

**THIRTY-NINTH JUDICIAL DISTRICT
COURT EXPENSE FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2004**

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 9-15-04

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
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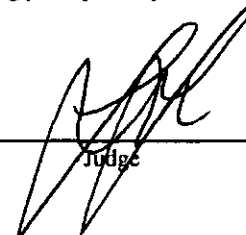
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THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Lewis Sams, Judge of the Thirty-Ninth Judicial District Court, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of Thirty-Ninth Judicial District Court Expense Fund at June 30, 2004 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.



Judge

Sworn to and subscribed before me, this 13th day of August, 2004.


NOTARY PUBLIC



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INDEPENDENT AUDITORS' REPORT

Honorable Lewis Sams, Judge
Thirty-Ninth Judicial District Court Expense Fund
P.O. Box 401
Coushatta, Louisiana 71019

We have audited the accompanying basic financial statements of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of management of the Thirty-Ninth Judicial District Court Expense Fund. Our responsibility is to express an opinion on these 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Thirty-Ninth Judicial District Court Expense Fund as of June 30, 2004, 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 August 13, 2004, on our consideration of the Thirty-Ninth 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.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 20, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Thirty-Ninth Judicial District Court Expense Fund taken as a whole. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
August 13, 2004

-MEMBERS-

American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

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THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS
JUNE 30, 2004

The Management's Discussion and Analysis of the Thirty-Ninth Judicial District Court Expense Fund's financial performance presents a narrative overview and analysis of Thirty-Ninth Judicial District Court Expense Fund's financial activities for the year ended June 30, 2004. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter and the Thirty-Ninth Judicial District Court Expense Fund's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- 1) The Thirty-Ninth Judicial District Court Expense Fund had cash of \$197,173 at June 30, 2004 which represents a decrease of \$12,677 from prior year end.
- 2) The Thirty-Ninth Judicial District Court Expense Fund had accounts receivable of \$3,087 at June 30, 2004 which represents an increase of \$1,242 from prior year end.
- 3) The Thirty-Ninth Judicial District Court Expense Fund had accounts payable and accruals of \$0 at June 30, 2004 which represents a decrease of \$246 from prior year end.
- 4) The Thirty-Ninth Judicial District Court Expense Fund had total revenues of \$77,585 for the year ended June 30, 2004 which represents a decrease of \$21,824 from prior year.
- 5) The Thirty-Ninth Judicial District Court Expense Fund had personal services expenses of \$65,181 for the year ended June 30, 2004 which represents an increase of \$19,176 from prior year.
- 6) The Thirty-Ninth Judicial District Court Expense Fund had operating services expenses of \$12,876 for the year ended June 30, 2004 which represents a decrease of \$46 from prior year.
- 7) The Thirty-Ninth Judicial District Court Expense Fund had supplies expenses of \$1,242 for the year ended June 30, 2004 which represents an increase of \$353 from prior year.
- 8) The Thirty-Ninth Judicial District Court Expense Fund had capital asset purchases of \$5,902 for the year ended June 30, 2004 which represents an increase of \$2,870 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Thirty-Ninth Judicial District Court Expense Fund as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
JUNE 30, 2004

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the Thirty-Ninth Judicial District Court Expense Fund as a whole and present a longer-term view of the Fund's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Fund's net assets and changes in them. You can think of the Fund's net assets, the difference between assets and liabilities, as one way to measure the Fund's financial health, or financial position. Over time, increases or decreases in the Fund's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the Fund's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Fund's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fund's activities as well as what remains for future spending.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
JUNE 30, 2004

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 201,419	\$ 212,675
Capital assets, net	<u>14,659</u>	<u>13,306</u>
Total Assets	<u>\$ 216,078</u>	<u>\$ 225,981</u>
Other liabilities	\$ 0	\$ 246
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	0	246
Net assets		
Investment in capital assets, net of related debt	14,659	13,306
Unrestricted	<u>201,419</u>	<u>212,429</u>
Total Net Assets	<u>216,078</u>	<u>225,735</u>
Total Liabilities and Net Assets	<u>\$ 216,078</u>	<u>\$ 225,981</u>

Net assets of the Thirty-Ninth Judicial District Court Expense Funds decreased by \$9,657 or 4.28% from the previous fiscal year. The decrease is the result of expenses exceeding operating and non-operating revenues during the fiscal year ended 2004 (See table below).

Statement of Activities
For the Year Ended

	<u>2004</u>	<u>2003</u>
General government		
Expenses	\$ (87,242)	\$ (65,196)
Program revenues		
Fees, fines and charges for services	17,280	38,413
Operating grants and contributions	<u>59,036</u>	<u>59,036</u>
Subtotal	(10,926)	32,253
General revenues	<u>1,269</u>	<u>1,960</u>
Change in net assets	<u>\$ (9,657)</u>	<u>\$ 34,213</u>

The Thirty-Ninth Judicial District Court Expense Fund's total revenues decreased by \$21,824 or 21.95% from the previous year. The total cost of all programs and services increased by \$22,046 or 33.81% from the previous year.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
JUNE 30, 2004

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the Thirty-Ninth Judicial District Court Expense Fund had \$14,659, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net increase (including additions and deductions) of \$1,353 or 10.17% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	2004	2003
Furniture, fixtures and equipment	\$ 14,659	\$ 13,306
Total	\$ 14,659	\$ 13,306

This year's major additions included:

Furniture, fixtures and equipment \$ 5,902

This year's major retirements included:

Furniture, fixtures and equipment \$ 20,876

Debt

The Thirty-Ninth Judicial District Court Expense Fund had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change, as shown in the table below.

Outstanding Debt at Year End

	2004	2003
Compensated absences payable	\$ 0	\$ 0
Totals	\$ 0	\$ 0

New debt during the year included:

None.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
MANAGEMENT'S DISCUSSION, AND ANALYSIS (CONTINUED)
JUNE 30, 2004

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$2,415 less than budgeted amounts due to fees, fines and charges for services being less than expected.

Actual expenditures were \$3,595 more than budgeted amounts due to personal services being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Thirty-Ninth Judicial District Court Expense Fund's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Fees, fines and charges for services
- 2) Intergovernmental revenues (state and local grants)
- 3) Personal services expenses
- 4) Operating services expenses

The Thirty-Ninth Judicial District Court Expense Fund does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Thirty-Ninth Judicial District Court Expense Fund's finances and to show the Thirty-Ninth Judicial District Court Expense Fund's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lewis Sams, Judge, Post Office Box 401, Coushatta, Louisiana 71019.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

ASSETS	
Current Assets	
Cash	\$ 197,173
Accounts receivable	3,087
Prepaid expense	<u>1,159</u>
Total Current Assets	201,419
Noncurrent Assets	
Capital assets, net	<u>14,659</u>
Total Assets	<u>\$ 216,078</u>
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accounts payable and accruals	<u>\$ 0</u>
Total Current Liabilities	0
Noncurrent Liabilities	
Compensated absences payable	<u>0</u>
Total Liabilities	0
NET ASSETS	
Investment in capital assets, net of related debt	14,659
Unrestricted	<u>201,419</u>
Total Net Assets	<u>216,078</u>
Total Liabilities and Net Assets	<u>\$ 216,078</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
General Government					
Personal services	\$ 65,181	\$ 13,620	\$ 59,036	\$ 0	\$ 7,475
Travel	1,819	380	0	0	(1,439)
Operating services	12,876	2,691	0	0	(10,185)
Supplies	1,242	260	0	0	(982)
Professional services	1,575	329	0	0	(1,246)
Depreciation	4,549	0	0	0	(4,549)
Total General Government	<u>\$ 87,242</u>	<u>\$ 17,280</u>	<u>\$ 59,036</u>	<u>\$ 0</u>	<u>(10,926)</u>
General Revenues					
Interest income					1,181
Miscellaneous					<u>88</u>
Total General Revenues					<u>1,269</u>
Change in Net Assets					(9,657)
Net Assets, Beginning of year as restated					<u>225,735</u>
Net Assets, End of year					<u>\$ 216,078</u>

The accompanying notes are an integral part of this statement.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

ASSETS	
Cash	\$ 197,173
Accounts receivable	3,087
Prepaid expense	<u>1,159</u>
Total Assets	<u>\$ 201,419</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accruals	<u>\$ 0</u>
Total Liabilities	0
FUND BALANCES	
Unreserved	<u>201,419</u>
Total Fund Balances	<u>201,419</u>
Total Liabilities and Fund Balances	<u>\$ 201,419</u>

The accompanying notes are an integral part of this statement.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Fund Balances for Governmental Funds (Exhibit C) \$ 201,419

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Furniture, fixtures and equipment, net of \$13,921 in accumulated depreciation	\$ 14,659	
Total Capital Assets		14,659

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.	0
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Total Net Assets of Governmental Activities (Exhibit A) \$ 216,078

EXHIBIT E

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL
FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

REVENUES	
Fees, fines and charges for services	\$ 17,280
Intergovernmental revenues	59,036
Interest income	1,181
Miscellaneous	<u>88</u>
Total Revenues	77,585
EXPENDITURES	
General government	
Personal services	65,181
Travel	1,819
Operating services	12,876
Supplies	1,242
Professional services	1,575
Capital outlay	<u>5,902</u>
Total Expenditures	<u>88,595</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(11,010)
Fund Balance, Beginning of year	<u>212,429</u>
Fund Balance, End of year	<u>\$ 201,419</u>

The accompanying notes are an integral part of this statement.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Net Change in Fund Balances-Total Governmental Funds (Exhibit E)	\$ (11,010)
The change in Net Assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$5,902) exceeds depreciation (\$4,549) in the current period.	1,353
Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>0</u>
Change in Net Assets of Governmental Activities (Exhibit B)	<u>\$ (9,657)</u>

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

The Thirty-Ninth Judicial District Court Expense Fund was created by an act of the Legislature of Louisiana during their 1980 regular session. The Fund began operating in March 1980. The judge of the Thirty-Ninth Judicial District, who is an elected official, has control over the Fund and all disbursements made therefrom. The Thirty-Ninth Judicial District encompasses Red River Parish, Louisiana.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Thirty-Ninth Judicial District Court Expense Fund present information only as to the transactions of the programs of the Thirty-Ninth Judicial District Court Expense Fund as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Thirty-Ninth Judicial District Court Expense Fund are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Thirty-Ninth Judicial District Court Expense Fund prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Fund amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Thirty-Ninth Judicial District Court Expense Fund defines cash and cash equivalents as follows:

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents (Continued)

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2004, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Thirty-Ninth Judicial District Court Expense Fund are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

Full-time employees of the Thirty-Ninth Judicial District Court Expense Fund earn ten days vacation leave and ten days sick leave each year after completion of at least one year of employment. Leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Thirty-Ninth Judicial District Court Expense Fund may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts 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 bank. These pledged 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. The deposits at June 30, 2004 were secured as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet	\$ 197,173	\$ 0	\$ 197,173
	Cash	Certificates of Deposit	Total
Bank Balances:			
1. Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 100,000	\$ 0	\$ 100,000
2. Collateralized with securities held by the pledging institution's trust department or agent in the entity's name	103,584	0	103,584
3. Uncollateralized, including any securities held for the entity but not in entity's name	0	0	0
Total Bank Balances	\$ 203,584	\$ 0	\$ 203,584

The following is a breakdown by banking institution and amount of the balances shown above:

Banking Institution	Amount
American Bank and Trust Company	\$ 203,584
Total	\$ 203,584

B. Investments

At June 30, 2004, the Thirty-Ninth Judicial District Court Expense Fund had investments of \$0.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at June 30, 2004:

<u>Class of Receivable</u>		
Fees, fines and charges for services	\$	726
Intergovernmental revenues		2,361
Total		\$ 3,087

NOTE 4 CAPITAL ASSETS

A summary of the Thirty-Ninth Judicial District Court Expense Fund's capital assets at June 30, 2004 follows:

	Balance June 30, 2003	Additions	Retirements	Balance June 30, 2004
Furniture, fixtures and equipment	\$ 43,554	\$ 5,902	\$ (20,876)	\$ 28,580
Less accumulated depreciation:	(30,248)	(4,549)	20,876	(13,921)
Total Capital Assets, net	\$ 13,306	\$ 1,353	\$ 0	\$ 14,659

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at June 30, 2004:

<u>Class of Payable</u>		
Other	\$	0
Total		\$ 0

NOTE 6 RETIREMENT SYSTEM

Substantially all employees of the Thirty-Ninth Judicial District Court Expense Fund are members of the Parochial Employees' Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Thirty-Ninth Judicial District Court are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of only the supplemental plan prior to January 1, 1980, the benefit is equal to one percent of their final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 6 RETIREMENT SYSTEM (CONTINUED)

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except New Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System.

The System issues an annual 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, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (504) 928-1361.

Plan members are required by state statute to contribute 7.50 percent of their annual covered salary and the Thirty-Ninth Judicial District Court Expense Fund is required to contribute at an actuarially determined rate. The current rate is 15.80 percent of annual covered payroll. The contribution requirements for plan members and the Thirty-Ninth Judicial District Court Expense Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Thirty-Ninth Judicial District Court Expense Fund's contributions to the System for the years ended June 30, 2004, 2003 and 2002 were \$6,695, \$5,645 and \$4,977, respectively, equal to the required contributions for each year.

NOTE 7 LEASES

The Thirty-Ninth Judicial District Court Expense Fund was not obligated under any capital or operating lease commitments at June 30, 2004.

NOTE 8 LITIGATION

There was no outstanding litigation against the Thirty-Ninth Judicial District Court Expense Fund at June 30, 2004.

NOTE 9 PRIOR YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2004:

Fund Balance, beginning of year as previously reported	\$	212,429
Adjustments:		
Investments in Capital Assets, beginning of year		43,554
Accumulated Depreciation, beginning of year		<u>(30,248)</u>
Net Assets, beginning of year as restated	\$	<u>225,735</u>

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav./(Unfav.)</u>
REVENUES				
Fees, fines and charges for services	\$ 41,000	\$ 18,500	\$ 17,280	\$ (1,220)
Intergovernmental revenues	60,000	60,000	59,036	(964)
Interest income	2,000	1,500	1,181	(319)
Miscellaneous	<u>0</u>	<u>0</u>	<u>88</u>	<u>88</u>
Total Revenues	103,000	80,000	77,585	(2,415)
EXPENDITURES				
General government				
Personal services	46,000	62,000	65,181	(3,181)
Travel	250	1,750	1,819	(69)
Operating services	13,500	13,500	12,876	624
Supplies	1,000	1,000	1,242	(242)
Professional services	1,750	1,750	1,575	175
Capital outlay	<u>4,000</u>	<u>5,000</u>	<u>5,902</u>	<u>(902)</u>
Total Expenditures	<u>66,500</u>	<u>85,000</u>	<u>88,595</u>	<u>(3,595)</u>
Excess/(Deficiency) Of Revenues				
Over	36,500	(5,000)	(11,010)	(6,010)
Expenditures	<u>212,429</u>	<u>212,429</u>	<u>212,429</u>	<u>0</u>
Fund Balance, Beginning of year				
	<u>\$ 248,929</u>	<u>\$ 207,429</u>	<u>\$ 201,419</u>	<u>\$ (6,010)</u>
Fund Balance, End of year				

OTHER SUPPLEMENTARY INFORMATION

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|-------------------------------------------------------------------------------|-------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weaknesses identified? | None |
| | b) Reportable conditions identified not considered to be material weaknesses? | None |
| | c) Noncompliance material to the financial statements noted? | None |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

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1926-1999

FRANK S. HINES, CPA
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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

Honorable Lewis Sams, Judge
Thirty-Ninth Judicial District Court Expense Fund
P.O. Box 401
Coushatta, Louisiana 71019

We have audited the basic financial statements of the Thirty-Ninth Judicial District Court Expense Fund, Coushatta, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated August 13, 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 Thirty-Ninth Judicial District Court Expense Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Thirty-Ninth Judicial District Court Expense Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the 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 Thirty-Ninth Judicial District Court Expense Fund and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana
August 13, 2004

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.

THIRTY-NINTH JUDICIAL DISTRICT COURT EXPENSE FUND
COUSHATTA, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.