Payroll taxes	2,452	5,076	7,528	8,570
Professional fees	26,664	54,756	81,420	65,400
Reference materials and dues	2,613	22,381	24,994	6,149
Rent	9,768	36,467	46,235	41,252
Repairs, maintenance and warranty	13,692	8,846	22,538	35,839
Retirement	10,358	24,177	34,535	30,016
Salaries	82,815	251,624	334,439	293,103
Seminars, meetings, travel and training	8,282	3,512	11,794	29,575
Telephone	611	575	1,186	1,745
Utilities	4	4,576	4,580	4,324
Total expenditures	\$ 210,960	\$ 486,156	\$ 697,116	\$ 710,038
(DEFICIT) EXCESS OF REVENUES OVER EXPENDITURES	\$ 38,430	\$ 214,496	\$ 252,926	\$ 194,402
OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 38,430	\$ 214,496	\$ 252,926	\$ 194,402
FUND BALANCE - BEGINNING	298,936	939,806	1,238,742	1,044,340
FUND BALANCE - ENDING	\$ 337,366	\$ 1,154,302	\$ 1,491,668	\$ 1,238,742

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

GOVERNMENTAL FUNDS
GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND				SPECIAL REVENUE FUND			
	1998		Variance Favorable (Unfavorable)	1997	1998		Variance Favorable (Unfavorable)	1997
(Amended June, 1998) Budget	Actual	(Memo- random Only)		(Amended June, 1998) Budget	Actual	(Memo- random Only)		
REVENUES								
Court fees	\$ 206,726	\$ 208,236	\$ 1,510	\$ 198,483	\$ 656,822	\$ 649,209	\$ (7,613)	\$ 599,459
Grant revenue	28,000	28,000		56,000				
Interest income	2,478	12,751	10,273	15,143	48,029	49,385	1,356	35,273
Other income	164	403	239	38	125	2,058	1,933	44
Total revenues	\$ 237,368	\$ 249,390	\$ 12,022	\$ 269,664	\$ 704,976	\$ 700,652	\$ (4,324)	\$ 634,776
EXPENDITURES								
Current								
General government								
Asset expenditures	\$ 33,196	\$ 33,189	\$ 7	\$ 114,064	\$ 20,844	\$ 20,845	\$ (1)	\$ 16,918
City court expense				5,000				
Court reporter	6,690	6,392	298	6,119				
Insurance	4,709	4,142	567	4,503	29,942	31,566	(1,624)	23,188
Internet access	2,881	2,882	(1)	1,457	570	570		
Miscellaneous	1,008	1,006	2	970	862	2,266	(1,404)	945
Office supplies and postage	6,052	6,090	(38)	6,774	19,786	18,919	867	14,127
Payroll taxes	2,993	2,452	541	2,762	5,487	5,076	411	5,808
Professional fees	26,725	26,664	61	17,812	55,300	54,756	544	47,588
Reference materials and dues	2,665	2,613	52	1,742	25,000	22,381	2,619	4,407
Rent	10,090	9,768	322	10,022	35,786	36,467	(681)	31,230
Repairs, maintenance and warranty	14,093	13,692	401	29,209	7,718	8,846	(1,128)	6,630
Retirement	10,358	10,358		10,011	23,449	24,177	(728)	20,005
Salaries	78,839	82,815	(3,976)	76,655	240,744	251,624	(10,880)	216,448
Seminars, meetings, travel and training	16,314	8,282	8,032	22,832	3,785	3,512	273	6,743
Telephone	520	611	(91)	1,198	575	575		547
Utilities		4	(4)		4,500	4,576	(76)	4,324
Total expenditures	\$ 217,133	\$ 210,960	\$ 6,173	\$ 311,130	\$ 474,348	\$ 486,156	\$ (11,808)	\$ 398,908
EXCESS OF REVENUES OVER EXPENDITURES	\$ 20,235	\$ 38,430	\$ 18,195	\$ (41,466)	\$ 230,628	\$ 214,496	\$ (16,132)	\$ 235,868
OTHER FINANCING SOURCES								
Operating transfers in	\$	\$	\$	\$	\$	\$	\$	\$
Operating transfers out								
Total other financing sources (uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 20,235	\$ 38,430	\$ 18,195	\$ (41,466)	\$ 230,628	\$ 214,496	\$ (16,132)	\$ 235,868
FUND BALANCE - BEGINNING	298,936	298,936		340,402	939,806	939,806		703,938
FUND BALANCE - ENDING	\$ 319,171	\$ 337,366	\$ 18,195	\$ 298,936	\$ 1,170,434	\$ 1,154,302	\$ (16,132)	\$ 939,806

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fourth Judicial District Court, General Fund (Judicial Expense Fund), was created under the Act No. 52 of 1984, effective on the 60th day after final adjournment of the 1984 legislative session of the State of Louisiana. The effective date of funding was set on November 1, 1984.

The purpose of the fund is to provide sufficient funding to expedite efficient operation of the court. In general, the fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration of the court.

The Fourth Judicial District Court, Special Revenue Fund (Child Support), authority was created under the Act No. 517 of 1986, effective within one year after final adjournment of the 1986 legislative session of the State of Louisiana. In accordance with Louisiana Revised Statutes, § 46: 236.5 the Fourth Judicial District Court implemented this process beginning November 1, 1990.

The purpose of the fund is to provide an expedited process for establishment and enforcement of support obligations which are brought by the Department of Health and Human Resources. Revenues are to be expended to administer the proceedings related to the expedited process.

The Fourth Judicial District Court, Special Revenue Fund (Misdemeanor Probation), authority was created under the Louisiana Code of Criminal Procedure Article 895.1C. The Fourth Judicial District Court issued an order signed en banc February 26, 1993 implementing this process.

The purpose of the fund is to provide misdemeanor probation services by collecting monthly fines for establishment and enforcement of the probationary period. Revenues are to be expended to administer the proceedings related to the probation process.

The accounting and reporting policies of the Fourth Judicial Court, Judicial Expense Fund conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, the industry audit guide, Audits of State and Local Governmental Units; Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and/or, where applicable, Public Law 98-502, the Single Audit Act of 1996, and OMB Circular A-133.

The following is a summary of certain significant accounting policies:

FINANCIAL REPORTING ENTITY: This report includes the General Fund (Judicial Expense Fund), Special Revenue Funds (Child Support Fund and Misdemeanor Probation Fund), Agency Funds, and Account Group (General Fixed Assets), which are controlled by the Fourth Judicial District Court (Chief Judge and Judges) but determined to be a component unit of the Ouachita Parish Police Jury. The Ouachita Parish Police Jury has significant control over the Judicial Expense Fund in the area of necessary capital outlay. The Ouachita Parish Police Jury would present this component unit in a discreet presentation format if it were included in their financial statements. The funds and account group are administered by the Court Administrator.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FUND ACCOUNTING: The accounts of the Fourth Judicial District Court, Judicial Expense Fund are organized on the basis of funds and account groups, each of which is considered a separate accounting entity, if applicable. 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 individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds and account group in the financial statements are as follows:

Governmental Funds

General Fund (Judicial Expense Fund)

The General Fund is the general operating fund of the Fourth Judicial District Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are Special Revenue Funds of Fourth Judicial District Court:

Child Support Fund - The purpose of this fund is to provide an expedited process for the establishment and enforcement of support obligations which are brought by the Department of Health and Human Resources. Revenues are to be expended to administer the proceedings related to the expedited process.

Misdemeanor Probation Fund - The purpose of this fund is to administer supervised probation for misdemeanor charges. Revenues are to be expended to administer the proceedings related to the enforcement and monitoring misdemeanor probation.

Fiduciary Funds

Agency Funds

The Agency Funds are accounts with assets held by the Fourth Judicial District Court on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Child Support - Department of Health and Human Resources Fund. The purpose of this fund is to provide an expedited process for the establishment and enforcement of support obligations which are brought by the Department of Health and Human Resources. Receipts less a fee, determined by law, are remitted daily to the Department of Health and Human Resources, State of Louisiana.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fiduciary Funds (Cont'd)

Agency Funds

Misdemeanor Probation - Indigent Defender Board Fund. The purpose of this fund is to administer supervised probation for misdemeanor charges. Receipts on behalf of the Indigent Defender Board are remitted daily to the Indigent Defender Board, Fourth District Court.

Misdemeanor Probation - Fines Fund. The purpose of this fund is to administer supervised probation for misdemeanor charges. Receipts on behalf of the Ouachita Parish Sheriff's Office are remitted daily to the Ouachita Parish Sheriff's Office. Receipts on behalf of the Morehouse Parish Sheriff's Office are remitted daily to the Morehouse Parish Sheriff's Office.

Misdemeanor Probation - Restitution Fund. The purpose of this fund is to administer supervised probation for misdemeanor charges. Receipts on behalf of third parties regarding court ordered restitution are remitted daily to various recipients designated by court record.

Account Group

General Fixed Asset Account Group

The accounting and recording treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

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. The Fourth Judicial District Court has elected to capitalize office furnishings and equipment, courtroom equipment and security equipment. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost.

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

BASIS OF ACCOUNTING: The Fourth Judicial District Court utilizes the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

BUDGETS AND BUDGETARY ACCOUNTING: The Fourth Judicial District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Court Administrator prepares a proposed budget for the General Fund and each Special Revenue Fund and submits same to the Chief Judge, prior to the beginning of each fiscal year.
2. The Chief Judge, Fourth Judicial District Court, signs written approval of the budgets.
3. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Chief Judge.
4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General Fund (Judicial Expense Fund), and Special Revenue Funds (Child Support Fund and Misdemeanor Probation Fund), are adopted on a basis consistent with generally accepted accounting principles (GAAP).

BUDGET VARIANCE: The significant variation of actual expenses in the areas of asset expenditures, payroll related expenses, office supplies, computer programming, and repairs were primarily due to the uncertainties of budgeting a new fund (Misdemeanor Probation Fund) without historical data concerning its operation and funding source. The Chief Judge and Judges were aware of the variances and approved the additional expenses.

CASH AND CASH EQUIVALENTS: Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts, and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

INTERFUND RECEIVABLES/PAYABLES: Short-term interfund loans are classified as interfund receivables/payables.

PREPAID ITEMS: Advance payments for rent are expensed as the period lapses. The balance in prepaid expense represents advance rent payments due to expire during the subsequent month.

COMPENSATED ABSENCES: The Fourth Judicial District Court accrues compensated absence expense based on unused vacation available to employees as of the last day of the fiscal year. Effective January 1, 1997, unused vacation will be accumulated, therefore all of the accrued compensated absence is recognized as a current year expenditure in the governmental funds. Accumulated sick leave is non-compensable, therefore, no provision has been made for unused sick leave.

FUND EQUITY: Designated fund balances represent tentative plans for future use of financial resources.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INTERFUND TRANSACTIONS: Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

TOTAL COLUMNS ON COMBINED STATEMENTS: Total columns on the combined statements are captioned "Total (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.

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 Fourth Judicial District Court's financial position and operations. However, comparative (ie., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2 EXPENDITURES - ACTUAL AND BUDGET

The Child Support Fund and the Misdemeanor Probation Fund had exceeded their total actual expenses over total budgeted expenses for the year ended June 30, 1998 by \$13,455, and \$2,677 respectively. Expenses that exceeded budgeted amounts by over (5%) five percent within the government funds were as follows:

	<u>Budgeted</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
General Fund (Judicial Expense Fund)			
Insurance	\$ 4,709	\$ 4,142	\$ 567
Payroll taxes	2,993	2,452	541
Salaries	78,839	82,815	(3,976)
Seminars, meetings, travel and training	16,314	8,282	8,032
Telephone	520	611	(91)
Special Revenue Funds (Child Support and Misdemeanor Probation Funds)			
Insurance	\$ 29,942	\$ 31,566	\$ (1,624)
Miscellaneous	862	2,266	(1,404)
Payroll taxes	5,487	5,076	411
Reference materials and dues	25,000	22,381	2,619
Repairs, maintenance and warranty	7,718	8,846	(1,128)
Seminars, meetings, travel and training	3,785	3,512	273

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 2 EXPENDITURES - ACTUAL AND BUDGET (Cont'd)

The Unfavorable variances for the current period were due to the uncertainties involved with budgeting. The Chief Judge and Judges were aware of the variances and approved the additional expenses.

NOTE 3 CASH AND CASH EQUIVALENTS

At June 30, 1998, the Fourth Judicial District Court had cash and cash equivalents (book balances) totaling \$1,503,509 as follows:

Interest-bearing demand deposits	\$ 322,790
Money market accounts	60,381
Time deposits	<u>1,120,338</u>
 Total	 <u>\$ 1,503,509</u>

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 the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 1998, the Fourth Judicial District Court had \$1,629,256 in deposits (collected bank balances). These deposits are secured from risk by \$870,000 of federal deposit insurance and \$1,119,750 of pledged securities held by the bank's agent in the name of the bank. (GASB Category 3)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the securities within 10 days of being notified by the Fourth Judicial District Court that the fiscal agent has failed to pay deposited funds upon demand.

The Fourth Judicial District Court was in non-compliance with the Louisiana Revised Statute by \$26,509 and \$77,199 in uncollateralized deposits as of June 30, 1998 and July 1, 1996, respectively. Subsequently, additional collateral was pledged and the Court, as of June 30, 1997 and November 20, 1998, were currently in compliance with the statute.

NOTE 4 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

	June 30,	
	<u>1998</u>	<u>1997</u>
General Fund		
Judicial Expense Fund		
Court fees - Ouachita Parish, State of Louisiana	\$ 11,710	\$ 9,775
Court fees - Morehouse Parish, State of Louisiana	2,461	2,389
Travel expense reimbursement - Justice Department, State of Louisiana	<u>1,955</u>	<u>13,819</u>
 Totals	 <u>\$ 16,126</u>	 <u>\$ 25,983</u>

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 5 FIXED ASSETS

Property and equipment of all funds are stated at historical cost. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated.

Assets purchased under the FINS Grant Program (see Note 12) are currently being accounted for in the General Fixed Asset Account Group. However, under the provisions of the Grant contracts the assets are the property of the State of Louisiana. The State of Louisiana has instructed the Fourth Judicial District Court, Judicial Expense Fund to maintain control and ownership. The State of Louisiana, Office of Social Services retains reversioning rights in those assets. The total amount of assets purchased under this program during the years ended June 30, 1998 and 1997 were \$4,825 and \$2,272, respectively.

A summary of changes in general fixed assets follows:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Equipment and furnishings				
Office	\$ 341,825	\$ 48,767	\$ (83)	\$ 390,509
Courtroom	30,252	5,269	0	35,521
Security	4,550	0	0	4,550
	<u>\$ 376,627</u>	<u>\$ 54,036</u>	<u>\$ (83)</u>	<u>\$ 430,580</u>

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Equipment and furnishings				
Office	\$ 246,470	\$ 118,253	\$ (22,889)	\$ 341,825
Courtroom	17,523	12,729	0	30,252
Security	4,550	0	0	4,550
	<u>\$268,543</u>	<u>\$ 130,982</u>	<u>\$ (22,889)</u>	<u>\$ 376,627</u>

NOTE 6 PENSION PLANS

Plan Description. Many employees of the Court are members of the Louisiana State Employees' Retirement System (LASERS), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The LASERS provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. Benefits granted by the LASERS are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana State Employees' Retirement, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504) 922-0600.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 6 PENSION PLANS (Cont'd)

Funding Policy. Plan members of the Court are required by state statute to contribute 7.5 percent of their annual covered salary and the Court (employer) is required to contribute at an actuarially determined rate. The current employer rate is 13.0 and 12.0 percent of annual covered payroll as of June 30, 1998 and 1997, respectively. The contribution requirements of plan members and the Court are established and may be amended by state statute. As provided by state statute, 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 Court's employer contributions to the LASERS for the years ending June 30, 1998, 1997, and 1996, were \$20,346, \$19,361, and \$17,467, respectively, equal to the required contributions for each year.

Other Plan Description. The employees that are not members of LASERS are members of the Parochial Employees' Retirement System of Louisiana (System), a multiple-employer (cost-sharing), Public Employee Retirement System (PERS), controlled and administered by a separate board of trustees. This System is composed of two distinct plans, Plan A and Plan B with separate assets and benefit provisions. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (504) 928-1361

Other Plan Funding Policy. To this system plan members are required to contribute 9.5 percent of their annual covered salary and this court reimburses the primary government, the Ouachita Parish Police Jury for retirement contributions at actuarially determined rates made into the System. The current employer rate is 7.6 percent of annual covered payroll. The Court reimbursed \$10,732, \$8,565, and \$6,587 to the Ouachita Parish Police Jury for contributions to the System during the years ending June 30, 1998, 1997 and 1996, respectively, as its share of contributions, equal to the required contributions for each year.

NOTE 7 DUE TO OTHER GOVERNMENTAL UNITS

Accounts due to other governmental units consist of the following:

	June 30,	
	1998	1997
General Fund		
Judicial Expense Fund		
Ouachita Parish Police Jury - State of Louisiana	\$ 272	\$ 27,716
Morehouse Parish Police Jury - State of Louisiana	606	
Louisiana State Employee's Retirement System	1,058	
Total General Fund	\$ 1,936	\$ 27,716
Special Revenue Funds		
Child Support Fund		
Ouachita Parish Police Jury - State of Louisiana	\$ 1,218	\$ 371
Morehouse Parish Clerk of Court - State of Louisiana	4,787	
Louisiana State Employee's Retirement System	344	
Misdemeanor Probation Fund		
Ouachita Parish Police Jury - State of Louisiana	5,805	5,454
Total Special Revenue Funds	\$ 12,154	\$ 5,825

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 8 COMPENSATED ABSENCES

At June 30, 1998, employees of the Fourth Judicial District Court have accumulated and vested \$8,206 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$1,726 is recorded as an obligation of the General Fund and \$6,480 is recorded as an obligation of the Special Revenue Funds.

At June 30, 1997, employees of the Fourth Judicial District Court had accumulated and vested \$7,760 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$1,721 is recorded as an obligation of the General Fund and \$6,039 is recorded as an obligation of the Special Revenue Funds.

NOTE 9 COMMITMENTS

The Fourth Judicial District Court has operating leases as follows:

Special Revenue Funds

Child Support Fund: On March 10, 1994 the Fourth Judicial District Court agreed to sublease from the Ouachita Parish Police Jury a noncancellable operating lease primarily for courtroom and office space. The lease may be canceled in the event of a lack of funding. They also entered into a cancellable operating lease for parking space adjacent to this courtroom. Rental expense under these operating lease agreements was \$15,600 and \$15,600 during fiscal years ending June 30, 1998 and 1997, respectively. The leases expire December 31, 1998.

Misdemeanor Probation Fund: On April 28, 1995, the Fourth Judicial District Court agreed to sublease from the Ouachita Parish Police Jury a noncancellable operating lease for office space. The lease term is for twelve (12) months, commencing May 1, 1997 and ending April 30, 1998. An option to renew this lease and extend same for a one (1) year period after the termination of the primary term was not exercised as of June 30, 1998. From May 1, 1997 until August 1, 1998, the lease was on a month to month basis for the same office space. On July 18, 1997 the Fourth Judicial District Court agreed to sublease from the Ouachita Parish Policy Jury a noncancellable operating lease for office space. The lease term is for twelve (12) months, commencing August 1, 1997 and ending July 31, 1999. An option to renew this lease and extend same for a one (1) year period is available after the termination of the primary term. Rental expense under these operating lease agreements was \$13,525 and \$10,500 during fiscal years ending June 30, 1998 and 1997, respectively.

The minimum annual commitments under noncancellable operating leases are as follows:

Special Revenue Fund

Year Ending <u>June 30,</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>
1999	\$ 7,800	\$ 1,150
2000		
Total	<u>\$ 7,800</u>	<u>\$ 1,150</u>

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 10 CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Agency Funds:				
Child Support Fund				
Department of Health and Human Resources, Monroe, Louisiana	\$ 0	\$ 7,602,370	\$ 7,602,370	\$ 0
Misdemeanor Probation Fund				
Ouachita Parish Sheriff's Department, Monroe, Louisiana	0	5,731	5,701	30
Morehouse Parish Sheriff's Department, Bastrop, Louisiana	0	1,351	1,351	0
Indigent Defender Board, Monroe, Louisiana	10	12,358	12,328	40
Restitution Recipients, Fourth District, State of Louisiana	137	38,675	37,834	978
	<u>\$ 147</u>	<u>\$ 7,660,485</u>	<u>\$ 7,659,584</u>	<u>\$ 1,048</u>

NOTE 11 JOINT VENTURES

The Child Support Fund has entered into agreements with the Ouachita Parish Police Jury, Ouachita Clerk of Court, and the Morehouse Clerk of Court for reimbursement of salaries, payroll taxes, group insurance, retirement and workman's compensation related to employees. The Misdemeanor Probation Fund has also entered into agreements with the Ouachita Parish Police Jury for reimbursement of salaries, payroll taxes, group insurance, retirement and workman's compensation related to employees. The Fourth Judicial District Court, Child Support Fund, and Misdemeanor Probation Fund have also entered into agreements with the Ouachita Parish Police Jury to reimburse them for rents (see Note 10 - Commitments). As the Fourth Judicial District Court, Child Support Fund, and Misdemeanor Probation Fund reimburses the other governmental units, the appropriate expense accounts are debited and reflected in the financial statements. The Ouachita Parish Clerk of Court's Office also bills the Child Support Fund one dollar per case filed by that office to reimburse it for costs directly related to the Child Support enforcement program included in these financial statements as a special revenue fund.

NOTE 12 GRANT PROGRAM

The Fourth Judicial District Court, Judicial Expense Fund, has entered into a contract with the Office of Community Services, State of Louisiana under the "Families In Need of Services Program" (FINS) certified by Chief Judge James H. Boddie, Jr. on March 19, 1996. The contract was approved August 7, 1996 for the period beginning January 1, 1997 until December 31, 1997 for \$28,000. The Court agreed to furnish the administration and implementation of Families In Need of Services, Title VII of the Louisiana Children's Code, within the Fourth Judicial District, State of Louisiana.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 12 GRANT PROGRAM (Cont'd)

The Fourth Judicial District Court, Judicial Expense Fund, has entered into another contract with the Office of Community Services, State of Louisiana under the "Families In Need of Services Program" (FINS) certified by Chief Judge for \$28,000. The contract was approved and funded for the period beginning January 1, 1998 until December 31, 1998.

The total expenditures of the Fourth Judicial District Court, Judicial Expense Fund related to these programs was \$22,336 and \$17,880 for the fiscal years ended June 30, 1998 and 1997, respectively.

NOTE 13 YEAR 2000 (Y2K) COMPLIANT DISCLOSURE - UNAUDITED

Statement: Year 2000 Compliancy Plan - The Court is fully aware of the problems that will arise from non-year 2000 compliant computers and software. Within the past two years, most of the computers in use by the Court have been upgraded with newer computers and operating systems. Fortunately, this upgrade comes at a time when the year 2000 problem can be resolved at the same time. This can be achieved by selecting only year 2000 certified computers and software systems during this upgrade.

Hardware: Certified as Compliant

Servers - The server for the courthouse is a COMPAQ Proliant 2500 Server with Microsoft NT Server operating system. The server for the Probation Office and Drug Court is also a COMPAQ computer with Microsoft NT Workstation operating system. All hardware and software is certified year 2000 compliant by COMPAQ and Microsoft.

Judges and Their Secretaries - Currently using COMPAQ computers that are certified to be year 2000 compliant as of October 7, 1997.

Court Administrator - Recently purchased new Micron computer system which is compliant.

Probation Office - Currently using COMPAQ computers that are certified to be year 2000 compliant as of October 7, 1997.

Drug Court - Recently purchased new COMPAQ computers that are certified to be year 2000 compliant as of October 7, 1997.

Hardware: Compliancy Not Yet Determined

Deputy Clerks (2); Child Support (2); Law Clerks (4) - These computers were upgraded by replacing the motherboard with the newer Pentium Processor. Year 2000 compliancy is still to be determined.

Morehouse Secretaries (2) - The Morehouse Parish secretaries are using Dell Computers that were purchased four years ago. Year 2000 compliancy is still to be determined.

Hardware: Non-Compliant

Court Reporters - Currently using older, non-compliant 386 and 486 computers. Total replacement of all computers is planned for mid-1999 to correct the problem.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 13 YEAR 2000 (Y2K) COMPLIANT DISCLOSURE - UNAUDITED (Cont'd)

Operating Systems: Compliant

Operating System - The operating system installed on most personal computers is Microsoft Windows 95, with the exception of some computers that came with Microsoft Windows NT Workstation already installed.

Desktop Applications: Compliant

Word Processing - The desktop application used is the Microsoft Office Suite of Products, including Excel, Access and Word, certified by Microsoft to be year 2000 compliant.

E-Mail - The server based messaging system used is the Microsoft Exchange Server and the client e-mail package is Microsoft Outlook, both are certified by Microsoft to be year 2000 compliant.

Application Software: Not Yet Determined To Be Compliant

Accounting - There are currently two accounting systems that are used by the Court. All bills are paid using the QUICKEN software system and payroll checks are generated using the CERTIFLEX system. It is anticipated that both packages are, or have upgrades, to become year 2000 compliant with very little difficulty.

Probation Office - The LOTUS APPROACH package is used to manage the Probation Office database. An upgrade is currently available that will achieve year 2000 compliancy.

Custom Software: Not Yet Determined To Be Compliant

Child Support; Felony Management; Case Management - These three applications were developed by a local programmer and are not yet certified to be year 2000 compliant. Upgrades to the database system have been purchased and the original contract programmer has been notified that the software must be made to be year 2000 compliant. Any changes that have to be made to the software should be completed by the end of the first quarter of 1999.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1998**

**COMPONENT UNIT FINANCIAL STATEMENTS OF
INDIVIDUAL FUND AND ACCOUNT GROUPS**

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1998**

**GENERAL FUND
(JUDICIAL EXPENSE FUND)**

To account for resources traditionally associated with government which are not required to be accounted for in another fund.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA
 GENERAL FUND

SUPPLEMENTAL INFORMATION SCHEDULES
 COMPARATIVE BALANCE SHEETS
 June 30, 1998 and 1997

ASSETS

	<u>1998</u>	<u>1997 (Memorandum Only)</u>
Cash-in-bank	\$ 328,347	\$ 310,333
Due from other governmental units	16,126	25,983
Total assets	<u>\$ 344,473</u>	<u>\$ 336,316</u>

LIABILITIES AND FUND EQUITY

LIABILITIES:

Accrued and other liabilities	\$ 3,194	\$ 7,897
Due to State of Louisiana Group Benefits Plan (insurance withheld)	251	46
Due to other governmental units (payroll taxes and overpaid court fees)	1,936	27,716
Compensated absences payable	<u>1,726</u>	<u>1,721</u>
Total liabilities	<u>\$ 7,107</u>	<u>\$ 37,380</u>

FUND BALANCE - UNRESERVED:

Undesignated	\$ 293,053	\$ 219,871
Designated	<u>44,313</u>	<u>79,065</u>
Total fund equity	<u>\$ 337,366</u>	<u>\$ 298,936</u>
Total liabilities and fund equity	<u>\$ 344,473</u>	<u>\$ 336,316</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND TYPE (JUDICIAL EXPENSE FUND) - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998

With Comparable Actual Amounts For Year Ended June 30, 1997

	1998			1997
	(Amended June, 1998) Budget	Actual	Variance - Favorable (Unfavorable)	(Memo- random Only)
REVENUES				
Court fees - Ouachita Parish	\$ 171,905	\$ 173,195	\$ 1,290	\$ 163,450
- Morehouse Parish	34,821	35,041	220	35,033
Grant revenue	28,000	28,000		56,000
Interest income	2,478	12,751	10,273	15,143
Other income	164	403	239	38
Total revenues	<u>\$ 237,368</u>	<u>\$ 249,390</u>	<u>\$ 12,022</u>	<u>\$ 269,664</u>
EXPENDITURES				
Current				
General government				
Assets expenditures	\$ 33,196	\$ 33,189	\$ 7	\$ 114,064
City court expense				5,000
Court reporter costs	6,690	6,392	298	6,119
Insurance expense	4,709	4,142	567	4,503
Internet access	2,881	2,882	(1)	1,457
Miscellaneous	1,008	1,006	2	970
Office supplies and postage	6,052	6,090	(38)	6,774
Payroll taxes	2,993	2,452	541	2,762
Professional fees	26,725	26,664	61	17,812
Reference materials and dues	2,665	2,613	52	1,742
Rent - equipment	10,090	9,768	322	10,022
Repair, maintenance, and warranty	14,093	13,692	401	29,209
Retirement expense	10,358	10,358		10,011
Salaries	78,839	82,815	(3,976)	76,655
Seminars, meetings, travel and training	16,314	8,282	8,032	22,832
Telephone and utility expense	520	615	(95)	1,198
Total expenditures	<u>\$ 217,133</u>	<u>\$ 210,960</u>	<u>\$ 6,173</u>	<u>\$ 311,130</u>
(DEFICIT) EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 20,235</u>	<u>\$ 38,430</u>	<u>\$ 18,195</u>	<u>\$ (41,466)</u>
OTHER FINANCING SOURCES				
Operating transfers in	\$	\$	\$	\$
Operating transfers out				
Total other financing sources (uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
(DEFICIT) EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 20,235</u>	<u>\$ 38,430</u>	<u>\$ 18,195</u>	<u>\$ (41,466)</u>
FUND BALANCE - BEGINNING	<u>298,936</u>	<u>298,936</u>		<u>340,402</u>
FUND BALANCE - ENDING	<u>\$ 319,171</u>	<u>\$ 337,366</u>	<u>\$ 18,195</u>	<u>\$ 298,936</u>

The accompanying notes are an integral part of this statement.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
As of And For the Year Ended June 30, 1998**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULE
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEETS

June 30, 1998

With Comparable Year Actual Amounts for June 30, 1997

	1998			1997
	Child Support Fund	Misde- meanor Probation Fund	Total	Total (Memo- random Only)
ASSETS				
Assets:				
Cash and cash equivalents	\$ 812,615	\$ 361,499	\$ 1,174,114	\$ 952,817
Accounts Receivables - Fees	4,114		4,114	4,114
Prepaid expenses and deposits	1,079		1,079	888
Due from Misdemeanor Probation	765		765	
Total assets	<u>\$ 818,573</u>	<u>\$ 361,499</u>	<u>\$ 1,180,072</u>	<u>\$ 957,819</u>
LIABILITIES				
Liabilities:				
Accounts and other payables	\$ 4,982	\$ 1,389	\$ 6,371	\$ 6,149
Due to other governmental units	6,349	5,805	12,154	5,825
Compensated absences	2,467	4,013	6,480	6,039
Due to Child Support Fund		765	765	
Total liabilities	<u>\$ 13,798</u>	<u>\$ 11,972</u>	<u>\$ 25,770</u>	<u>\$ 18,013</u>
Fund Equity:				
Fund balances				
Unreserved				
Undesignated	\$ 804,775	\$ 349,527	\$ 1,154,302	\$ 819,007
Designated				120,799
TOTAL FUND EQUITY	<u>\$ 804,775</u>	<u>\$ 349,527</u>	<u>\$ 1,154,302</u>	<u>\$ 939,806</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 818,573</u>	<u>\$ 361,499</u>	<u>\$ 1,180,072</u>	<u>\$ 957,819</u>

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 1998
With Comparable Year Actual Amounts
For The Year Ended June 30, 1997

	1998			1997
	Child Support Fund	Misde-meanor Probation Fund	Total	Total (Memorandum Only)
REVENUES				
Court fees	\$ 367,486	\$ 281,723	\$ 649,209	\$ 599,459
Interest income	36,502	12,883	49,385	35,273
Other income	2,058		2,058	44
Total revenues	<u>\$ 406,046</u>	<u>\$ 294,606</u>	<u>\$ 700,652</u>	<u>\$ 634,776</u>
EXPENDITURES				
Current				
General government				
Asset expenditures	\$ 7,129	\$ 13,716	\$ 20,845	\$ 16,918
Insurance	14,679	16,887	31,566	23,188
Internet access	570	0	570	0
Miscellaneous	1,386	880	2,266	945
Office supplies and postage	12,191	6,728	18,919	14,127
Payroll taxes	3,160	1,916	5,076	5,808
Professional fees	46,156	8,600	54,756	47,588
Reference materials and dues	11,763	10,618	22,381	4,407
Rent	20,430	16,037	36,467	31,230
Repairs, maintenance, and warranty	6,506	2,340	8,846	6,630
Retirement	14,350	9,827	24,177	20,005
Salaries	123,384	128,240	251,624	216,448
Seminars, meetings, travel and training	563	12	575	6,743
Telephone	2,176	1,336	3,512	547
Utilities	4,576		4,576	4,324
Total expenditures	<u>\$ 269,019</u>	<u>\$ 217,137</u>	<u>\$ 486,156</u>	<u>\$ 398,908</u>
EXPENDITURES (DEFICIT) OF REVENUES OVER EXPENDITURES	<u>\$ 137,027</u>	<u>\$ 77,469</u>	<u>\$ 214,496</u>	<u>\$ 235,868</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$	\$	\$	\$
Operating transfers out				
Total other financing sources (uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 137,027</u>	<u>\$ 77,469</u>	<u>\$ 214,496</u>	<u>\$ 235,868</u>
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	<u>667,748</u>	<u>272,058</u>	<u>939,806</u>	<u>703,938</u>
FUND BALANCES (DEFICIT) AT END OF YEAR	<u>\$ 804,775</u>	<u>\$ 349,527</u>	<u>\$ 1,154,302</u>	<u>\$ 939,806</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 SPECIAL REVENUE FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL - BY FUND
 YEAR ENDED JUNE 30, 1998
 WITH COMPARABLE ACTUAL AMOUNTS FOR YEAR ENDED JUNE 30, 1997

	CHILD SUPPORT FUND				MISDEMEANOR PROBATION FUND				TOTAL SPECIAL REVENUE FUNDS			
	1998		1997		1998		1997		1998		1997	
	(Amended June 15, 1998) Budget	Variance Favorable (Unfavorable)	(Memo- random Only)	(Amended June 15, 1998) Budget	Actual	Variance Favorable (Unfavorable)	(Memo- random Only)	Budget	Actual	Variance Favorable (Unfavorable)	(Memo- random Only)	
REVENUES												
Court fees	\$ 374,647	\$ (7,161)	\$ 333,107	\$ 282,175	\$ 281,723	\$ (452)	\$ 266,352	\$ 656,822	\$ 649,209	\$ (7,613)	\$ 599,459	
Interest income	36,009	493	28,147	12,020	12,883	863	7,126	48,029	49,385	1,356	35,273	
Other income	125	1,933	44					125	2,058	1,933	44	
Total revenues	\$ 410,781	\$ (4,735)	\$ 361,298	\$ 294,195	\$ 294,606	\$ 411	\$ 273,478	\$ 704,976	\$ 700,652	\$ (4,324)	\$ 634,776	
EXPENDITURES												
Current												
General government												
Asset expenditures												
Insurance	\$ 7,129	\$ (128)	\$ 11,139	\$ 13,715	\$ 13,716	\$ (1)	\$ 5,779	\$ 20,844	\$ 20,845	\$ (1)	\$ 16,918	
Internet access	14,551	570	9,228	15,391	16,887	(1,496)	13,960	29,942	31,566	(1,624)	23,188	
Miscellaneous	570	(756)	867	232	880	78	78	570	570		945	
Office supplies	630	595	7,716	7,000	6,728	(648)	6,411	862	2,266	(1,404)	14,127	
Payroll taxes	12,786	559	4,287	1,768	1,916	272	1,521	19,786	18,919	867	5,808	
Professional fees	3,719	44	20,901	9,100	8,600	(148)	26,687	5,487	5,076	411	47,588	
Reference materials	46,200							55,300	54,756	544		
and dues	12,500	737	2,288	12,500	10,618	500	2,119	25,000	22,381	2,619	4,407	
Rent	20,173	(257)	18,607	15,613	16,037	1,882	12,623	35,786	36,467	(681)	31,230	
Repairs, maintenance and												
warranty	5,521	(985)	5,375	2,197	2,340	(424)	1,255	7,718	8,846	(1,128)	6,630	
Retirement	14,233	(117)	12,230	9,216	9,827	(143)	7,775	23,449	24,177	(728)	20,005	
Salaries	115,008	(8,376)	109,530	125,736	128,240	(611)	106,918	240,744	251,624	(10,880)	216,448	
Seminars, meetings,												
travel and training	2,216	40	6,245	1,569	1,336	(2,504)	498	3,785	3,512	273	6,743	
Telephone	563		547	12	12	233		575	575		547	
Utilities	4,500	(76)	4,324					4,500	4,576	(76)	4,324	
Total expenditures	\$ 260,299	\$ (8,720)	\$ 213,284	\$ 214,049	\$ 217,137	\$ (3,088)	\$ 185,624	\$ 474,348	\$ 486,156	\$ (11,808)	\$ 398,908	
EXCESS OF REVENUES OVER EXPENDITURES	\$ 150,482	\$ 137,027	\$ 148,014	\$ 80,146	\$ 77,469	\$ (2,677)	\$ 87,854	\$ 230,628	\$ 214,496	\$ (16,132)	\$ 235,868	
OTHER FINANCING SOURCES												
Operating transfers in	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Operating transfers out	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Totals	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 150,482	\$ 137,027	\$ 148,014	\$ 80,146	\$ 77,469	\$ (2,677)	\$ 87,854	\$ 230,628	\$ 214,496	\$ (16,132)	\$ 235,868	
FUND BALANCE - BEGINNING	667,748	667,748	519,734	272,058	272,058	184,204	939,806	939,806	939,806	703,938		
FUND BALANCE - ENDING	\$ 818,230	\$ 804,775	\$ 667,748	\$ 352,204	\$ 349,527	\$ (2,677)	\$ 272,058	\$ 1,170,434	\$ 1,154,302	\$ (16,132)	\$ 939,806	

The accompanying notes are an integral part of this statement.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 1998**

**FIDUCIARY FUNDS
(AGENCY FUNDS)**

To account for assets held by the Fourth Judicial District Court, Judicial Expense Fund on behalf of others as their agent.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA
 AGENCY FUNDS

SUPPLEMENTAL INFORMATION SCHEDULES
 COMBINING BALANCE SHEET
 JUNE 30, 1998

	Department of Health and and Human Resources Fund	Misdemeanor Probation Fine Fund	Indigent Defender Board Fund	Misdemeanor Probation Restitution Fund	Total
ASSETS					
Cash and cash equivalents	\$ 0	\$ 30	\$ 40	\$ 978	\$ 1,048
Total Assets	\$ 0	\$ 30	\$ 40	\$ 978	\$ 1,048
LIABILITIES AND FUND EQUITY					
Liabilities:					
Deposits due others	\$ 0	\$ 30	\$ 40	\$ 978	\$ 1,048
Total Liabilities	\$ 0	\$ 30	\$ 40	\$ 978	\$ 1,048
Fund Equity - fund balances:					
Unreserved - undesignated	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fund Equity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities and Fund Equity	\$ 0	\$ 30	\$ 40	\$ 978	\$ 1,048

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA
 AGENCY FUNDS

SUPPLEMENTAL INFORMATION SCHEDULES
 SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS
 For The Year Ended June 30, 1998
 With Comparable Actual Amounts For Year Ended June 30, 1997

	Department of Health and Human Resources Fund	Misdemeanor Probation Fines Fund	Indigent Defender Board Fund	Misdemeanor Probation Restitution Fund	Total	1997 Total (Memorandum Only)
DEPOSIT BALANCES AT BEGINNING OF YEAR	\$ 0	\$ 0	\$ 10	\$ 137	\$ 147	\$ 25
ADDITIONS						
Child support payments collected for Department of Health and Human Resources	\$ 7,602,370				\$ 7,602,370	\$ 6,888,853
Fines collected for Fourth District		7,082			7,082	6,859
Indigent Defender Board fees collected for Fourth District			12,358		12,358	7,173
Restitution payments collected for court ordered distribution				38,675	38,675	29,003
Total additions	\$ 7,602,370	\$ 7,082	\$ 12,358	\$ 38,675	\$ 7,660,485	\$ 6,931,888
Total	\$ 7,602,370	\$ 7,082	\$ 12,368	\$ 38,812	\$ 7,660,632	\$ 6,931,913
REDUCTIONS						
Disbursements to Department of Health and Human Resources	\$ 7,602,370				\$ 7,602,370	\$ 6,888,853
Disbursements to Ouachita Parish Sheriff's Office		5,701			5,701	5,666
Disbursements to Morehouse Parish Sheriff's Office		1,351			1,351	1,193
Disbursements to Indigent Defender Board			12,328		12,328	7,163
Disbursements of Restitution to Court Ordered Recipients				37,834	37,834	28,891
Total reductions	\$ 7,602,370	\$ 7,052	\$ 12,328	\$ 37,834	\$ 7,659,584	\$ 6,931,766
DEPOSIT BALANCES AT END OF YEAR	\$ 0	\$ 30	\$ 40	\$ 978	\$ 1,048	\$ 147

The accompanying notes are an integral part of this statement.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
As of And For The Year Ended June 30, 1998**

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operation.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
 COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS
 Years Ended June 30, 1998 and 1997

	1998	1997 (Memo- randum Only)
GENERAL FIXED ASSETS - at cost		
Office assets		
- answering machines	\$ 7,438	\$ 7,438
- carpet, curtains and blinds	4,066	4,066
- computers and software	250,336	220,787
- copiers and shredders	8,524	7,361
- dictation machines	1,888	1,888
- electric heaters and other	1,941	1,941
- furniture	64,148	46,176
- telephone facsimile machines	16,129	16,129
- telephones	35,445	35,445
- typewriters	594	594
	<u>\$ 390,509</u>	<u>\$ 341,825</u>
 Courtroom assets		
- computers	\$ 2,476	\$
- juror tapes	5,227	5,227
- mobile carts, chairs, and carpet	3,475	3,475
- televisions, VCRs, recording equipment, and amplifiers	24,343	21,550
	<u>\$ 35,521</u>	<u>\$ 30,252</u>
 Security equipment		
	<u>\$ 4,550</u>	<u>\$ 4,550</u>
 Total security equipment		
	<u>\$ 4,550</u>	<u>\$ 4,550</u>
 Total general fixed assets		
	<u>\$ 430,580</u>	<u>\$ 376,627</u>
 INVESTMENT IN GENERAL FIXED ASSETS		
Property acquired from - general fund	\$ 306,973	\$ 280,879
Property acquired from - special revenue funds	123,607	95,748
	<u>\$ 430,580</u>	<u>\$ 376,627</u>
 Total investment in general fixed assets		
	<u>\$ 430,580</u>	<u>\$ 376,627</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
 JUDICIAL EXPENSE FUND
 MONROE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 Year Ended June 30, 1998

	Office Assets	Courtroom Assets	Security Assets	Total
General Fixed Assets - Beginning of Year	<u>\$ 341,825</u>	<u>\$ 30,252</u>	<u>\$ 4,550</u>	<u>\$ 376,627</u>
Additions:				
General fund	\$ 25,573	\$ 2,793	\$ 0	\$ 28,366
Special revenue funds	<u>23,194</u>	<u>2,476</u>	<u>0</u>	<u>25,670</u>
Total additions	<u>\$ 48,767</u>	<u>\$ 5,269</u>	<u>\$ 4,550</u>	<u>\$ 54,036</u>
Total Balances and Additions	<u>\$ 390,592</u>	<u>\$ 35,521</u>	<u>\$ 4,550</u>	<u>\$ 430,663</u>
Deductions:				
General fund	\$ 0	\$ 0	\$ 0	\$ 0
Special revenue funds	<u>83</u>	<u>0</u>	<u>0</u>	<u>83</u>
Total deductions	<u>\$ 83</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 83</u>
General Fixed Assets - End of Year	<u>\$ 390,509</u>	<u>\$ 35,521</u>	<u>\$ 4,550</u>	<u>\$ 430,580</u>

The accompanying notes are an integral part of this statement.

FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
SCHEDULE OF JUDGES
For The Year Ended June 30, 1998

Chief Judge D. Milton Moore, III

Judge Michael S. Ingram

Judge Robert W. Kostelka

Judge Charles E. Joiner

Judge Benjamin Jones

Judge Carl Van Sharp

Judge Larry Lolley

Judge Alvin Sharp

Judge Marcus Clark

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN AN AUDIT OF COMPONENT
UNIT FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To Honorable D. Milton Moore, III., Chief Judge
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

We have audited the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund, for the year ended June 30, 1998, and have issued our report thereon dated November 20, 1998, which was qualified because insufficient audit evidence exists to support the Fourth Judicial District Court, Judicial Expense Fund's disclosures with respect to the year 2000 issue. Except as discussed in the preceding paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, Louisiana Municipal Audit and Accounting Guide, Audits of State and Local Governmental Units, Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, where applicable, Public Law 98-502, the Single Audit act of 1996, and OMB Circular A-133. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund, for the year ended June 30, 1998, we obtained an understanding of the internal control structure.

With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

The management of the Fourth Judicial District Court, Judicial Expense Fund, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the component unit 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.

Our consideration of the internal structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following reportable condition that we believe to be a material weakness.

The absence of appropriate segregation of duties consistent with control objectives in the area of cash receipts and purchases represent a material weakness and reportable condition in the design of the internal control structure. Consequently, the possibility exists that unintentional errors or irregularities could exist and not be promptly detected.

The court administrator has indicated that due to the size of operations and limited number of employees, corrections are not practical at this time.

GENERAL

This report is intended solely for the use of management and the Louisiana Legislative Auditor's office and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

We acknowledge with appreciation the courtesies extended us during the examination.

MINCHEW, ROBINSON, GARDNER, LANGSTON & BRYAN, CPAS

Minchew, Robinson, Gardner, Langston & Bryan, CPAs

November 20, 1998

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF COMPONENT UNIT
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**To Honorable D. Milton Moore, III., Chief Judge
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana**

We have audited the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund, for the year ended June 30, 1998, and have issued our report thereon dated November 20, 1998, which was qualified because insufficient audit evidence exists to support the Fourth Judicial District Court, Judicial Expense Fund's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Fourth Judicial District Courts, Judicial Expense Fund, is the responsibility of Fourth Judicial District Court, Judicial Expense Fund's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Fourth Judicial District Court, Judicial Expense Fund's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit financial statements was not to provide an opinion on overall compliance with such provisions. 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. In our letter dated November 20, 1998, we reported non-compliance with RS 39:1225.

Louisiana law RS 39:1225 requires adequate collateral be pledge by banks as security for the Fourth District Court Fund balances in various bank accounts with balances exceeding \$100,000 of F.D.I.C. insurance by the Federal government. These were instances at different times when the bank account balances did not have sufficient collateral pledged by the bank during the current fiscal year ended June 30, 1998.

To Honorable D. Milton Moore, III., Chief Judge
Fourth Judicial District Court
Judicial Expense Fund
Page 2

• This noncompliance was also noted in the prior year audit.

• This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

MINCHEW, ROBINSON, GARDNER, LANGSTON AND BRYAN, CPAs

Minchew, Robinson, Gardner, Langston & Bryan, CPAs

Monroe, Louisiana
November 20, 1998

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November 20, 1998

Scott Kadar
Court Administrator
Fourth Judicial District Court
300 St. John
Monroe, LA 71201

RE: Fourth Judicial District Court
Non-compliance response

Dear Mr. Kadar:

During the course of providing audit services for the June 30, 1998 fiscal year of the Fourth Judicial District Court, we found non-compliance with RS 39:1225.

Louisiana law RS 39:1225 requires adequate collateral be pledged by banks as security for the Fourth Judicial District Court Fund balances in various bank accounts. The F.D.I.C. will only insure \$100,000 of funds in any bank. Pledged securities must be federally insured. It is our understanding that U.S. Treasury Notes and Bonds are preferred and that GNMA's are not adequate security. It is our understanding that the bank in question has responded with additional pledged securities.

Thank you for your cooperation in this matter. If you have any questions, please do not hesitate to call. Thank you for this opportunity to service your account.

Very truly yours,

Minchew, Robinson, Gardner, Langston and Bryan, CPAs



Tim R. Langston, CPA
Partner

TRL\lb

cc: Legislative Auditor

STATE OF LOUISIANA

Fourth Judicial District Court

PARISHES OF MOREHOUSE AND OUACHITA

300 ST. JOHN - SUITE 307

Monroe, Louisiana 71201

December 10, 1998

TELEPHONE (318) 361-2252

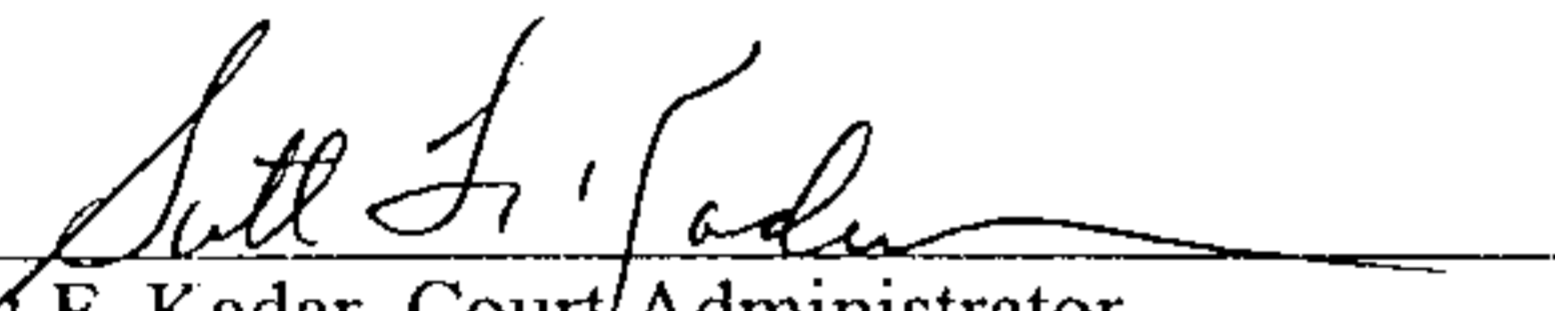
FAX (318) 361-2265



SCOTT KADAR
COURT ADMINISTRATOR

To Whom It May Concern:

Banks that under-collateralize deposits made to them by the Fourth Judicial District Court will forfeit those investments. Assets will be transferred in an orderly fashion from those banks to institutions that will insure compliance with rules governing collateralization of public funds. Periodic checks will be made by court staff.



Scott F. Kadar, Court Administrator