

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

**COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2011**

**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 **JAN 18 2012**

**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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BOSCH & STATHAM, LLC

Melissa E. Bosch, CPA

Michael D. Statham, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Judges of the
Fourth Judicial District Court
Monroe, Louisiana

We have audited the accompanying 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, 2011, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Court'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 and the Louisiana Governmental Audit Guide. 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 the 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 Court, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof 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 our report dated December 12, 2011, on our consideration of the Court'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 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 6 and 30 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Judges of the
Fourth Judicial District Court
Independent Auditor's Report
June 30, 2011

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's component unit financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 financial statements. The accompanying schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
December 12, 2011

**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, 2011. 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 \$1,564,931 (net assets). Of this amount, \$340,876 (unrestricted net deficit) resulted from recognizing \$1,020,044 of post retirement benefits payable at some time in future years, and \$1,777,748 (restricted 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 \$100,000 during the current fiscal year.
- At the end of the most recent fiscal year, unassigned fund balance of the General Fund was \$638,428, or 46% 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, 2011, net assets changed as follows:

Beginning net assets	\$ 1,665,099
Increase (Decrease) in net assets	<u>(100,168)</u>
Ending net assets	\$ 1,564,931

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 \$154,998 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 \$100,168. The Court also had additional salaries, insurance, professional fees, reference material/dues, retirement, and supplies expenditures totaling \$144,149 more than the prior year.

The Court had \$139,006 in additional court fees collected during the year ended June 30, 2011. The Court also realized Supreme Court receipts related to the Drug Court and Juvenile Drug Court that increased \$5,389 and decreased \$16,973, respectively, due to higher/lower grant awards for the current fiscal year. Due to additional salaries, the warrant revenue increased \$64,233 during the current fiscal year. Also, the Interest income decreased \$19,667 due to reduced interest rates on investments during the year ended June 30, 2011.

Governmental Activities

The Court's assets exceeded its liabilities at the close of the fiscal year 2010 by \$1,564,931. For the fiscal year ended June 30, 2011, the net assets decreased by \$100,168 (or 6%) and the Court's revenue increased by \$168,703 (or 5%).

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, 2011</u>	<u>Restated June 30, 2010</u>
Current and noncurrent assets	\$ 2,952,682	\$ 2,728,742
Current and noncurrent liabilities	<u>1,387,751</u>	<u>1,063,643</u>
Net Assets:		
Investments in capital assets, net	\$ 128,059	\$ 125,835
Unrestricted	(340,876)	(235,836)
Restricted	<u>1,777,748</u>	<u>1,775,100</u>
Total net assets	<u>\$ 1,564,931</u>	<u>\$ 1,665,099</u>

Net assets of the Court decreased by \$100,168 (or 6%) from June 30, 2010 to June 30, 2011.

The following schedule presents a summary of general and special revenue fund revenues and expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to the prior year.

	<u>FYE 2011 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FYE 2010</u>	<u>Percent Increase (Decrease)</u>
Revenues:				
Operating grants	\$ 137,194	4%	\$ (4,844)	(3%)
Intergovernmental	2,604,368	73%	136,844	6%
Charges for services	785,546	22%	54,801	8%
Interest	25,559	1%	(19,667)	(43%)
Other	<u>2,497</u>		<u>1,569</u>	<u>169%</u>
Total revenues	\$ 3,555,164	100%	\$ 168,703	5%

Intergovernmental revenues increased due to an increase in the Child Support collected 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 2011 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From FYE 2010</u>	<u>Percent Increase (Decrease)</u>
Expenditures:				
District Court	\$ 3,481,497	99%	\$ 145,945	4%
Capital Outlay	<u>21,060</u>	<u>1%</u>	<u>(1,796)</u>	<u>(8%)</u>
Total expenditures	\$ 3,502,557	100%	\$ 144,149	4%

The Child Support and Misdemeanor Probation expenditures increased moderately during 2011. The increase in District Court expenditures was also due to increases in salaries, related retirement expense, insurance, and professional fees.

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 asset and small asset expenditures with increases in salaries, retirement expense, insurance, and professional fees.

The actual general fund revenues were more than the final budget by \$19,651. Actual general fund expenditures were less than the final budget by \$18,943.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2011 the Court had \$128,059 invested in capital assets including computer equipment and office furniture and equipment (See table below).

Computer equipment, including software	\$	84,037
Office equipment and furniture		<u>44,022</u>
Ending net assets	\$	128,059

This year's major additions included a laptop, software, audio mixer, LCD TV, and network hardware for the server room.

Debt

At year end, the Court had a total of \$93,605 estimated for accrued compensated absences that represents the future liability for vacation earned but not used by District Court employees. That is an increase of seventeen percent as shown in the following table. The Court also had a total of \$1,020,044 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.

	FYE 2011 Amount	Increase (Decrease) From FYE 2010	Percent Increase (Decrease)
Accrued compensated absences	\$ 93,605	\$ (3,095)	(3%)
Post-retirement Benefit Plan payable	\$ 1,020,044	\$ 154,998	18%

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, 2011**

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,603,716
Due From Other Governmental Units	207,669
Accounts Receivable	4,286
Prepaid Expenses and Deposits	8,952
Capital Assets	<u>128,059</u>
Total Assets	<u>\$ 2,952,682</u>
LIABILITIES	
Accrued and Other Liabilities	\$ 72,452
Due to Other Governmental Units	201,650
Compensated Absences Payable	93,605
Post-Retirement Benefit Plan Payable	<u>1,020,044</u>
Total Liabilities	<u>\$ 1,387,751</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 128,059
Unrestricted	(340,876)
Restricted	<u>1,777,748</u>
Total Net Assets	<u>\$ 1,564,931</u>
Total Liabilities and Net Assets	<u>\$ 2,952,682</u>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Function/Program Activities:	Program Revenues			Changes in Net Assets
	Expenses	Operating Charges for Services	Capital Grants and Contributions	
Government Activities:				
Judicial Expense Fund	\$ 1,530,462	\$	\$ 55,406	\$ 1,475,056
Child Support Court Services	776,681			776,681
Misdemeanor Probation	663,191	753,036		(89,845)
Drug Court	531,218	31,419	81,788	418,011
Juvenile Drug Court	153,780	1,091		152,689
Total Government Activities	\$ 3,655,332	\$ 785,546	\$ 137,194	\$ 2,732,592
General Revenues:				
Intergovernmental				\$ 2,604,368
Interest				25,559
Other				2,497
Total General Revenues				\$ 2,632,424
Changes in Net Assets				\$ (100,168)
NET ASSETS-BEGINNING				1,665,099
NET ASSETS - ENDING				\$ 1,564,931

The accompanying notes are an integral part of these financial statements.

**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, 2011**

	<u>General Fund</u>	<u>Child Support Fund</u>	<u>Misdemeanor Probation Fund</u>	<u>Drug Court Fund</u>	<u>Juvenile Drug Court Fund</u>	<u>Total Governmental Funds[†]</u>
ASSETS						
Cash and Cash Equivalents	\$ 791,876	\$ 1,105,644	\$ 700,961	\$ 58,140	\$ 5,235	\$ 2,603,716
Due From Other Governmental Units	63,306	55,677	5,614	10	24,932	207,669
Accounts Receivable	4,276		10			4,286
Prepaid Expenses and Deposits	3,636	3,333	1,839	126	18	8,952
Due from Other Funds		60		115,612		0 [†]
Total Assets	<u>\$ 863,094</u>	<u>\$ 1,164,714</u>	<u>\$ 708,424</u>	<u>\$ 173,878</u>	<u>\$ 30,185</u>	<u>\$ 2,824,623</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accrued and Other Liabilities	\$ 46,324	\$ 10,296	\$ 7,118	\$ 7,588	\$ 1,126	\$ 72,452
Due to Other Governmental Units	67,546	23,372	71,044	31,440	8,248	201,650
Compensated Absences Payable	10,439	40,414	27,814	8,518	6,420	93,605
Due to Other Funds	60		85,612		30,000	0 [†]
Total Liabilities	<u>\$ 124,369</u>	<u>\$ 74,082</u>	<u>\$ 191,588</u>	<u>\$ 47,546</u>	<u>\$ 45,794</u>	<u>\$ 367,707</u>
Fund Balances						
Nonspendable	\$ 3,636	\$ 3,333	\$ 1,839	\$ 126	\$ 18	\$ 8,952
Restricted	96,661	1,087,299	514,997	126,206		1,825,163
Unassigned	638,428				(15,627)	622,801
Total Fund Balances	<u>\$ 738,725</u>	<u>\$ 1,090,632</u>	<u>\$ 516,836</u>	<u>\$ 126,332</u>	<u>\$ (15,609)</u>	<u>\$ 2,456,916</u>
Total Liabilities and Fund Balances	<u>\$ 863,094</u>	<u>\$ 1,164,714</u>	<u>\$ 708,424</u>	<u>\$ 173,878</u>	<u>\$ 30,185</u>	<u>\$ 2,824,623</u>

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

The accompanying notes are an integral part of these financial statements.

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

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011**

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

Total Fund Balances - Total Governmental Funds		\$ 2,456,916
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Governmental capital assets	\$ 403,543	
Less accumulated depreciation	<u>(275,484)</u>	128,059
Unfunded post-retirement benefit plan obligations are not financial expenditures and therefore are not reported in the funds		<u>(1,020,044)</u>
Net Assets of Governmental Activities		<u>\$ 1,564,931</u>

The accompanying notes are an integral part of these financial statements.

**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, 2011**

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court	Total Governmental Funds
REVENUES						
Court Fees	\$ 342,062	\$ 653,381	\$ 753,036	\$ 31,419	\$ 1,091	\$ 1,780,989
Supreme Court Receipts				435,211	151,694	586,905
Grant Revenue	55,406			81,788		137,194
Warrant Revenue	1,022,020					1,022,020
Interest Income	7,899	11,291	6,364		15	25,559
Other Income	2,496		1			2,497
Total Revenue	\$ 1,429,873	\$ 664,672	\$ 759,401	\$ 548,418	\$ 152,800	\$ 3,555,164
EXPENDITURES						
Asset Expenditures	\$ 10,409	\$ 5,223	\$ 5,428	\$	\$	\$ 21,060
Small Asset Expenditures	8,896	1,282	4,464	2,095		16,737
Court Reporter/Process Costs	4,898					4,898
Insurance Expense	146,434	55,176	71,004	21,813	9,200	303,627
Internet Access	5,445	1,805	958	958	69	9,235
Miscellaneous	3,735	580	836			5,151
Office Supplies and Postage	15,997		2,525		99	18,621
Payroll Taxes	15,677	10,677	6,875	1,987	477	35,693
Professional Fees	70,694	41,217	43,646	250,310	80,976	486,843
Reference Material and Dues	2,749	61,338	327	175	40	64,629
Rent - Equipment	11,346	11,960	9,590			32,896
Repair Maintenance & Warranty	8,338	1,435	18,058	354	80	28,265
Retirement Expense	169,634	90,786	65,416	22,671	5,525	354,032
Salaries	858,997	481,755	392,099	140,219	36,404	1,909,474
Seminars Meetings & Travel	39,130	7,758	8,553	6,853	2,583	64,877
Supplies		7,447	29,110	82,872	16,355	135,784
Telephone & Utility Expense	2,523	1,058	5,636	678	541	10,436
Training	299					299
Total Expenditures	\$ 1,375,201	\$ 779,497	\$ 664,525	\$ 530,985	\$ 152,349	\$ 3,502,557
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 54,672	\$ (114,825)	\$ 94,876	\$ 17,433	\$ 451	\$ 52,607
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	\$ 54,672	\$ (114,825)	\$ 94,876	\$ 17,433	\$ 451	\$ 52,607
FUND BALANCE - BEGINNING	684,054	1,205,457	421,960	108,899	(16,060)	2,404,310
FUND BALANCE - ENDING	\$ 738,726	\$ 1,090,632	\$ 516,836	\$ 126,332	\$ (15,609)	\$ 2,456,917

The accompanying notes are an integral part of these financial statements.

**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, 2011**

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

Net Change in Fund Balance - Total Governmental Funds		\$ 52,607
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital Asset Purchases Capitalized	\$ 21,060	
Depreciation Expense	<u>(18,837)</u>	2,223
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.		
		<u>(154,998)</u>
Change in Net Assets of Governmental Activities		<u>\$ (100,168)</u>

The accompanying notes are an integral part of these financial statements.

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

**STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011**

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

The accompanying notes are an integral part of these financial statements.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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.

SPECIAL REVENUE FUNDS: The purpose of each major special revenue fund and revenue source is listed below:

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 \$517,000 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.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

The Fourth Judicial District Court, Special Revenue Fund (Juvenile Drug Court) was granted an award of \$151,875 for the current fiscal year by the Supreme Court of Louisiana, Drug Court Program.

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.

BASIS OF PRESENTATION: The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

FUND BALANCE TYPE DEFINITIONS: In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Fourth Judicial District Court classifies governmental fund balances as follows:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Fund balance may be committed by the judges of the Fourth Judicial District Court.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the judges of the Fourth Judicial District Court.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

FUND BALANCE TYPE ACTIONS: The Fourth Judicial District Court uses *restricted /committed* amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Fourth Judicial District Court would first use *committed*, then *assigned*, and lastly *unassigned amounts* of unrestricted fund balance when expenditures are made.

The Fourth Judicial District Court *does not* have a formal minimum fund balance policy.

A schedule of fund balances is provided on the next page.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

	General Fund	Child Support Fund	Misdemeanor Probation Fund	Drug Court Fund	Juvenile Drug Court Fund	Total Governmental Funds
Fund Balances						
Nonspendable						
Prepaid Expenses	\$ 3,636	\$ 3,333	\$ 1,839	\$ 126	\$ 18	\$ 8,952
Restricted						
Payroll	56,367					56,367
Family In Need of Services	40,294					40,294
Child Support Enforcement		1,087,299				1,087,299
Court Services			514,997	126,206		641,203
Unassigned	<u>638,428</u>				<u>(15,627)</u>	<u>622,801</u>
Total Fund Balances	<u>\$ 738,725</u>	<u>\$ 1,090,632</u>	<u>\$ 516,836</u>	<u>\$ 126,332</u>	<u>\$ (15,609)</u>	<u>\$ 2,456,916</u>

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.

GASB Codification Section 2100 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.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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.

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, 2011**

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.

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.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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, 2011.

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 \$3,636 and \$40,294 in restricted net assets as of June 30, 2011 related to the prepaid expenses and Family in Needs funds, respectively, in the general fund and \$1,733,818 restricted net assets as of June 30, 2011 related to special revenue fund balances.

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".

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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 \$18,943. The actual revenues were greater than budgeted revenues for the year by \$19,651.

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

NOTE 3 DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

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

At June 30, 2011 the Fourth Judicial District Court had cash and cash equivalents (book balances) totaling \$2,603,716 as follows:

Interest-bearing demand deposits	\$	458,708
Time deposits		<u>2,145,008</u>
 Total	 \$	 <u><u>2,603,716</u></u>

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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>
Community Trust Bank				
General Fund				
Judicial Expense - Checking	\$ 147,135	\$ 152,800		1.00%
Special Revenue Funds				
Child Support - Cert. of Dep.	300,000	300,000	02/08/12	1.00%
Child Support - Cert. of Dep.	400,000	400,000	09/01/12	1.50%
Misdemeanor Probation - Cert. of Dep.	100,000	100,000	03/18/12	1.75%
Subtotal	<u>\$ 947,135</u>	<u>\$ 952,800</u>		
Cross Keys Bank				
Special Revenue Fund				
Child Support - Cert. Of Dep.	\$ 100,000	\$ 100,000	01/06/13	1.30%
Child Support - Cert. Of Dep.	100,000	100,000	08/07/11	0.98%
Subtotal	<u>\$ 200,000</u>	<u>\$ 200,000</u>		
First National Bank				
General Fund				
Judicial Expense - Cert. of Dep.	\$ 95,000	\$ 95,000	02/23/12	1.75%
Judicial Expense - Cert. of Dep.	100,000	100,000	02/23/12	1.75%
Special Revenue Funds				
Misdemeanor Probation - Cert. of Dep.	200,000	200,000	02/23/12	1.75%
Subtotal	<u>\$ 395,000</u>	<u>\$ 395,000</u>		
Ouachita Independent Bank				
General Fund				
Judicial Expense - Ckg. Auction	\$ 100	\$ 100		
Family in Needs Services - Ckg.	40,474	44,429		
Special Revenue Funds				
Child Support - Ckg.	55,641	57,368		0.11%
Misdemeanor Probation - Ckg.	100,961	124,429		0.25%
Juvenile Drug Court - Ckg.	5,235	7,614		0.09%
Subtotal	<u>\$ 202,411</u>	<u>\$ 233,940</u>		
Progressive Bank				
General Fund				
General Fund (P/R) Checking	\$ 109,162	\$ 114,441		0.25%
Special Revenue Fund				
Misdemeanor Probation - Cert. of Dep.	200,000	200,000	11/09/12	1.00%
Subtotal	<u>\$ 309,162</u>	<u>\$ 314,441</u>		
Richland State Bank				
General Fund				
Judicial Expense - Cert. Of Dep.	\$ 200,005	\$ 200,005	09/03/12	1.45%
Judicial Expense - Cert. Of Dep.	100,000	100,000	10/19/12	1.24%
Special Revenue Funds				
Child Support - Cert. of Dep.	50,003	50,003	09/03/12	1.45%
Child Support - Cert. of Dep.	100,000	100,000	11/19/12	1.45%
Misdemeanor Probation - Cert. of Dep.	100,000	100,000	09/13/11	1.10%
Subtotal	<u>\$ 550,008</u>	<u>\$ 550,008</u>		
Total Cash and Cash Equivalents	<u>\$ 2,603,716</u>			

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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, 2011 the Fourth Judicial District Court had \$2,646,188 in deposits (collected bank balances). These deposits are secured from risk by \$1,313,640 of federal deposit insurance and \$1,332,548 of pledged securities held by the bank's agent in the name of the bank as of June 30, 2011.

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.

B. 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, 2011**

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)	\$ 18,427
Court fees - Ouachita Parish, Clerk of Court State of Louisiana (Includes expense reimbursement)	544
Court fees - Morehouse Parish, Sheriff Department State of Louisiana	19,570
Court fees - Morehouse Parish, Clerk of Court State of Louisiana	930
Travel and expense reimbursement - Supreme Court, Justice Department, State of Louisiana	22,037
Expense reimbursement - Ouachita Parish District Attorney State of Louisiana	4
Expense reimbursement - Ouachita Parish Police Jury, State of Louisiana	<u>1,794</u>

Totals

\$ 63,306

Special Revenue Funds

Child Support Fund

Court fees - Department of Health and Human Resources, State of Louisiana	\$ 54,533
Equipment rental reimbursement - Monroe City Court Monroe, Louisiana	119
Expense reimbursement - Ouachita Parish Police Jury, State of Louisiana	1,025

Misdemeanor Probation Fund

Expense reimbursement - Ouachita Parish District Attorney State of Louisiana	5,614
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Drug Court Fund

Operation fees - Supreme Court, Justice Department State of Louisiana	58,140
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Juvenile Drug Court Fund

Operation fees - Supreme Court, Justice Department State of Louisiana	<u>24,932</u>
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Totals

\$ 144,363

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>
Government Activities:				
Computers & Printers	\$ 230,264	\$ 21,061	\$	\$ 251,325
Equipment	<u>152,218</u>	<u></u>	<u></u>	<u>152,218</u>
Totals at Historical Cost	<u>\$ 382,482</u>	<u>\$ 21,061</u>	<u>\$ 0</u>	<u>\$ 403,543</u>
Less Accumulated Depreciation for:				
Computers	\$ 155,752	\$ 11,536	\$	\$ 167,288
Equipment	<u>100,895</u>	<u>7,301</u>	<u></u>	<u>108,196</u>
	<u>\$ 256,647</u>	<u>\$ 18,837</u>	<u>\$ 0</u>	<u>\$ 275,484</u>
Governmental Activities				
Capital Assets Net	<u>\$ 125,835</u>	<u>\$ 2,224</u>	<u>\$ 0</u>	<u>\$ 128,059</u>

Depreciation expense was charged to governmental functions as follows:

Judicial Expense Fund	\$ 10,672
Child Support Fund	2,407
Misdemeanor Probation Fund	4,094
Drug Court Fund	233
Juvenile Drug Court Fund	<u>1,431</u>
	<u>\$ 18,837</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, if hired before July 1, 2006 to contribute 7.5 percent, if hired after July 1, 2006 to contribute 8.0 percent, of their annual covered salary and the Court (employer) is required to contribute at an actuarially determined rate. The employer rates were 22 percent, 18.5 percent, and 18.5 percent of annual covered payroll as of June 30, 2011, 2010, and 2009, 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, 2011, 2010, and 2009, were \$224,034, \$182,171, and \$170,282, respectively, equal to the required contribution for each year.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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. 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, 15.75 percent, and 12.25 percent of annual covered payroll effective as of January 1, 2011, 2010, and 2009, respectively, for the Ouachita Parish Police Jury retirement system. The Court reimbursed \$117,986, \$97,331, and \$79,645 to the Ouachita Parish Police Jury for contributions to the System during the years ending June 30, 2011, 2010, and 2009, respectively, as its share of contributions, equal to the required contributions for the years. The employer rate was 25.5 percent, 23.0 percent, and 11.75 percent of annual covered payroll effective as of June 30, 2011, 2010, and 2009, respectively, for the Morehouse Parish Clerk of Court retirement system. The Court reimbursed \$6,487, \$5,734, and \$3,155 to the Morehouse Parish Clerk of Court for contributions to the System during the years ending June 30, 2011, 2010, and 2009, 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, 2011, the Court contributed \$24,302 to the plan, including \$24,302 for current premiums (approximately 79 percent of total premiums). Plan members receiving benefits contributed \$6,618, or approximately twenty-one (21%) percent of the total premiums.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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	\$ 107,000
Amortization of UAAL	72,300
Annual required contribution (ARC)	\$ 179,300

Determination of Net OPEB Obligation

Annual required contribution	\$ 179,300
Interest on prior year net OPEB obligation	0
Adjustment to ARC	0
Annual OPEB cost	\$ 179,300
Contributions made	(24,302)
Estimated increase in net OPEB obligation	\$ 154,998

Net OPEB obligation - Beginning of year	865,046
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Estimated net OPEB obligation - End of year	\$ 1,020,044
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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>
06/30/09	\$ 329,500	0%	\$ 659,000
06/30/10	\$ 206,046	0%	\$ 865,046
06/30/11	\$ 154,998	0%	\$ 1,020,044

Funded Status and Funding Progress. As of July 1, 2010, 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 \$1,721,200, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,721,200. The covered payroll (annual payroll of active employees covered by the plan) was \$828,900, and the ratio of the UAAL to the covered payroll was 208 percent.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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.

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, 2010 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, 2010.

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, 2008 through June 30, 2010. 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, 2010 through June 30, 2011 using the following annual trend assumptions:

	Pre Medicare	Medicare Eligible
Healthcare Costs	7.5%	8.6%

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.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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.

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.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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, 2011 was twenty-six 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.

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	\$ 5,709
Ouachita Parish Police Jury - State of Louisiana	<u>61,837</u>
Total General Fund	<u>\$ 67,546</u>
Special Revenue Funds	
Child Support Fund	
Ouachita Parish Police Jury - State of Louisiana	20,345
Morehouse Parish Clerk of Court - State of Louisiana	3,027
Court Services Fund (Misdemeanor, Drug Court, and Juvenile Drug Court)	
Ouachita Parish Police Jury - State of Louisiana	<u>110,732</u>
Total Special Revenue Funds	<u>\$ 134,104</u>

NOTE 9 COMPENSATED ABSENCES

At June 30, 2011, employees of the Fourth Judicial District Court have accumulated and vested \$93,606 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$10,439 is recorded as an obligation of the General Fund and \$83,167 is recorded as an obligation of the Special Revenue Funds.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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	\$ 20,711	\$ 20,711	\$ 0
Morehouse Parish Sheriff's Department, Bastrop, Louisiana	0	1,812	1,812	0
Indigent Defender Board, Monroe, Louisiana	0	17,329	17,329	0
Criminal Court Fund, Monroe, Louisiana	0	865	865	0
Restitution Recipients, Fourth District, State of Louisiana	0	63,300	63,300	0
	<u>\$ 0</u>	<u>\$ 104,017</u>	<u>\$ 104,017</u>	<u>\$ 0</u>

NOTE 11 JOINT VENTURES

The Child Support Fund has entered into agreements with the Ouachita Parish Police Jury, Ouachita Clerk of Court, and the Morehouse Clerk of Court for reimbursement of salaries, payroll taxes, group insurance, retirement and workman's compensation related to employees. The Misdemeanor Probation Fund 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.

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

NOTE 12 GRANT PROGRAMS (Cont'd)

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, 2010 until June 30, 2011 and funded monthly from July 1, 2010 until June 30, 2011 for \$55,406.

The total expenditures of the Fourth Judicial District Court, Judicial Expense Fund related to the FINS programs was \$52,027 for the fiscal year ended June 30, 2011.

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 \$81,788 during the fiscal year ended June 30, 2011 from the "Temporary Assistance for Needy Families" (TANF) program.

The total expenditures of the Fourth Judicial District Court related to this program were \$104,894 for the fiscal year ending June 30, 2011.

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, 2011**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Court Fees - Ouachita Parish	\$ 254,000	\$ 270,129	\$ 270,668	\$ 539
Court Fees - Morehouse Parish	44,000	59,249	71,394	12,145
Grant Revenue	49,878	49,878	55,406	5,528
Warrant Revenue	1,015,449	1,022,019	1,022,020	1
Interest Income	11,520	7,551	7,889	338
Other Income	300	1,396	2,496	1,100
Amounts Available for Appropriation	<u>\$ 1,375,147</u>	<u>\$ 1,410,222</u>	<u>\$ 1,429,873</u>	<u>\$ 19,651</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 10,000	\$ 10,765	\$ 10,409	\$ (356)
Small Asset Expenditures	12,100	8,727	8,896	169
Court Reporter Costs	5,000	6,494	4,898	(1,596)
Insurance Expense	143,358	164,250	146,434	(17,816)
Internet Access	5,600	5,292	5,445	153
Miscellaneous	3,450	3,604	3,735	131
Office Supplies and Postage	15,763	16,066	15,997	(69)
Payroll Taxes	25,871	16,571	15,677	(894)
Professional Fees	65,645	64,043	70,694	6,651
Reference Materials and Dues	2,025	1,556	2,749	1,193
Rent - Equipment	14,000	11,698	11,346	(352)
Repair, Maintenance and Warranty	8,500	7,308	8,338	1,030
Retirement Expense	154,496	162,515	169,634	7,119
Salaries	876,412	884,626	858,997	(25,629)
Seminars, Meetings, and Travel	38,250	27,950	39,130	11,180
Telephone Expense	3,100	2,679	2,523	(156)
Training			299	299
Total Charges to Appropriations	<u>\$ 1,383,570</u>	<u>\$ 1,394,144</u>	<u>\$ 1,375,201</u>	<u>\$ (18,943)</u>
Excess of Resources Over (Under) Charges for Appropriations	\$ (8,423)	\$ 16,078	\$ 54,672	\$ 38,594
Fund Balance - Beginning	<u>684,054</u>	<u>684,054</u>	<u>684,054</u>	
Fund Balance - Ending	<u>\$ 675,631</u>	<u>\$ 700,132</u>	<u>\$ 738,726</u>	<u>\$ 38,594</u>

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

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(CHILD SUPPORT FUND)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Court Fees	\$ 607,000	\$ 652,946	\$ 653,381	\$ 435
Interest Income	27,000	11,155	11,291	136
Other Income	29			
Transfers from other funds				
Amounts Available for Appropriation	<u>\$ 634,029</u>	<u>\$ 664,101</u>	<u>\$ 664,672</u>	<u>\$ 571</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 10,000	\$ 5,223	\$ 5,223	\$
Small Asset Expenditures	10,000	1,282	1,282	
Insurance Expense	55,872	55,803	55,176	(627)
Internet Access	1,800	1,738	1,805	67
Miscellaneous	750	535	580	45
Payroll Taxes	15,054	9,866	10,677	811
Professional Fees	36,342	40,532	41,217	685
Reference Materials and Dues	53,000	64,728	61,338	(3,390)
Rent	14,075	10,929	11,960	1,031
Repair, Maintenance and Warranty	1,575	1,404	1,435	31
Retirement Expense	78,135	90,880	90,786	(94)
Salaries	480,323	483,548	481,755	(1,793)
Seminars, Meetings & Travel	9,000	7,736	7,758	22
Supplies	7,825	7,334	7,447	113
Telephone and Utility Expense	1,500	1,180	1,058	(122)
Total Charges to Appropriations	<u>\$ 775,251</u>	<u>\$ 782,718</u>	<u>\$ 779,497</u>	<u>\$ (3,221)</u>
Excess of Resources Over (Under) Charges for Appropriations	<u>\$ (141,222)</u>	<u>\$ (118,617)</u>	<u>\$ (114,825)</u>	<u>\$ 3,792</u>
Fund Balance - Beginning	<u>1,205,457</u>	<u>1,205,457</u>	<u>1,205,457</u>	
Fund Balance - Ending	<u>\$ 1,064,235</u>	<u>\$ 1,086,840</u>	<u>\$ 1,090,632</u>	<u>\$ 3,792</u>

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

**BUDGETARY COMPARISON SCHEDULE -SPECIAL REVENUE FUND
(MISDEMEANOR PROBATION FUND)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Court Fees	\$ 666,700	\$ 716,374	\$ 753,036	\$ 36,662
Interest Income	6,000	6,000	6,364	364
Other Income			1	1
Transfers from other funds				
Amounts Available for Appropriation	<u>\$ 672,700</u>	<u>\$ 722,374</u>	<u>\$ 759,401</u>	<u>\$ 37,027</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 15,000	\$ 10,500	\$ 5,428	\$ (5,072)
Small Asset Expenditures	500	4,460	4,464	4
Insurance Expense	60,738	66,704	71,004	4,300
Internet Access	1,000	1,000	958	(42)
Miscellaneous	600	600	836	236
Postage	2,800	2,800	2,525	(275)
Payroll Taxes	9,714	8,293	6,875	(1,418)
Professional Fees	41,000	42,700	43,646	946
Reference Materials and Dues	500	325	327	2
Rent	10,344	9,564	9,590	26
Repair, Maintenance and Warranty	9,625	14,865	18,058	3,193
Retirement Expense	57,273	64,773	65,416	643
Salaries	372,335	406,824	392,099	(14,725)
Seminars, Meetings & Travel	6,000	7,950	8,553	603
Supplies	27,223	28,211	29,110	899
Telephone and Utility Expense	9,000	6,800	5,636	(1,164)
Total Charges to Appropriations	<u>\$ 623,652</u>	<u>\$ 676,369</u>	<u>\$ 664,525</u>	<u>\$ (11,844)</u>
Excess of Resources Over (Under) Charges for Appropriations	\$ 49,048	\$ 46,005	\$ 94,876	\$ 48,871
Fund Balance - Beginning	<u>421,960</u>	<u>421,960</u>	<u>421,960</u>	
Fund Balance - Ending	<u>\$ 471,008</u>	<u>\$ 467,965</u>	<u>\$ 516,836</u>	<u>\$ 48,871</u>

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

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND
(DRUG COURT FUND)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Drug Screen Fees	\$ 42,125	\$ 30,542	\$ 31,419	\$ 877
Supreme Court	517,500	517,500	435,211	(82,289)
Supreme Court - TANF			81,788	81,788
Amounts Available for Appropriation	<u>\$ 559,625</u>	<u>\$ 548,042</u>	<u>\$ 548,418</u>	<u>\$ 376</u>
Charges to Appropriation (Outflows):				
Asset Expenditures	\$ 3,000	\$	\$	\$
Small Asset Expenditures	2,000	2,095	2,095	
Insurance Expense	19,355	19,296	21,813	2,517
Internet Access	1,392	1,000	958	(42)
Miscellaneous	500			
Office Supplies and Postage	300			
Payroll Taxes	5,448	5,491	1,987	(3,504)
Professional Fees	245,743	253,946	250,310	(3,636)
Reference Materials and Dues		175	175	
Rent Expense	2,068	2,068		(2,068)
Repair, Maintenance and Warranty	125	350	354	4
Retirement Expense	22,931	23,450	22,671	(779)
Salaries	145,592	149,329	140,219	(9,110)
Seminars, Meetings & Travel	7,061	6,789	6,853	64
Supplies	92,500	70,200	82,872	12,672
Telephone and Utility Expense	1,500	1,500	678	(822)
Total Charges to Appropriations	<u>\$ 549,515</u>	<u>\$ 535,689</u>	<u>\$ 530,985</u>	<u>\$ (4,704)</u>
Excess of Resources Over (Under) Charges for Appropriations	<u>\$ 10,110</u>	<u>\$ 12,353</u>	<u>\$ 17,433</u>	<u>\$ 5,080</u>
Fund Balance - Beginning	<u>108,899</u>	<u>108,899</u>	<u>108,899</u>	
Fund Balance - Ending	<u>\$ 119,009</u>	<u>\$ 121,252</u>	<u>\$ 126,332</u>	<u>\$ 5,080</u>

**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, 2011**

	<u>Budgeted Amount</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows):				
Drug Screen Fees	\$ 1,500	\$ 1,091	\$ 1,091	\$
Supreme Court	168,750	151,694	151,694	
Federal Grant			15	15
Interest Income				
Amounts Available for Appropriation	<u>\$ 170,250</u>	<u>\$ 152,785</u>	<u>\$ 152,800</u>	<u>\$ 15</u>
Charges to Appropriation (Outflows):				
Insurance Expense	\$ 7,645	\$ 9,679	\$ 9,200	\$ (479)
Internet Access		69	69	
Office Supplies and Postage	300	99	99	
Payroll Taxes	489	480	477	(3)
Professional Fees	91,500	80,976	80,976	
Reference Materials and Dues			40	40
Repair, Maintenance and Warranty	240	80	80	
Retirement Expense	4,455	5,587	5,525	(62)
Salaries	34,945	35,472	36,404	932
Seminars, Meetings & Travel	4,017	2,583	2,583	
Supplies	26,010	16,954	16,355	(599)
Telephone and Utility Expense	480	539	541	2
Total Charges to Appropriations	<u>\$ 170,081</u>	<u>\$ 152,518</u>	<u>\$ 152,349</u>	<u>\$ (169)</u>
Excess of Resources Over (Under) Charges for Appropriations	\$ 169	\$ 267	\$ 451	\$ 184
Fund Balance - Beginning	(16,060)	(16,060)	(16,060)	
Fund Balance - Ending	<u>\$ (15,891)</u>	<u>\$ (15,793)</u>	<u>\$ (15,609)</u>	<u>\$ 184</u>

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

SUPPLEMENTARY INFORMATION

BOSCH & STATHAM, LLC

Melissa E. Bosch, CPA

Michael D. Statham, CPA

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

To the Honorable Judges of the
Fourth Judicial District Court
Monroe, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Fourth Judicial District Court, as of and for the year ended June 30, 2011, which collectively comprise the Court's component unit financial statements and have issued our report thereon dated December 12, 2011. 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 Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the 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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to 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 Court'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.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
December 12, 2011

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011**

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 Auditors' 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, 2011**

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
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	\$ 81,788	\$ 81,788	\$ 104,894
		<u>\$ 81,788</u>	<u>\$ 81,788</u>	<u>\$ 104,894</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, 2011**

Division A	Judge Scott Leehy
Division B	Judge Sharon I. Marchman
Division C	Chief 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, 2011

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Assets				
Cash and Cash Equivalents	\$ 642,240	\$ 40,474	\$ 109,162	\$ 791,876
Due From Other Governmental Units	49,071	5,529	8,706	63,306
Accounts Receivable	4,127		149	4,276
Prepaid Expenses and Deposits	3,636			3,636
Due from Other Funds				
Total Assets	<u>\$ 699,074</u>	<u>\$ 46,003</u>	<u>\$ 118,017</u>	<u>\$ 863,094</u>
Liabilities and Fund Balances				
Liabilities				
Accrued and Other Liabilities	\$ 39,807	\$	\$ 6,517	\$ 46,324
Due to Other Governmental Units	6,764	5,709	55,073	67,546
Compensated Absences Payable	10,439			10,439
Due to Other Funds			60	60 [†]
Total Liabilities	<u>\$ 57,010</u>	<u>\$ 5,709</u>	<u>\$ 61,650</u>	<u>\$ 124,369</u>
Fund Balances				
Nonspendable	\$ 3,636	\$	\$	\$ 3,636
Restricted		40,294	56,367	96,661
Unassigned	638,428			638,428
Total Fund Balances	<u>\$ 642,064</u>	<u>\$ 40,294</u>	<u>\$ 56,367</u>	<u>\$ 738,725</u>
Total Liabilities and Fund Balances	<u>\$ 699,074</u>	<u>\$ 46,003</u>	<u>\$ 118,017</u>	<u>\$ 863,094</u>

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

**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, 2011

	Judicial Expense Fund	FINS Fund	Payroll Account	Combined Accounts
Revenues				
Court Fees - Ouachita Parish	\$ 270,667	\$	\$	\$ 270,667
Court Fees - Morehouse Parish	71,394			71,394
Grant Revenue		55,406		55,406
Warrant Revenue - Ouachita Parish			908,804	908,804
Warrant Revenue - Morehouse Parish			113,216	113,216
Interest Income	7,494		395	7,889
Other Income	1,291		1,205	2,496
Transfers In From Other Funds				
Amounts Available for Appropriation	<u>\$ 350,846</u>	<u>\$ 55,406</u>	<u>\$ 1,023,620</u>	<u>\$ 1,429,872</u>
Expenditures				
Asset Expenditures	\$ 10,409	\$	\$	\$ 10,409
Small Asset Expenditures	8,896			8,896
Court Reporter/Process Costs	4,898			4,898
Insurance Expense	32,128	4,338	109,968	146,434
Internet Access	4,493	952		5,445
Miscellaneous	2,240		1,495	3,735
Office Supplies & Postage	10,012	5,985		15,997
Payroll taxes	2,514	429	12,734	15,677
Professional Fees	69,894	800		70,694
Reference Materials & Dues	2,745	4		2,749
Rent - Equipment/Storage	11,346			11,346
Repair, Maintenance, & Warranty	8,338			8,338
Retirement Expense	16,665	4,906	148,063	169,634
Salaries	95,662	31,153	732,182	858,997
Seminars, Meetings, & Travel	36,149	2,981		39,130
Telephone Expense	2,044	479		2,523
Training	299			299
Transfer Out to Other Funds				
Total Charges to Appropriations	<u>\$ 318,732</u>	<u>\$ 52,027</u>	<u>\$ 1,004,442</u>	<u>\$ 1,375,201</u>
Excess of Resources Over (Under)				
Charges for Appropriations	\$ 32,114	\$ 3,379	\$ 19,178	\$ 54,671
FUND BALANCE - BEGINNING	<u>609,950</u>	<u>36,915</u>	<u>37,189</u>	<u>684,054</u>
FUND BALANCE - ENDING	<u>\$ 642,064</u>	<u>\$ 40,294</u>	<u>\$ 56,367</u>	<u>\$ 738,725</u>