

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

**COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2010**

**AND
INDEPENDENT AUDITORS' REPORT**

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 2/16/11

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

**COMPONENT UNIT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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Hulsey, Harwood & Sheridan, LLC

Certified Public Accountants

Independent Auditor's Report

The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

We have audited the accompanying component unit financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fourth Judicial District Court, Judicial Expense Fund, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2010, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fourth Judicial District Court, Judicial Expense Fund's management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fourth Judicial District Court, Judicial Expense Fund, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

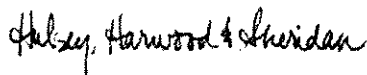
The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Independent Auditor's Report
June 30, 2010

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2010, on our consideration of the Fourth Judicial District Court, Judicial Expense Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 31 through 35 are not a required part of the component unit financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, with consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fourth Judicial District Court Judicial Expense Fund's component unit financial statements. The introductory section and supplementary information are presented for purposes of additional analysis and are not a required part of the component unit financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the component unit financial statements. The supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, are fairly stated in all material respects in relation to the component unit financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the component unit financial statements and, accordingly, we express no opinion on it.

HULSEY, HARWOOD & SHERIDAN, LLC



Monroe, Louisiana
December 16, 2010

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

**Required Supplemental Information (Part A)
Management Discussion and Analysis**

STATE OF LOUISIANA

Fourth Judicial District Court

PARISHES OF MOREHOUSE AND OUACHITA

300 ST. JOHN - SUITE 400

Monroe, Louisiana 71201



SCOTT F. KADAR
JUDICIAL ADMINISTRATOR

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Fourth Judicial District Court provides an overview of the Court's activities for the year ended June 30, 2010. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

Our financial statement provide these insights into the results of this year's operations:

- Assets of the Fourth Judicial District Court exceeded its liabilities at the close of the most recent fiscal year by \$1,665,099 (net assets). Of this amount, \$1,356,559 (unrestricted net assets) may be used to meet the Court's obligations to citizens and creditors within the Court's designation and policies.
- The Court's total net assets decreased by approximately \$173,000 during the current fiscal year.
- At the end of the most recent fiscal year, unreserved/undesignated fund balance of the General Fund was \$642,571, or 50% of total current year General Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Court as a whole and present a longer-term view of the Court's finances. Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all the Court's governmental funds.

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 supplementary information.

Reporting the Court as a Whole

The Statement of Net Assets and the Statement of Activities

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.

These two statements report the Court's net assets and changes in them. The Court's net assets - the difference between assets and liabilities - measure the Court's financial position. The increases or decreases in the Court's net assets are an indicator of whether its financial position is improving or deteriorating. Other non-financial factors, however, such as number of cases handled by District Court as well as the number of judgeships approved by the State Legislature and the State's economic condition should be considered in order to assess the overall condition of the Court.

Currently, the Court has only governmental activities that provide for personnel, equipment, supplies, and other costs related to the proper administration of the District Court. Primarily, court costs, fees, grants, warrants, and interest finance these activities.

Reporting the Court's Funds

Fund Financial Statements

The fund financial statements provide detailed information about the Court's funds, not the Court as a whole. In addition to accounting for the court costs and fees and other revenues that finance activities of District Court, the Court also accounts for appropriations received from the Department of Health and Human Resources, State of Louisiana, related to child support cases and from the State of Louisiana Supreme Court to administer the Drug Court. The General Fund, the Child Support Fund, and the Court Services Fund are all governmental funds that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Court's operations and the services it provides. Governmental fund information helps you determine the amount of financial resources available to be spent in the near future to finance the Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

THE COURT AS A WHOLE

For the year ended June 30, 2010, net assets changed as follows:

Beginning net assets	\$ 1,838,285
Increase (Decrease) in net assets	<u>(173,186)</u>
Ending net assets	\$ 1,665,099

This reflects a constant level of government activities for the year, but also reflects the implementation of GASB 45. In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45: Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions. The effective date for the Court to implement this requirement was July 1, 2007. The recognition of \$206,046 of annual required contribution expense and related liability as determined by actuarial report for post retirement benefits created a deficit for the current year of \$173,186. The Court also had additional salaries, insurance, professional fees, reference material/dues, retirement, and supplies expenditures totaling \$171,145 more than the prior year.

The Court had \$35,114 in additional court fees collected during the year ended June 30, 2010. The Court also realized Supreme Court receipts related to the Drug Court and Juvenile Drug Court that increased \$16,216 and \$88,751, respectively, due to higher grant awards for the current fiscal year. Due to additional salaries, the warrant revenue increased \$113,588 during the current fiscal year. Also, the interest income decreased \$19,521 due to reduced interest rates on investments during the year ended June 30, 2010.

Governmental Activities

The Court's assets exceeded its liabilities at the close of the fiscal year 2009 by \$1,665,099. For the fiscal year ended June 30, 2010, the net assets decreased by \$173,186 (or 9%) and the Court's revenue increased by \$241,132 (or 8%).

To aid in the understanding of the Statement of Activities some additional explanation is provided. Its format is significantly different than that of the Statement of Revenues, Expenses, and Changes in Fund Balance. The expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net Revenue/ (Expense). The reason for this kind of format is to highlight the relative financial burden of each of the governmental functions. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Court costs and fees reported represent the majority of the revenues for the District Court function.

All other governmental revenues (such as interest) are reported as general.

THE COURT'S FUNDS

The following schedule presents a summary of general and special revenue funds net assets:

	<u>Net Assets as of</u>	
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Current and noncurrent assets	\$ 2,728,742	\$ 2,756,597
Current and noncurrent liabilities	<u>1,063,643</u>	<u>918,312</u>
Net Assets:		
Investments in capital assets, net	\$ 125,835	\$ 121,028
Unrestricted	1,356,559	1,558,933
Restricted	<u>182,705</u>	<u>158,324</u>
Total net assets	<u>\$ 1,665,099</u>	<u>\$ 1,838,285</u>

Net assets of the Court decreased by \$173,186 (or 9%) from June 30, 2009 to June 30, 2010.

The following schedule presents a summary of general and special revenue fund revenues and expenditures for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to the prior year.

	<u>FYE 2010</u>	<u>Percent</u>	<u>Increase</u>	<u>Percent</u>
	<u>Amount</u>	<u>of Total</u>	<u>(Decrease)</u>	<u>Increase</u>
			<u>From</u>	<u>(Decrease)</u>
			<u>FYE 2009</u>	<u>(Decrease)</u>
Revenues:				
Operating grants	\$ 142,038	4%	\$ 6,159	5%
Intergovernmental	2,467,524	73%	217,343	10%
Charges for services	730,745	22%	36,326	5%
Interest	45,226	1%	(19,521)	(30%)
Other	<u>928</u>		<u>825</u>	<u>801%</u>
Total revenues	\$ 3,386,461	100%	\$ 241,132	8%

Intergovernmental revenues increased due to an increase in the Juvenile Drug Program during the year and additional warrant revenue from the Ouachita Parish Police Jury. Interest revenue decreased due to the lower interest rates earned on accounts during the current year.

	<u>FYE 2010 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FYE 2009</u>	<u>Percent Increase (Decrease)</u>
Expenditures:				
District Court	\$ 3,335,552	99%	\$ 196,141	6%
Capital Outlay	22,856	1%	(24,996)	(52%)
Total expenditures	\$ 3,358,408	100%	\$ 171,145	5%

The Child Support and Drug Court expenditures increased moderately during 2010. The Juvenile Drug Court expenditures increased significantly during 2010 due to an increase in the award from the State of Louisiana. The increase in District Court expenditures was also due to increases in salaries, related retirement expense, insurance, professional fees, and supplies.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the General Fund and Special Revenue Funds budgets were revised one time. The General Fund budget amendment was an increase in anticipated warrant revenue and a decreased amount of interest income collected from the financial institutions. The Special Revenue Fund budget amendments were due to an increase in appropriations as a result of additional fees received as well as decreases in small asset expenditures with increases in asset expenditures, salaries, retirement expense, insurance, professional fees, and rent expenditures.

The actual general fund revenues were more than the final budget by \$9,400. Actual general fund expenditures were less than the final budget by \$17,953.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2010 the Court had \$125,835 invested in capital assets including computer equipment and office furniture and equipment (See table below).

Computer equipment, including software	\$	74,512
Office equipment and furniture		<u>51,323</u>
Ending net assets	\$	125,835

This year's major additions included four notebook computers and two computer towers.

Debt

At year end, the Court had a total of \$96,700 estimated for accrued compensated absences that represents the future liability for vacation earned but not used by District Court employees. That is a increase of seventeen percent as shown in the following table. The Court also had a total of \$865,046 estimated for post-retirement benefit plan payable that represents a future liability for medical and life insurance available upon retirement by District Court employees. This is the third year that this liability has been recognized.

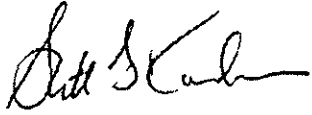
	<u>FYE 2010 Amount</u>	<u>Increase (Decrease) From FYE 2009</u>	<u>Percent Increase (Decrease)</u>
Accrued compensated absences	\$ 96,700	\$ 11,456	13%
Post-retirement Benefit Plan payable	\$ 865,046	\$ 206,046	31%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Court operations are funded extensively by the Parishes of Morehouse and Ouachita. The annual budget for the Court anticipates a flat growth with very little change.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the *Judicial Administrator's Office at The Fourth Judicial District Court, 300 St. John, Suite 400, Monroe, Louisiana.*



Scott F. Kadar
Judicial Administrator

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

Government-Wide Financial Statements

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

**STATEMENT OF NET ASSETS
JUNE 30, 2010**

ASSETS	<u>Governmental Activities</u>
Cash In Bank	\$ 2,434,058
Prepaid Expenses and Deposits	4,464
Due From Other Governmental Units	164,065
Accounts Receivable	320
Capital Assets	<u>125,835</u>
Total Assets	<u>\$ 2,728,742</u>
LIABILITIES	
Accrued and Other Liabilities	\$ 41,631
Due to Other Governmental Units (Payroll taxes and overpaid court fees)	60,266
Compensated Absences Payable	96,700
Post-Retirement Benefit Plan Payable	<u>865,046</u>
Total Liabilities	<u>\$ 1,063,643</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 125,835
Unrestricted	1,356,559
Restricted	<u>182,705</u>
Total Net Assets	<u>\$ 1,665,099</u>
Total Liabilities and Net Assets	<u>\$ 2,728,742</u>

The accompanying notes are an integral part of this financial statement.

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

	Program Revenues				Changes in Net Assets
	Expenses	Operating Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Grants and Contributions	
Function/Program Activities:					
Government Activities:					
Judicial Expense Fund	\$ 1,497,411	\$	\$ 54,360	\$	\$ 1,443,051
Child Support	753,766				753,766
Court Services					
Misdemeanor Probation	589,731	693,380			(103,649)
Drug Court	542,065	36,335	87,678		418,052
Juvenile Drug Court	176,674	1,030			175,644
Total Government Activities	\$ 3,559,647	\$ 730,745	\$ 142,038	\$	\$ 2,686,864
General Revenues:					
Intergovernmental				\$	2,467,524
Interest					45,226
Other					928
Total General Revenues				\$	2,513,678
Changes in Net Assets				\$	(173,186)
NET ASSETS-BEGINNING					1,838,285
NET ASSETS - ENDING				\$	1,665,099

The accompanying notes are an integral part of this financial statement.

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

Fund Financial Statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	General Fund	Child Support Fund	Court Services Fund	Total Governmental Funds [†]
ASSETS				
Cash In Bank	\$ 691,522	\$ 1,206,543	\$ 535,993	\$ 2,434,058
Prepaid Expenses and Deposits	1,867	1,713	884	4,464
Due From Other Governmental Units	47,010	55,488	61,567	164,065
Accounts Receivable	261	1	58	320
Total Assets	\$ 740,660	\$ 1,263,745	\$ 598,502	\$ 2,602,907
LIABILITIES AND FUND BALANCES				
Liabilities				
Accrued and Other Liabilities	\$ 27,415	\$ 7,906	\$ 6,310	\$ 41,631
Due to Other Governmental Units (Payroll taxes and overpaid court fees)	19,463	9,236	31,567	60,266
Compensated Absences Payable	9,728	41,146	45,826	96,700
Total Liabilities	\$ 56,606	\$ 58,288	\$ 83,703	\$ 198,597
Fund Balances				
Unrestricted	\$ 642,571	\$ 1,064,235	\$ 514,799	\$ 2,221,605
Restricted	41,483	141,222		182,705
Total Fund Balances	\$ 684,054	\$ 1,205,457	\$ 514,799	\$ 2,404,310
Total Liabilities and Fund Balances	\$ 740,660	\$ 1,263,745	\$ 598,502	\$ 2,602,907

[†] After internal receivables and payables have been eliminated.

The accompanying notes are an integral part of this financial statement.

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

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010**

*Amounts reported for governmental activities in the
Statement of Net Assets are different because:*

Total Fund Balances - Total Governmental Funds	\$ 2,404,310
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	
Governmental capital assets	\$ 382,482
Less accumulated depreciation	<u>(256,647)</u>
	125,835
Unfunded post-retirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds	<u>(865,046)</u>
Net Assets of Governmental Activities	<u>\$ 1,665,099</u>

The accompanying notes are an integral part of this financial statement.

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court	Total Governmental Funds
REVENUES						
Court Fees	\$ 303,441	\$ 607,777	\$ 693,380	\$ 36,355	\$ 1,030	\$ 1,641,983
Supreme Court Receipts				429,822	168,667	598,489
Grant Revenue	54,360			87,678		142,038
Warrant Revenue	957,797					957,797
Interest Income	11,396	27,186	6,626		18	45,226
Other Income	319	29	580			928
Total Revenue	\$ 1,327,313	\$ 634,992	\$ 700,586	\$ 553,855	\$ 169,715	\$ 3,386,461
EXPENDITURES						
Asset Expenditures	\$ 3,004	\$ 2,263	\$ 16,224	\$	\$ 1,365	\$ 22,856
Small Asset Expenditures	3,873	603	140	494	970	6,080
Court Reporter/Process Costs	6,143					6,143
Insurance Expense	136,466	53,912	53,164	19,895	8,560	271,997
Internet Access	5,483	1,749	955	954	72	9,213
Miscellaneous	4,086	667	727			5,480
Office Supplies and Postage	19,954		2,412		242	22,608
Payroll Taxes	24,741	14,799	6,932	1,961	470	48,903
Professional Fees	58,975	36,229	42,239	248,149	92,287	477,879
Reference Material and Dues	2,024	59,232	343	257	40	61,896
Rent - Equipment	14,803	13,892	10,361			39,056
Repair Maintenance & Warranty	7,824	967	9,147	366	83	18,387
Retirement Expense	137,476	76,238	51,586	19,937	4,835	290,072
Salaries	827,769	475,329	358,474	142,340	35,556	1,839,468
Seminars Meetings & Travel	28,698	8,309	6,506	7,189	3,251	53,953
Supplies		7,494	35,485	99,259	28,447	170,685
Telephone & Utility Expense	3,182	1,604	8,148	323	475	13,732
Total Expenditures	\$ 1,284,501	\$ 753,287	\$ 602,843	\$ 541,124	\$ 176,653	\$ 3,358,408
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 42,812	\$ (118,295)	\$ 97,743	\$ 12,731	\$ (6,938)	\$ 28,053
Other Financing Sources (Uses)						
Operating Transfers In	\$	\$	\$	\$	\$	\$
Operating Transfers Out						
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	\$ 42,812	\$ (118,295)	\$ 97,743	\$ 12,731	\$ (6,938)	\$ 28,053
FUND BALANCE - BEGINNING	641,242	1,323,752	324,217	96,168	(9,122)	2,376,257
FUND BALANCE - ENDING	\$ 684,054	\$ 1,205,457	\$ 421,960	\$ 108,899	\$ (16,060)	\$ 2,404,310

The accompanying notes are an integral part of this financial statement.

**FOURTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
MONROE, 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, 2010**

*Amounts reported for governmental activities in the
Statement of Net Assets are different because:*

Net Change in Fund Balance - Total Governmental Funds	\$	28,053
<p>Governmental funds report capital outlays as expenditures while governmental activities report deprecation expense to allocate those expenditures over the life of the assets:</p>		
Capital Asset Purchases Capitalized	\$	22,856
Depreciation Expense		<u>(18,049)</u>
		4,807
<p>Capital assets nor depreciation are reported in the Governmental Funds. In the Statement of Net Assets, capital assets and accumulated depreciation are reported. When an asset is disposed of, it results in a gain or loss on the disposal of the asset in the Statement of Activities.</p>		
Capital assets (cost \$54,376 less accumulated depreciation of \$54,376)	\$	152
Proceeds from sales		<u>(152)</u>
		(0)
<p>Other post-employment benefits are reported in the Governmental Funds as expenditures when paid. The unfunded annual contribution is reported in the Statement of Activities as it accrues.</p>		
		<u>(206,046)</u>
Change in Net Assets of Governmental Activities	\$	<u>(173,186)</u>

The accompanying notes are an integral part of this financial statement.

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

**STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010**

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ <u> 0</u>
Total Assets	\$ <u> 0</u>
LIABILITIES	
Restitution to Court Ordered Recipients Payable	\$ <u> 0</u>
Total Liabilities	\$ <u> 0</u>

The accompanying notes are an integral part of this financial statement.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Fund complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note. The Judicial Expense Fund has adopted the financial reporting requirements of GASB Statement Nos. 33 and 34.

FINANCIAL REPORTING ENTITY: 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 Fourth Judicial District Court, Special Revenue Fund (Drug Court), authority was created under the Louisiana Code of Criminal Procedure Article 193 and Article 18 by Rule XI of this court. The drug treatment and probation program shall be established in accordance with the provisions of LSAR.5.13:5301-5304. The Fourth Judicial District Court issued an order signed en banc February 4, 2000 implementing the process effective January 1, 2000.

The Fourth Judicial District Court, Special Revenue Fund (Adult Drug Court) was granted an award of \$517,500 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

The purpose of the fund is to administer drug offense charges. Revenues are to be expended to administer the monitoring, counseling, and enforcement of drug offense probation.

The Fourth Judicial District Court, Special Revenue Fund (Juvenile Drug Court) was granted an award of \$168,750 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

The purpose of the fund is to administer juvenile drug offense charges. Revenues are to be expensed to administer the monitoring, counseling and enforcement of juvenile drug offense probation.

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.

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB), the Judicial Expense Fund, Child Support, and Court Services is a part of the Fourth Judicial District Court, a component of the Ouachita Parish Police Jury judicial system. The financial reporting entity consists of (a) the primary government (Ouachita Parish Policy Jury), (b) organization for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Ouachita Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

This criteria includes:

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

Because the Ouachita Parish Police Jury provides for the operation and maintenance of the Courtroom and office space of the Judges in its parish courthouse, the Fourth Judicial District Court was determined to be a component unit of the Ouachita Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Fourth Judicial District Court and do not present information on the Ouachita Parish Police Jury, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

BASIS OF PRESENTATION: In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the presentation of its funds financial information include, for the first time a Management Discussion and Analysis (MD & A) section providing an analysis of the Judicial Expense Fund's overall financial position and results of operations and financial statements prepared using full accrual accounting for all Judicial Expense Fund's activities.

BASIC FINANCIAL STATEMENTS: *Government-wide financial statements* - The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund financial statements - The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The funds of the Judicial Expense Fund are described as follows:

General Fund - The general fund is the general operating fund and accounts for all activities of the Judicial Expense Fund except those required to be accounted for in another fund.

Special Revenue Fund - Special revenue funds are used to account for specific revenue sources that are legally restricted to expenditures for specified purposes. Included in special revenue funds are the Child Support Fund and Court Services Fund which includes Misdemeanor Probation, Drug Court, and Juvenile Drug Court.

This report includes funds 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 are administered by the Court Administrator.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING: Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of measurement focus applied.

Measurement focus - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

Basis of accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available" Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

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

1. The Judicial 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, Misdemeanor Probation Fund, Drug Court Fund, and Juvenile Drug Court Fund), are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Amendments of the budget are prepared by the Judicial Administrator and the process is the same as indicated for the original budget during the fiscal year.

BUDGET VARIANCE: The significant variation of actual expenses in the areas of insurance expense, payroll related expenses, supplies and professional fees were primarily due to the uncertainties of budgeting. 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.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

INVESTMENTS: In accordance with GASB Statement No. 31, the Court's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the credit standing of the issuer or by other factors, it is reported at fair value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

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

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

CAPITAL ASSETS: In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000, or more are reported at historical cost. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment, including software	5-10 years
Other office equipment	5-10 years
Furniture and fixtures	10-20 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by the Judicial Expense Fund and do not reflect assets of the court obtained from other sources.

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. 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.

NET ASSETS: Net assets comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net assets are classified in the following three components:

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition of those assets. There was no outstanding debt attributable to these fixed assets as of June 30, 2010.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

Restricted - This component of net assets consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There were \$37,189 and \$4,294 in restricted net assets as of June 30, 2010 related to the warrant revenue and subsequent budgeted deficits, respectively, in the general fund and \$141,222 restricted net assets as of June 30, 2010 related to subsequent budgeted deficits in the Child Support Fund.

Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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

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.

USE OF ESTIMATES: The preparation of component unit financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure 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.

NOTE 2 EXPENDITURES - ACTUAL AND BUDGET

The Judicial Expense Fund had total actual expenditures less than total budgeted expenses for the year by \$17,953. The actual revenues were greater than budgeted revenues for the year by \$9,400.

The Chief Judge and Judges were aware of any unfavorable variances and approved the additional expenses.

NOTE 3 DEPOSITS AND INVESTMENTS

D. Cash and Cash Equivalents

Included as cash and cash equivalents are bank accounts and short-term investments, especially certificates of deposit.

At June 30, 2010 the Fourth Judicial District Court had cash and cash equivalents (book balances) totaling \$2,434,058 as follows:

Interest-bearing demand deposits	\$ 389,058
Time deposits	<u>2,045,000</u>
Total	<u>\$ 2,434,058</u>

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 3 DEPOSITS AND INVESTMENTS (Cont'd)

The following is a summary of specific account information by custodial institution.

<u>Credit Risk</u>	<u>Book Balance</u>	<u>Account Balance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Chase Bank				
General Fund (P/R) Checking	\$ 0	\$ 0		0.17%
Community Trust Bank				
General Fund				
Judicial Expense - Checking	\$ 99,516	\$ 104,396		1.16%
Child Support - Cert. of Dep.	450,000	450,000	02/04/11	1.90%
Special Revenue Funds				
Child Support - Cert. of Dep.	400,000	400,000	09/01/10	1.75%
Court Services - Cert. of Dep.	<u>100,000</u>	<u>100,000</u>	03/18/10	1.75%
Subtotal	\$ 1,049,516	\$ 1,054,396		
First National Bank				
General Fund				
Judicial Expense - Cert. of Dep.	\$ 100,000	\$ 100,000	02/23/12	1.75%
Judicial Expense - Cert. of Dep.	95,000	95,000	02/23/12	1.75%
Special Revenue Funds				
Court Services - Cert. of Dep.	<u>200,000</u>	<u>200,000</u>	02/24/12	1.75%
Subtotal	\$ 395,000	\$ 395,000		
Quachita Independent Bank				
General Fund				
Judicial Expense - Ckg. Auction	\$ 100	\$ 100		
Family in Needs Services - Ckg.	41,289	41,289		
Special Revenue Funds				
Child Support - Ckg.	56,543	70,650		0.12%
Court Services - Ckg.	128,865	214,640		0.40%
Juvenile Drug Court - Ckg.	<u>7,128</u>	<u>14,469</u>		0.10%
Subtotal	\$ 233,925	\$ 341,149		
Progressive Bank				
General Fund				
General Fund (P/R) Checking	\$ 55,617	\$ 113,640		0.49%
Subtotal	\$ 55,617	\$ 113,640		
Richland State Bank				
General Fund				
Judicial Expense - Cert. Of Dep.	\$ 100,000	\$ 100,000	04/17/11	1.59%
Judicial Expense - Cert. Of Dep.	200,000	200,000	11/02/10	1.78%
Special Revenue Funds				
Child Support - Cert. of Dep.	100,000	100,000	01/17/11	1.78%
Child Support - Cert. of Dep.	100,000	100,000	01/05/11	1.78%
Child Support - Cert. of Dep.	100,000	100,000	10/02/10	1.78%
Court Services- Cert. Of Dep.	<u>100,000</u>	<u>100,000</u>	09/13/10	1.78%
Subtotal	\$ 700,000	\$ 700,000		
Total Cash and Cash Equivalent	\$ 2,434,058			

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 3 DEPOSITS AND INVESTMENTS (Cont'd)

Custodial Credit Risks - Deposits

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, 2010 the Fourth Judicial District Court had \$2,604,185 in deposits (collected bank balances). These deposits are secured from risk by \$1,113,640 of federal deposit insurance and \$1,490,545 of pledged securities held by the bank's agent in the name of the bank as of June 30, 2010.

In accordance with LRS 49:321, state depositing authorities shall require as security for deposit of state funds authorized bonds or other interest bearing notes; authorized promissory notes, warrants, or certificates of indebtedness unmatured or payable on demand. Fair value, excluding interest, of such securities held by the depositing authority shall be equal to 100% of the amount on deposit to the credit of the depositing authority except that portion appropriately insured. Designated depositories may be granted a period not to exceed five days from the date of any deposit to post the necessary security.

E. Investments

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

- Category 1: Investments that are insured, registered or held by the entity or by its agent in the Court's name.
- Category 2: Investments that are uninsured and unregistered held by the counter party's trust department or agent in the Court's name.
- Category 3: Uninsured and unregistered investments held by the counterparty, it's trust or it's agent, but not in the Court's name.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 4 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

General Fund	
Judicial Expense Fund	
Court fees - Ouachita Parish, Sheriff Department State of Louisiana (includes interest and expense reimbursement)	\$ 17,556
Court fees - Ouachita Parish, Clerk of Court State of Louisiana (includes expense reimbursement)	3,349
Court fees - Morehouse Parish, Sheriff Department State of Louisiana	4,235
Court fees - Morehouse Parish, Clerk of Court State of Louisiana	825
Travel and expense reimbursement - Supreme Court, Justice Department, State of Louisiana	19,507
Expense reimbursement - Department of Revenue State of Louisiana	59
Expense reimbursement - Ouachita Parish District Attorney State of Louisiana	5
Expense reimbursement - Ouachita Parish Police Jury, State of Louisiana	<u>1,474</u>
Totals	<u>\$ 47,010</u>
Special Revenue Funds	
Child Support	
Court fees - Department of Health and Human Resources, State of Louisiana	\$ 54,298
Equipment rental reimbursement - Monroe City Court Monroe, Louisiana	165
Expense reimbursement - Ouachita Parish Police Jury, State of Louisiana	1,025
Drug Court Fund	
Operation fees - Supreme Court, Justice Department State of Louisiana	45,332
Juvenile Drug Court Fund	
Operation fees - Supreme Court, Justice Department State of Louisiana	<u>16,235</u>
Totals	<u>\$ 117,055</u>

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Government Activities:				
Computers & Printers	\$ 244,697	\$ 22,856	\$ (37,289)	\$ 230,264
Equipment	169,305		(17,087)	152,218
Totals at Historical Cost	\$ 414,002	\$ 22,856	\$ (54,376)	\$ 382,482
Less Accumulated Depreciation for:				
Computers	\$ 182,292	\$ 10,749	\$ (37,289)	\$ 155,752
Equipment	110,682	7,300	(17,087)	100,895
	\$ 292,974	\$ 18,049	\$ (54,376)	\$ 256,647
Governmental Activities				
Capital Assets Net	\$ 121,028	\$ 4,807	\$ 0	\$ 125,835

Depreciation expense was charged to governmental functions as follows:

Judicial Expense Fund	\$ 9,868
Child Support Fund	2,742
Court Services Fund	5,439
	<u>\$ 18,049</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 (225) 922-0600.

Funding Policy. Plan members of the Court are required by state statute to contribute 7.5 percent, 8.0 percent, or 11.5 percent of their annual covered salary and the Court (employer) is required to contribute at an actuarially determined rate. The employer rates were 18.5 percent, 18.5 percent, and 19.1 percent of annual covered payroll as of June 30, 2010, 2009, and 2008, 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, 2010, 2009, and 2008, were \$182,171, \$170,282, and \$183,300, respectively, equal to the required contribution for each year.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 6 PENSION PLANS (Cont'd)

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 (225) 928-1361.

Other Plan Funding Policy. To these system plan members are required to contribute 9.5 percent and 8.25 percent of their annual covered salary and this court reimburses the primary government, the Ouachita Parish Police Jury and Morehouse Parish Clerk of Court for retirement contributions at actuarially determined rates made into the System. The employer rates were 15.75 percent, 12.25 percent, and 12.75 percent of annual covered payroll effective as of January 1, 2010, 2009, and 2008, respectively, for the Ouachita Parish Police Jury retirement system. The Court reimbursed \$97,331, \$79,645, and \$71,539 to the Ouachita Parish Police Jury for contributions to the System during the years ending June 30, 2010, 2009, and 2008, respectively, as its share of contributions, equal to the required contributions for the years. The employer rate was 23 percent, 11.75 percent, and 11.5 percent of annual covered payroll effective as of June 30, 2010, 2009, and 2008, respectively, for the Morehouse Parish Clerk of Court retirement system. The Court reimbursed \$5,734, \$3,155, and \$2,763 to the Morehouse Parish Clerk of Court for contributions to the System during the years ending June 30, 2010, 2009, and 2008, respectively, as its share of contributions, equal to the required contributions for the years then ended.

NOTE 7 POST-RETIREMENT BENEFIT PLAN

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45: *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, which establishes new accounting standards for Post-Retirement Benefits Other Than Pensions (OPEB).

The effective date for the Fourth Judicial District Court has been determined to be the fiscal year beginning July 1, 2007.

Plan Description. The Court is a participant in the State of Louisiana Office of Group Benefits post-employment healthcare plan (an agent multiple-employer plan), State Employees Group Benefits Program (SEGBP) which provides medical and life insurance benefits to eligible retired state employees and their spouses. The plan is authorized by Louisiana state law, specifically Chapter 12 of Title 42 of the Louisiana Revised Statutes of 1950, Sections 801 through 883. The State of Louisiana Office of Group Benefits issues a publicly available financial report that includes financial statements and required supplemental information for the plan. That report may be obtained by writing to State of Louisiana Office of Group Benefits, State Employees Group Benefits Program, 7389 Florida Boulevard, Suite 400, Baton Rouge, Louisiana, 70806, or by calling 1-225-925-6672.

Funding Policy. The contribution requirements of plan members and the Court are established and may be amended by the state legislature. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year ending June 30, 2010, the Court contributed \$13,854 to the plan, including \$13,854 for current premiums (approximately 81 percent of total premiums). Plan members receiving benefits contributed \$3,175, or approximately nineteen (19%) percent of the total premiums.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 7 POST-RETIREMENT BENEFIT PLAN (Cont'd)

Annual OPEB Cost and Net OPEB Obligation. The Court's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Court's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Court's net OPEB obligation to SEGBP:

Determination of Annual Required Contribution	
Normal cost at fiscal year end	\$ 132,600
Amortization of UAAL	<u>87,300</u>
Annual required contribution (ARC)	\$ 219,900
 Determination of Net OPEB Obligation	
Annual required contribution	\$ 219,900
Interest on prior year net OPEB obligation	0
Adjustment to ARC	<u>0</u>
Annual OPEB cost	\$ 219,900
Contributions made	<u>(13,854)</u>
Estimated increase in net OPEB obligation	\$ 206,046
Net OPEB obligation - Beginning of year	<u>659,000</u>
Estimated net OPEB obligation - End of year	<u>\$ 865,046</u>

The Court's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding two years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost (Benefit)</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/08	\$ 329,500	0%	\$ 329,500
06/30/09	\$ 329,500	0%	\$ 659,000
06/30/10	\$ 206,046	0%	\$ 865,046

Funded Status and Funding Progress. As of July 1, 2009, the most recent actuarial valuation date, the plan was 0 percent funded. The post-retirement medical insurance benefits are currently funded on a pay-as-you-go basis. The Court currently funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide post-retirement benefits. The actuarial accrued liability for benefits was \$2,078,600, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,078,600. The covered payroll (annual payroll of active employees covered by the plan) was \$828,248, and the ratio of the UAAL to the covered payroll was 251 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 7 POST-RETIREMENT BENEFIT PLAN (Cont'd)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit credit (PUC) method was used, which is the same method most often used in the private sector for determination of retiree medical liabilities. There were seventeen (17) active state employees and three (3) retired state employees covered by the plan at July 1, 2009.

The following data assumptions were made for the valuation.

Participate Data Disclosures

Date of Hire: Average age at hire for employees were set equal to age 32 years and 6 months. The assumed dates of hire were capped at January 1, 2000.

Annual Salary: Average pay for employees was \$48,712.

Valuation Procedures

Financial and census data: Participant data was supplied by the Office of Group Benefits, the State Payroll System and the various State Defined Benefit Pension Plans.

Claims data: The per member claim projections were based on medical and prescription drug claim utilization incurred from July 1, 2007 through June 30, 2009. Claims were segregated by plan and by non-Medicare and Medicare retirees. IBNR factors developed from historical, plan-specific claim data were applied to estimate ultimate claims incurred. Claims were trended to July 1, 2009 through June 30, 2010 using the following annual trend assumptions:

	Pre Medicare	Medicare Eligible
Healthcare Costs	8.5%	9.6%

United Behavioral Health cost was based on the actual capitation rates to be charged and administrative costs were based on actual vendor fees for the period in question. The total projected claim costs were determined by combining the above components.

Actuarial Basis

The actuarial assumptions included a **4.0 percent** investment rate of return (net of administrative expenses), which is the estimated short-term investment return on the investments that are expected to be used to finance the payment of benefits, and an **annual healthcare cost trend rate** of 8.5% pre-medicare and 9.6% medicare-eligible initially, reduced by decrements to an ultimate rate of 5 percent after twelve years and thirteen years, respectively. Both rates included a 3.0 percent inflation assumption.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 7 POST-RETIREMENT BENEFIT PLAN (Cont'd)

Salary scale is assumed to increase 5% per annum.

Payroll growth is assumed to increase 3% per annum. It is assumed that retiree medical contributions will increase at the same rates as incurred claims.

Mortality RP 2000 Mortality Table for males and females, combined healthy, no collar, with mortality improvements projected to 2010.

Withdrawal rates age 20 - 30%, 25 - 20%, 30 - 15%, 35 - 14%, 40 - 8%, 45 and 50 - 5%, 50 and over - 4%.

Disability rates varies with age from age 20 at .03% to age 65 at 1.54%.

Retirement rates Beginning at age 45 - 25%, 50 - 26%, age 60 - 26%, age 65 - 30%, age 70 - 25%, age 75 - 100%.

Percent married at retirement Males and females - 40% and males are assumed to be 3 years older than females.

Participation in medical plan 100% of future retirees are assumed to elect medical coverage and 100% of married participants are assumed to elect coverage for their spouse.

Life insurance plan participation 100% of future retirees are assumed to elect life insurance coverage.

Summary of Plan Provisions

Eligibility: A participant eligible for retiree benefits if they meet the retirement eligibility as defined in the subsequent retirement systems. Retirees electing medical coverage must have been covered by the active medical plan immediately prior to retirement.

Medical Benefits: Retirees have a choice between the OGB PPO, Humana HMO and United EPO. Retirees post-Medicare also can chose the Human FFS Medicare Advantage Plan or the Humana HMO Medicare Advantage Plan.

Surviving Spouse Continuation: The surviving spouses are eligible to continue coverage.

Life Insurance Benefit: Basic life insurance is available in the following amounts: Until age 65 - \$5,000, ages 65-70 - \$4,000 and after age 70 \$3,000. Additional supplemental life insurance based on pay at retirement is available and spouse life insurance amounts of \$1,000, \$2,000, and \$4,000 are also available.

Monthly Premiums: Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002 pay a percentage of the total contribution rate based on the following schedule:

<u>Service</u>	<u>Contribution Percentages</u>
Under 10 years	81%
10-14 years	62%
15-19 years	44%
20+ years	25%

The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at June 30, 2010 was twenty-seven years. It was also assumed that for the purposes of the valuation that the Court will in the future maintain a consistent level of cost sharing for benefits with the retirees. This may be achieved by adjusting the benefit provisions, contributions, or both.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 8 DUE TO OTHER GOVERNMENTAL UNITS

Accounts due to other governmental units consist of the following:

General Fund		
Judicial Expense Fund		
Ouachita Parish District Attorney - State of Louisiana	\$	4,374
Ouachita Parish Police Jury - State of Louisiana		<u>15,089</u>
Total General Fund	<u>\$</u>	<u>19,463</u>
Special Revenue Funds		
Child Support Fund		
Department of Social Services - State of Louisiana		200
Ouachita Parish Police Jury - State of Louisiana		6,086
Morehouse Parish Clerk of Court - State of Louisiana		2,950
Court Services Fund (Misdemeanor, Drug Court, and Juvenile Drug Court)		
Ouachita Parish Police Jury - State of Louisiana		<u>31,567</u>
Total Special Revenue Funds	<u>\$</u>	<u>40,803</u>

NOTE 9 COMPENSATED ABSENCES

At June 30, 2010, employees of the Fourth Judicial District Court have accumulated and vested \$96,700 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$9,728 is recorded as an obligation of the General Fund and \$86,972 is recorded as an obligation of the Special Revenue Funds.

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:				
Misdemeanor Probation Fund				
Ouachita Parish Sheriff's Department, Monroe, Louisiana	\$ 0	\$ 30,009	\$ 30,009	\$ 0
Morehouse Parish Sheriff's Department, Bastrop, Louisiana	0	3,965	3,965	0
Indigent Defender Board, Monroe, Louisiana	0	25,763	25,763	0
Criminal Court Fund, Monroe, Louisiana	0	1,045	1,045	0
Restitution Recipients, Fourth District, State of Louisiana	0	<u>37,287</u>	<u>37,287</u>	0
	<u>\$ 0</u>	<u>\$ 98,069</u>	<u>\$ 98,069</u>	<u>\$ 0</u>

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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 and Drug Court Fund have 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 Ouachita Parish Police Jury and Morehouse Parish Police Jury are reimbursed one dollar per page per case filed by those offices for costs directly related to the indigent cases of the Judicial Expense Fund included in these financial statements as a general fund expense. As the Fourth Judicial District Court, Child Support Fund, Misdemeanor Probation Fund, and Drug Court Fund reimburses the other governmental units, the appropriate expense accounts are debited and reflected in the financial statements.

NOTE 12 GRANT PROGRAMS

Families in Need of Services (FINS)

The Court was ordered to furnish the administration and implementation of Families In Need of Services, per Title VII of the Louisiana Children's Code, within the Fourth Judicial District, State of Louisiana.

Effective April 1, 2007 the Court entered into a contract with the Ouachita Parish District Attorney to administer the program.

The Fourth Judicial District Court, Judicial Expense Fund, continues to participate in another contract with the Louisiana Supreme Court, State of Louisiana under the "Families In Need of Services Program" (FINS). The contract was continued for the period beginning July 1, 2009 until June 30, 2010 and funded monthly from July 1, 2009 until June 30, 2010 for \$54,364.

The total expenditures of the Fourth Judicial District Court, Judicial Expense Fund related to the FINS programs was \$56,020 for the fiscal year ended June 30, 2010.

Temporary Assistance for Needy Families (TANF)

The Fourth Judicial District Court, Court Services Fund, has been awarded from the Louisiana Supreme Court, State of Louisiana Drug Court Program Office funds that include federal grants totaling \$87,678 during the fiscal year ended June 30, 2010 from the "Temporary Assistance for Needy Families" (TANF) program.

The total expenditures of the Fourth Judicial District Court related to this program were \$96,627 for the fiscal year ending June 30, 2010.

NOTE 13 RISK MANAGEMENT

The Fourth Judicial District Court, Judicial Expense Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Fourth Judicial District Court, Judicial Expense Fund carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

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

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES**

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

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
(JUDICIAL EXPENSE FUND)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amount</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Court Fees - Ouachita Parish	\$ 260,000	\$ 253,946	\$ 256,410	\$ 2,464
Court Fees - Morehouse Parish	48,000	44,457	47,031	2,574
Grant Revenue	49,878	49,878	54,360	4,482
Warrant Revenue	943,616	957,797	957,797	
Interest Income	17,050	11,520	11,396	(124)
Other Income		315	319	4
Amounts Available for Appropriation	<u>\$ 1,318,544</u>	<u>\$ 1,317,913</u>	<u>\$ 1,327,313</u>	<u>\$ 9,400</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 16,100	\$ 1,709	\$ 3,004	\$ 1,295
Small Asset Expenditures	25,000	3,546	3,873	327
Court Reporter Costs	6,500	5,000	6,143	1,143
Insurance Expense	146,155	141,653	136,466	(5,187)
Internet Access	3,222	4,381	5,483	1,102
Miscellaneous	5,937	4,951	4,086	(865)
Office Supplies and Postage	18,108	16,117	19,954	3,837
Payroll Taxes	24,414	24,230	24,741	511
Professional Fees	66,483	70,977	58,975	(12,002)
Reference Materials and Dues	2,500	2,025	2,024	(1)
Rent - Equipment	21,841	16,376	14,803	(1,573)
Repair, Maintenance and Warranty	7,900	8,500	7,824	(676)
Retirement Expense	132,695	137,473	137,476	3
Salaries	822,910	825,941	827,769	1,828
Seminars, Meetings, and Travel	44,400	37,000	28,698	(8,302)
Telephone Expense	3,500	2,575	3,182	607
Training	1,500			
Transfers to Other Funds				
Total Charges to Appropriations	<u>\$ 1,349,165</u>	<u>\$ 1,302,454</u>	<u>\$ 1,284,501</u>	<u>\$ (17,953)</u>
Excess of Resources Over (Under) Charges for Appropriations	\$ (30,621)	\$ 15,459	\$ 42,812	\$ 27,353
Fund Balance - Beginning	<u>641,242</u>	<u>641,242</u>	<u>641,242</u>	
Fund Balance - Ending	<u>\$ 610,621</u>	<u>\$ 656,701</u>	<u>\$ 684,054</u>	<u>\$ 27,353</u>

The accompanying notes are an integral part of this financial statement.

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

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(CHILD SUPPORT FUND)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amount</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Court Fees - \$	610,750	\$ 606,930	\$ 607,777	\$ 847
Interest Income	35,000	26,940	27,186	246
Other Income		29	29	
Transfers from other funds				
Amounts Available for Appropriation	<u>\$ 645,750</u>	<u>\$ 633,899</u>	<u>\$ 634,992</u>	<u>\$ 1,093</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 10,000	\$ 2,263	\$ 2,263	\$
Small Asset Expenditures	10,000	603	603	
Court Reporter Costs	4,588			
Insurance Expense	42,191	55,065	53,912	(1,153)
Internet Access	705	1,661	1,749	88
Miscellaneous	1,000	623	667	44
Payroll Taxes	14,620	14,788	14,799	11
Professional Fees	39,100	36,108	36,229	121
Reference Materials and Dues	50,000	52,761	59,232	6,471
Rent	11,500	13,786	13,892	106
Repair, Maintenance and Warranty	3,150	748	967	219
Retirement Expense	73,121	76,071	76,238	167
Salaries	465,979	469,584	475,329	5,745
Seminars, Meetings & Travel	10,575	8,857	8,309	(548)
Supplies	9,200	7,607	7,494	(113)
Telephone and Utility Expense	2,160	1,500	1,604	104
Training	1,500			
Total Charges to Appropriations	<u>\$ 749,389</u>	<u>\$ 742,025</u>	<u>\$ 753,287</u>	<u>\$ 11,262</u>
Excess of Resources Over (Under) Charges for Appropriations	\$ (103,639)	\$ (108,126)	\$ (118,295)	\$ (10,169)
Fund Balance - Beginning	<u>1,323,752</u>	<u>1,323,752</u>	<u>1,323,752</u>	
Fund Balance - Ending	<u>\$ 1,220,113</u>	<u>\$ 1,215,626</u>	<u>\$ 1,205,457</u>	<u>\$ (10,169)</u>

The accompanying notes are an integral part of this financial statement.

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

**BUDGETARY COMPARISON SCHEDULE -SPECIAL REVENUE FUND
(MISDEMEANOR PROBATION FUND)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amount</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Court Fees \$	635,000	\$ 690,993	\$ 693,380	\$ 2,387
Interest Income	12,000	5,897	6,626	729
Other Income			580	580
Amounts Available for Appropriation	<u>\$ 647,000</u>	<u>\$ 696,890</u>	<u>\$ 700,586</u>	<u>\$ 3,696</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 2,500	\$ 16,224	\$ 16,224	\$
Small Asset Expenditures	7,500	40	140	100
Insurance Expense	53,418	57,867	53,164	(4,703)
Internet Access	2,451	957	955	(2)
Miscellaneous	250	608	727	119
Postage	1,800	2,754	2,412	(342)
Payroll Taxes	6,135	7,541	6,932	(609)
Professional Fees	32,380	37,278	42,239	4,961
Reference Materials and Dues	500	332	343	11
Rent	7,408	10,300	10,361	61
Repair, Maintenance and Warranty	9,354	9,576	9,147	(429)
Retirement Expense	48,898	54,542	51,586	(2,956)
Salaries	363,039	394,482	358,474	(36,008)
Seminars, Meetings and Travel	5,240	5,388	6,506	1,118
Supplies	29,000	34,753	35,485	732
Telephone and Utility Expense	5,100	8,970	8,148	(822)
Total Charges to Appropriations	<u>\$ 574,973</u>	<u>\$ 641,612</u>	<u>\$ 602,843</u>	<u>\$ (38,769)</u>
Excess of Resources Over (Under) Charges for Appropriations	\$ 72,027	\$ 55,278	\$ 97,743	\$ 42,465
Fund Balance - Beginning	<u>324,217</u>	<u>324,217</u>	<u>324,217</u>	
Fund Balance - Ending	<u>\$ 396,244</u>	<u>\$ 379,495</u>	<u>\$ 421,960</u>	<u>\$ 42,465</u>

The accompanying notes are an integral part of this financial statement.

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

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amount</u>		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Resources (Inflows):				
Drug Screen Fees	\$ 42,125	\$ 37,165	\$ 36,355	\$ (810)
Supreme Court	429,822	429,822	429,822	
Supreme Court - TANF	87,678	87,678	87,678	
Amounts Available for Appropriation	<u>\$ 559,625</u>	<u>\$ 554,665</u>	<u>\$ 553,855</u>	<u>\$ (810)</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 3,000	\$	\$	\$
Small Asset Expenditures	2,000	315	494	179
Insurance Expense	18,907	20,120	19,895	(225)
Internet Access	1,392	877	954	77
Miscellaneous	500			
Office Supplies and Postage	300			
Payroll Taxes	2,052	2,130	1,961	(169)
Professional Fees	232,843	247,475	248,149	674
Reference Material and Dues		257	257	
Repair, Maintenance and Warranty	125	289	366	77
Retirement Expense	17,282	19,777	19,937	160
Salaries	141,513	151,896	142,340	(9,556)
Seminars, Meetings & Travel	7,061	7,104	7,189	85
Supplies	101,000	91,943	99,259	7,316
Telephone and Utility Expense	1,500		323	323
Total Charges to Appropriations	<u>\$ 529,475</u>	<u>\$ 542,183</u>	<u>\$ 541,124</u>	<u>\$ (1,059)</u>
Excess of Resources Over (Under) Charges for Appropriations	<u>\$ 30,150</u>	<u>\$ 12,482</u>	<u>\$ 12,731</u>	<u>\$ 249</u>
Fund Balance - Beginning	<u>96,168</u>	<u>96,168</u>	<u>96,168</u>	
Fund Balance - Ending	<u>\$ 126,318</u>	<u>\$ 108,650</u>	<u>\$ 108,899</u>	<u>\$ 249</u>

The accompanying notes are an integral part of this financial statement.

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

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(JUVENILE DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Drug Screen Fees	\$	\$	\$ 1,030	\$ 1,030
Supreme Court Federal Grant	168,750	168,750	168,667	(83)
Interest Income			18	18
Amounts Available for Appropriation	<u>\$ 168,750</u>	<u>\$ 168,750</u>	<u>\$ 169,715</u>	<u>\$ 965</u>
Charges to Appropriation (Outflows):				
Assets Expenditures	\$	\$	\$ 1,365	\$ 1,365
Small Asset Expenditures			970	970
Insurance	7,645	7,645	8,560	915
Internet Access			72	72
Office Supplies and Postage	300	300	242	(58)
Payroll Taxes	489	489	470	(19)
Professional Fees	91,500	91,500	92,287	787
Reference Materials and Dues			40	40
Repair, Maintenance and Warranty			83	83
Retirement	4,305	4,305	4,835	530
Salaries	33,764	33,764	35,556	1,792
Seminars, Meetings & Travel	4,017	4,017	3,251	(766)
Supplies	25,650	25,650	28,447	2,797
Telephone and Utility Expense	1,080	1,080	475	(605)
Total Charges to Appropriations	<u>\$ 168,750</u>	<u>\$ 168,750</u>	<u>\$ 176,653</u>	<u>\$ 7,903</u>
Excess of Resources Over (Under) Charges for Appropriations	\$	\$	\$ (6,938)	\$ (6,938)
Fund Balance - Beginning	<u>(9,122)</u>	<u>(9,122)</u>	<u>(9,122)</u>	
Fund Balance - Ending	<u>\$ (9,122)</u>	<u>\$ (9,122)</u>	<u>\$ (16,060)</u>	<u>\$ (6,938)</u>

The accompanying notes are an integral part of this financial statement.

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

SUPPLEMENTARY INFORMATION



Hulsey, Harwood & Sheridan, LLC

Certified Public Accountants

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Monroe, Louisiana

We have audited the component unit financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fourth Judicial District Court, Judicial Expense Fund, a component unit of the Ouachita Parish Police Jury, as of and for the year ended June 30, 2010, which collectively comprise the Fourth Judicial District Court, Judicial Expense Fund's component unit financial statements and have issued our report thereon dated December 16, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Fourth Judicial District Court, Judicial Expense Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the component unit financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

The Honorable Judges of the
Fourth Judicial District Court
Judicial Expense Fund
Page 2

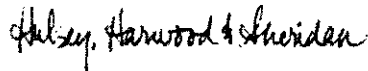
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other Matters

As part of obtaining reasonable assurance about whether the Fourth Judicial District Court, Judicial Expense Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

HULSEY, HARWOOD & SHERIDAN, LLC



Monroe, Louisiana
December 16, 2010

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2010**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the component unit financial statements of the Fourth Judicial District Court, Judicial Expense Fund.
2. No significant deficiencies are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. No instances of noncompliance material to the financial statements of the Fourth Judicial District Court, Judicial Expense Fund were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

No reportable findings resulted from the financial statements audit.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
WITH NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2010

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Federal Grants/Pass Through				
Program passed through the Louisiana State Supreme Court:				
Department of Health and Human Services - Administration for Children and Families:				
Temporary Assistance for Needy Families	93.558	\$ 87,678	\$ 87,678	\$96,627
		<u>\$ 87,678</u>	<u>\$ 87,678</u>	<u>\$96,627</u>

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Fourth Judicial District Court. The Fourth Judicial District Court did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting used for presenting the component unit financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

**SUPPLEMENTAL INFORMATION SCHEDULES
SCHEDULE OF JUDGES
FOR THE YEAR ENDED JUNE 30, 2010**

Division A	Judge Scott Leehy
Division B	Chief Judge Sharon I. Marchman
Division C	Judge Wilson Rambo
Division D	Judge H. Stephens Winters
Division E	Judge Frederic C. Amman
Division F	Judge C. Wendell Manning
Division G	Judge Carl Van Sharp
Division H	Judge Benjamin Jones
Division I	Judge Alvin R. Sharp
Division J	Judge Robert C. Johnson
Division K	Judge Daniel J. Ellender

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

**BALANCE SHEET - SCHEDULE OF COMBINING ACCOUNTS
GENERAL FUND**

JUNE 30, 2010

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Assets				
Cash in Bank	\$ 594,616	\$ 41,289	\$ 55,617	\$ 691,522
Prepaid Expenses and Deposits	1,867			1,867
Due From Other Governmental Units	47,010			47,010
Accounts Receivable	13		248	261
Due from Other Funds				
	<hr/>			
Total Assets	\$ 643,506	\$ 41,289	\$ 55,865	\$ 740,660
	<hr/>			
Liabilities and Fund Balances				
Liabilities				
Accrued and Other Liabilities	\$ 19,731		\$ 7,684	\$ 27,415
Due to Other Governmental Units	4,097	4,374	10,992	19,463
Compensated Absences Payable	9,728			9,728
Due to Other Funds				
	<hr/>			
Total Liabilities	\$ 33,556	\$ 4,374	\$ 18,676	\$ 56,606
	<hr/>			
Fund Balances				
Unrestricted	\$ 605,656	\$ 36,915		\$ 642,571
Designated	4,294		37,189	41,483
	<hr/>			
Total Fund Balances	\$ 609,950	\$ 36,915	\$ 37,189	\$ 684,054
	<hr/>			
Total Liabilities and Fund Balances	\$ 643,506	\$ 41,289	\$ 55,865	\$ 740,660

† After internal receivables and payables have been eliminated.

The accompanying notes are an integral part of this financial statement

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
SCHEDULE OF COMBINING ACCOUNTS
GENERAL FUND**

JUNE 30, 2010

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Revenues				
Court Fees - Ouachita Parish	\$ 256,410	\$	\$	\$ 256,410
Court Fees - Morehouse Parish	47,031			47,031
Grant Revenue		54,360		54,360
Warrant Revenue - Ouachita Parish			856,768	856,768
Warrant Revenue - Morehouse Parish			101,029	101,029
Interest Income	10,503		893	11,396
Other Income	315	4		319
Transfers In From Other Funds				
Amounts Available for Appropriation	<u>\$ 314,259</u>	<u>\$ 54,364</u>	<u>\$ 958,690</u>	<u>\$ 1,327,313</u>
Expenditures				
Asset Expenditures	\$ 609	\$ 2,395	\$	\$ 3,004
Small Asset Expenditures	3,655	218		3,873
Court Reporter/Process Costs	6,143			6,143
Insurance Expense	29,068	4,094	103,304	136,466
Internet Access	4,383	1,100		5,483
Miscellaneous	1,521		2,565	4,086
Office Supplies & Postage	13,819	6,046	89	19,954
Payroll taxes	3,237	501	21,003	24,741
Professional Fees	52,319	1,223	5,433	58,975
Reference Materials & Dues	2,024			2,024
Rent - Equipment/Storage	13,189	1,614		14,803
Repair, Maintenance, & Warranty	7,723	101		7,824
Retirement Expense	14,743	3,877	118,856	137,476
Salaries	93,844	30,331	703,594	827,769
Seminars, Meetings, & Travel	24,575	4,123		28,698
Telephone Expense	2,785	397		3,182
Transfer Out to Other Funds				
Total Charges to Appropriations	<u>\$ 273,637</u>	<u>\$ 56,020</u>	<u>\$ 954,844</u>	<u>\$ 1,284,501</u>
Excess of Resources Over (Under)				
Charges for Appropriations	\$ 40,622	\$ (1,656)	\$ 3,846	\$ 42,812
FUND BALANCE - BEGINNING	<u>569,328</u>	<u>38,571</u>	<u>33,343</u>	<u>641,242</u>
FUND BALANCE - ENDING	<u>\$ 609,950</u>	<u>\$ 36,915</u>	<u>\$ 37,189</u>	<u>\$ 684,054</u>

The accompanying notes are an integral part of this financial statement.