

SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT  
FOR THE YEAR ENDED JUNE 30, 2007  
ISSUED JUNE 4, 2008

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

March 24, 2008

Independent Auditor's Report  
on the Financial Statements

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the accompanying special purpose (legal basis) financial statements of the Supreme Court of Louisiana, a court within Louisiana state government, as of and for the year ended June 30, 2007, as listed in the Table of Contents. These financial statements are the responsibility of management of the Supreme Court of Louisiana. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supreme Court's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in note 1-B to the financial statements, Act 57 of the 2006 Regular Session of the Louisiana Legislature provided various state appropriations to units of the judicial branch of government. The accompanying special purpose financial statements include these state appropriations, except for those appropriations that are not under the control of the Supreme Court of Louisiana as provided in note 1, which are subject to separate audits. As such, they present the appropriated and non-appropriated activity of the court that are part of the accounts and fund structure of the State of Louisiana. The appropriated funds reflect appropriated activity of the court that are part of the General Fund and special revenue funds of the State of Louisiana. The non-appropriated funds are individual funds of the State of Louisiana not subject to budgetary control. The financial statements do not purport to, and do not, present fairly the

financial position of the State of Louisiana as of June 30, 2007, the changes in its financial position or cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Furthermore, the special purpose financial statements have been prepared on a legal basis of accounting, the purpose of which is to reflect compliance with the annual appropriation act for the appropriated funds and the financial position of the non-appropriated funds. These practices differ from accounting principles generally accepted in the United States of America as described in the notes to the financial statements. The effects on the financial statements of the variances between legal basis accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the accompanying special purpose financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Supreme Court, as of June 30, 2007, or the changes in financial position thereof for the year then ended. Furthermore, the Supreme Court has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be, part of the basic financial statements.

In our opinion, the special purpose financial statements referred to previously present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Supreme Court of Louisiana as of June 30, 2007, and the transactions of such funds for the year then ended, on the basis of accounting described in note 1-D.

During August and September of 2005, the State of Louisiana suffered considerable damage from two major hurricanes, Katrina and Rita, resulting in the President of the United States declaring Louisiana a major disaster area. Because of the severity of these two separate events and the resulting damages sustained, it is unknown what economic impact recovery will have on state and local governmental operations in Louisiana. While the Supreme Court of Louisiana did not directly suffer any major damage from these two hurricanes, court personnel were temporarily displaced. The long-term effects of these events on the court and its operations cannot be determined at this time.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2008, on our consideration of the Supreme 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the accompanying special purpose financial statements of the Supreme Court of Louisiana taken as a whole. The accompanying supplemental information schedules, identified in the Table of Contents, are presented for the purpose of additional analysis and are not a required part of the special purpose financial statements. The supplementary information schedules have been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, are stated fairly in all material respects in relation to the special purpose financial statements taken as a whole.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

JMJ:JR:PEP:sr

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**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
ALL APPROPRIATED AND NON-APPROPRIATED FUNDS**

**Balance Sheet (Legal Basis), June 30, 2007**

	APPROPRIATED FUNDS	NON- APPROPRIATED FUNDS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>			
Cash and cash equivalents (note 2)	\$19,822,170	\$1,975,596	\$21,797,766
Receivables	305,201	5,306	310,507
Due from other agencies (note 3)	1,072,700	348,920	1,421,620
Due from other funds (note 5)	348,915		348,915
Prepayments	59,105		59,105
	<u>\$21,608,091</u>	<u>\$2,329,822</u>	<u>\$23,937,913</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Accounts payable	\$797,624	\$120,380	\$918,004
Payroll deductions payable	149,972		149,972
Due to other funds (note 5)		348,915	348,915
Total Liabilities	<u>947,596</u>	<u>469,295</u>	<u>1,416,891</u>
Fund Equity - fund balances - reserved (note 11)	<u>20,660,495</u>	<u>1,860,527</u>	<u>22,521,022</u>
	<u>\$21,608,091</u>	<u>\$2,329,822</u>	<u>\$23,937,913</u>

The accompanying notes are an integral part of this statement.

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**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
ALL APPROPRIATED AND NON-APPROPRIATED FUNDS**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis)  
For the Year Ended June 30, 2007**

	APPROPRIATED FUNDS	NON - APPROPRIATED FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
Appropriated by legislature:			
State General Fund	\$113,187,317		\$113,187,317
State General Fund by interagency transfers	8,765,024		8,765,024
State General Fund by statutory dedications	5,952,891		5,952,891
Fees and self-generated	792,139	\$874,680	1,666,819
Funding from grants	111,951	1,013,502	1,125,453
Total revenues	<u>128,809,322</u>	<u>1,888,182</u>	<u>130,697,504</u>
<b>EXPENDITURES</b>			
Personal services	65,642,028	136,179	65,778,207
Travel	1,180,192	44,773	1,224,965
Operating supplies and services	3,587,322	238,506	3,825,828
Professional services	1,135,768	757,182	1,892,950
Other charges	1,937,093	716,995	2,654,088
Total expenditures	<u>73,482,403</u>	<u>1,893,635</u>	<u>75,376,038</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>55,326,919</u>	<u>(5,453)</u>	<u>55,321,466</u>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Operating transfers in (note 4)		1,978,620	1,978,620
Operating transfers out (note 4)	(1,978,620)		(1,978,620)
Transfers from other entities (note 6)		361,184	361,184
Transfers to other entities (note 6)	(47,839,541)	(1,977,863)	(49,817,404)
Total other financing sources (uses)	<u>(49,818,161)</u>	<u>361,941</u>	<u>(49,456,220)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	5,508,758	356,488	5,865,246
<b>FUND BALANCES AT BEGINNING OF YEAR - (Restated) (note 14)</b>	<u>15,151,737</u>	<u>1,504,039</u>	<u>16,655,776</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$20,660,495</u>	<u>\$1,860,527</u>	<u>\$22,521,022</u>

The accompanying notes are an integral part of this statement.

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**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
ALL APPROPRIATED FUNDS**

**Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis)  
For the Year Ended June 30, 2007**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Appropriated by legislature:			
State General Fund:			
Supreme Court	\$39,040,002	\$39,085,246	\$45,244
Courts of Appeal	36,356,659	36,687,500	330,841
District courts	26,603,450	27,958,968	1,355,518
Orleans Parish Criminal Court	4,591,312	4,686,287	94,975
Other courts	4,504,327	4,757,374	253,047
Total state General Fund	<u>111,095,750</u>	<u>113,175,375</u>	<u>2,079,625</u>
Statutory dedications:			
Judges' Supplemental Compensation Fund	6,000,000	4,330,000	(1,670,000)
Trial Court Case Management Fund	2,004,509	1,612,891	(391,618)
Administrative expenses of the Medical Review Panel	10,000	10,000	
Total statutory dedications	<u>8,014,509</u>	<u>5,952,891</u>	<u>(2,061,618)</u>
Other - interest earnings	NONE	783,560	783,560
Interagency receipts:			
TANF drug court	5,000,000	5,313,525	313,525
TANF court appointed special advocates	3,670,000	3,451,499	(218,501)
Total interagency receipts	<u>8,670,000</u>	<u>8,765,024</u>	<u>95,024</u>
Total appropriated revenues	<u>127,780,259</u>	<u>128,676,850</u>	<u>896,591</u>
<b>EXPENDITURES</b>			
Supreme Court:			
Salaries - Chief Justice and associate justices	762,625	800,208	(37,583)
Supreme Court Proper - staff and other expenses and salary of court crier	8,224,688	8,424,615	(199,927)
Judicial Administrator	3,293,695	3,150,839	142,856
Judiciary Commission	1,131,498	1,029,946	101,552
Court reporters	286,185	198,304	87,881
Dues to the National Center for State Courts	135,679	133,412	2,267
Committee on Professional Ethics	3,000	3,000	
Retired judges - salaries and expenditures	857,375	1,346,963	(489,588)
Law Library of Louisiana	1,686,457	1,587,974	98,483

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
ALL APPROPRIATED FUNDS  
Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis), 2007**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>EXPENDITURES (CONT.)</b>			
Supreme Court: (Cont.)			
Transferred judges - salaries and expenditures	\$163,870	\$132,450	\$31,420
Retirement benefits to justices and judges - all courts	1,913,952	1,499,511	414,441
Retirement benefits to widows of justices and judges - all courts	1,338,583	1,365,504	(26,921)
Judicial College	181,581	151,639	29,942
Employer contribution to retirement system	5,809,753	5,717,024	92,729
Civil commitment matters	143,424	125,430	17,994
Louisiana Protective Order Registry	1,005,773	721,267	284,506
Families in Need of Services	1,861,886	1,726,883	135,003
Administrative expenses of the Medical Review Panel	10,000	10,000	
Drug Court maintenance and enhancement	8,569,939	6,899,972	1,669,967
Paul Hebert Law Center, payable from General Fund Direct	60,000	60,000	
Court Appointed Special Advocates	1,610,039	1,066,706	543,333
Courts of Appeal:			
Salaries of judges	5,425,583	5,689,930	(264,347)
First Circuit operation and maintenance	8,440,137	8,440,137	
Second Circuit operation and maintenance	4,653,434	4,653,434	
Third Circuit operation and maintenance	6,805,574	6,805,574	
Fourth Circuit operation and maintenance	6,315,353	6,315,353	
Fifth Circuit operation and maintenance	4,716,578	4,716,578	
District Courts:			
Salaries of judges	17,777,967	18,533,744	(755,777)
District judges - office and travel expenses	1,259,200	1,189,814	69,386
Orleans Parish Civil District Courts - salaries of judges	1,338,127	1,337,838	289
Other judges' expenses	78,400	75,085	3,315
Twentieth Judicial District court reporters - salary and retirement contribution	105,986	95,875	10,111
Clerk of Orleans Parish Civil District Court	10,000	10,000	
Employer contribution to group, worker's compensation, general liability, and property insurance	5,027,240	4,222,046	805,194
Judicial Districts - salaries	332,349	345,381	(13,032)
Office expenses - Nineteenth Judicial District	364,149	364,149	
Office expenses - Fifteenth Judicial District	238,832	193,622	45,210
Law clerk of the Twentieth Judicial District	36,200	36,170	30
Judicial Expense Fund - Tenth Judicial District	35,000	35,000	

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
ALL APPROPRIATED FUNDS  
Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis), 2007**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>EXPENDITURES (CONT.)</b>			
Orleans Parish Criminal Court:			
Salaries of district judges	\$1,242,546	\$1,309,929	(\$67,383)
Office expenses and employer's share of group insurance	455,642	412,234	43,408
Salaries of minute clerks	247,469	245,812	1,657
Salaries of court reporters	391,097	364,766	26,331
Salaries and related benefits of commissioners	273,562	275,631	(2,069)
Office expenses of commissioners	10,000	9,787	213
Salaries of commissioners' minute clerks	63,473	46,247	17,226
Salaries of commissioners' court reporters	47,850	47,382	468
Judicial Administrator and assistants - salaries and related benefits	628,425	607,528	20,897
Salaries of law clerks	520,046	491,002	29,044
Salaries of secretaries	150,301	132,449	17,852
Sanity Commissions	162,172	162,172	
Board of Jury Commissioners	325,929	325,929	
Office expenses of Criminal Court Judges Orleans	72,800	67,363	5,437
Other courts - salaries and related benefits:			
Salaries of city court judges	1,851,599	1,927,063	(75,464)
Juvenile Court - salaries of judges	1,338,127	1,410,693	(72,566)
Salaries of family court judges	382,322	403,055	(20,733)
Salaries of municipal judges, traffic court judges, and parish court judge	298,653	301,549	(2,896)
Juvenile and family courts - office expenses	100,800	86,057	14,743
Orleans Parish Juvenile Protective Care Monitoring Program	438,380	403,953	34,427
Orleans Parish Juvenile Court - court reporters	64,446	58,658	5,788
Expenses of Judges Assistance Program	30,000	30,000	
Appropriated by legislature - statutorily dedicated funds:			
Judges' Supplemental Compensation Fund	6,000,000	4,363,639	1,636,361
Trial Court Case Management Fund	2,004,509	1,681,491	323,018
Appropriated by legislature - by interagency receipt:			
TANF Drug Court	5,000,000	5,313,525	(313,525)
TANF Court Appointed Special Advocates	3,670,000	3,451,499	218,501
Total appropriated expenditures	<u>127,780,259</u>	<u>123,140,790</u>	<u>4,639,469</u>
<b>UNEXPENDED APPROPRIATION - CURRENT YEAR</b>	<u>NONE</u>	<u>\$5,536,060</u>	<u>\$5,536,060</u>

(Concluded)

The accompanying notes are an integral part of this statement.

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## **INTRODUCTION**

The Supreme Court of Louisiana is a part of the State of Louisiana reporting entity within the judicial branch of government. As provided by Article V of the Louisiana Constitution of 1974, the judicial power of government of the state is vested in a supreme court, courts of appeal, district courts, and other courts. The Supreme Court of Louisiana exercises an appellate function as the highest court in the state, has general supervisory jurisdiction over all other courts, and in certain instances, is the court of original jurisdiction. All judges of the various courts are elected to serve terms ranging from six to 10 years, depending upon their court of jurisdiction. The Supreme Court of Louisiana, comprised of the Chief Justice and six Associate Justices, is empowered by Louisiana Revised Statutes (R.S.) 13:10, 13:121, and 25:91-95 to appoint a judicial administrator, its clerk, and other personnel and to control the Law Library of Louisiana.

The court's operations are funded through annual appropriations made by the Louisiana Legislature from the state's General Fund, Judges' Supplemental Compensation Fund, and Trial Court Case Management Information Special Revenue Funds. The court's operations are further funded through self-generated revenues authorized by R.S. 13:126, which include fees for appeals, applications for writs, motions filed on unlogged appeals, answers to appeals, and through fees for copies, seminars, and other services. The state's Judges' Supplemental Compensation Special Revenue Fund is funded by an additional fee of \$19 charged by the various courts in the state in compliance with R.S. 13:10.3(E). The state's Trial Court Case Management Information Special Revenue Fund is funded by a special court cost from \$1 to \$2 on all traffic and criminal convictions in the state as mandated by Act 152 of the 1993 Session of the Louisiana Legislature. The amounts collected in connection with these two funds are collected by the Clerk of the Supreme Court and various lower courts and remitted to the state treasurer through the Judicial Administrator's Office of the Supreme Court of Louisiana.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. BASIS OF PRESENTATION**

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the Codification of Governmental Accounting and Financial Reporting Standards published by the GASB. However, the accompanying financial statements have been prepared on a legal basis, which differs from accounting principles generally accepted in the United States of America as explained in the following notes.

#### **B. REPORTING ENTITY**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The court is included within the State of Louisiana reporting entity because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) the state has control and exercises authority over budget matters; (2) state appropriations provide the largest percentage of total revenues; and (3) the court

primarily serves state residents. The accompanying financial statements present information only as to the transactions of the court.

The accompanying financial statements represent activity of the court within the judicial branch of state government and, therefore, are a part of the fund structure of the State of Louisiana and its basic financial statements. Annually, the State of Louisiana issues basic financial statements. The basic financial statements are audited by the Louisiana Legislative Auditor.

The operations of the Supreme Court of Louisiana are separated into four major offices as follows:

- The Judicial Administrator's Office is responsible for all appropriated and non-appropriated funds of the court, except those self-generated fees collected and accounted for by the Clerk of the Supreme Court, the Louisiana Law Library, and the Judicial College. Furthermore, the Judicial Administrator's Office provides a central payroll system for the payment of salaries to all state, district, and certain city court judges, as well as minute clerks, court reporters, et cetera. This office also pays certain expenses of the various courts throughout the state.
- The Office of the Clerk of the Supreme Court is responsible for collecting and accounting for the receipt and expenditure of filing fees and other self-generated revenues as provided by R.S. 13:124. These funds are not appropriated or accounted for by the Judicial Administrator.
- The Louisiana Law Library is responsible for collecting and accounting for proceeds from the sale of acts of the Louisiana Legislature and receipts from copying legal documents and the use of Westlaw and LEXIS computer terminals. These revenues are used to purchase books and cover costs relating to copy and computer equipment located in the library. These funds are not appropriated or accounted for by the Judicial Administrator.
- The Louisiana Judicial College is responsible for collecting and accounting for seminar registration fees. These fees are used to conduct seminars for the education of Louisiana judges.

Certain appropriations made to units of the judicial branch under Act 57 of the Regular Session of 2006 of the Legislative - Special Acts Judiciary are not administered by the Supreme Court of Louisiana. Disbursements of annual appropriations to these units are accounted for as transfers (other financing uses) and are subject to separate audits. These units are listed as follows:

<u>Schedule Number</u>	<u>Appropriation</u>
03-8170-04	Committee on Professional Ethics and Grievances
03-8171-02	First Circuit Court of Appeal
03-8171-03	Second Circuit Court of Appeal
03-8171-04	Third Circuit Court of Appeal
03-8171-05	Fourth Circuit Court of Appeal
03-8171-06	Fifth Circuit Court of Appeal
03-8172-09	Judicial Expense Fund of the Nineteenth Judicial District Court - office expenses
03-8172-12L	Sanity Commissions
03-8172-12M	Board of Jury Commissioners
03-8174-03	Judges' Assistance Program

### **C. FUND ACCOUNTING**

The court uses fund accounting, along appropriation lines, to reflect its compliance with provisions of the annual appropriation act and to reflect the financial position and results of operations of its non-appropriated funds. This differs from the fund accounting of accounting principles generally accepted in the United States of America where the intent is to measure the financial position and results of the governmental reporting entity as a whole. Therefore, the funds within the accompanying financial statements have been divided between appropriated and non-appropriated funds and not by conventional fund types of accounting principles generally accepted in the United States of America.

The funds do not include any noncurrent assets or liabilities. Noncurrent assets, capital assets, and long-term liabilities are reflected in the State of Louisiana's basic financial statements.

The funds presented in the special purpose financial statements are described as follows:

#### **APPROPRIATED FUNDS**

##### **General Appropriation Fund**

The General Appropriation Fund provides for the salaries, related benefits, and general administrative expenditures of the Supreme Court of Louisiana and courts of appeal. In addition, the General Appropriation Fund provides for certain salaries, related benefits, and general administrative expenditures of the district, criminal, and city courts.

Included in the General Appropriation Fund are amounts appropriated through state General Fund interagency transfers for the Drug Court and for various programs funded by the Temporary Assistance to Needy Families (CFDA 93.558, TANF) program comprised of federal funds from the U.S. Department of Health and Human Services passed through the Louisiana Department of Social Services.

The Drug Court is funded out of the state General Fund by interagency transfers to the Supreme Court from the Department of Health and Hospitals, Office of Addictive Disorders for the maintenance and enhancement of drug courts.

The TANF Drug Court Grant provides support for the improvement and enhancement of drug courts. The TANF Court Appointed Special Advocates (CASA) work for timely placement of children in permanent, safe, and stable homes. CASAs are appointed by the courts to represent abused and neglected children in the court system. The TANF funds were available through September 30, 2007.

### **Judges' Supplemental Compensation Fund**

The Judges' Supplemental Compensation Fund was created under Act 63 of the 1985 Regular Session of the Louisiana Legislature to account for appropriations for salary supplements to judges and commissioners. The fund is financed by the increased cost of civil filings. The fund is financed by a yearly appropriation of the state legislature from statutorily dedicated funds transferred from the state's Judges' Supplemental Compensation Special Revenue Fund.

### **Trial Court Case Management Information System Fund**

The Trial Court Case Management Information System Fund was originated by Act 152 of the 1993 Regular Session of the Louisiana Legislature and accounts for appropriations used to prepare and implement a master plan for the development of a statewide automated trial-court case management information system and to provide for the fast-track prototype development of the criminal disposition component of the overall information system. The fund is financed by an assessment of court costs on all criminal and traffic convictions. The fund is financed by a yearly appropriation of the state legislature from statutorily dedicated funds transferred from the state's Trial Court Case Management Information System Special Revenue Fund.

## **NON-APPROPRIATED FUNDS**

### **Judicial College - Seminar Fund**

The Judicial College - Seminar Fund was established to account for transactions related to conducting seminars for the education of Louisiana judges. Funding is received from collected registration fees. The balance remaining in the program at fiscal year ended June 30, 2007, will be used to sponsor seminars and special projects relative to judicial education for Louisiana judges during the fiscal year ending June 30, 2008.

**Clerk of the Supreme Court  
Fee Account Fund**

The Clerk of the Supreme Court Fee Account Fund is used to account for filing fees, copies of court records, and other revenues received by the court, as provided by R.S. 13:124, and interest earned on time deposits. The fund is used to pay expenditures approved by the Supreme Court of Louisiana that are not paid by funds appropriated to the Clerk of the Supreme Court.

**Law Library Self-Generated Fees Fund**

The Law Library Self-Generated Fees Fund accounts for the purchases of law books from proceeds from the sale of acts of the Louisiana Legislature as provided by R.S. 43:22. The Law Library provides copy machines and a facsimile machine within the library for use by its patrons and Westlaw and LEXIS computer terminals to assist patrons in their legal research. The fees generated from these services are used to cover the cost of the copy machines, facsimile machine, computer maintenance, and other operating expenses.

**Mandatory Continuing Legal Education Fund**

The Mandatory Continuing Legal Education (MCLE) Committee was created by the Supreme Court - Louisiana Supreme Court Rule XXX. The Committee consists of nine members and has general supervisory authority over the administration of the Rules on Continuing Legal Education (CLE). The Committee also promulgates regulations to define, clarify and assure prompt, accurate reporting of CLE activities; establish procedures to ascertain the quality of programs, sponsors and standards observed in CLE offered to members of the Bar; reports to the Supreme Court and to the Bar on the status of the CLE programs in the state. The MCLE Committee's operating funds principally emanate from accreditation fees, sponsor fees, delinquent fees, and penalty fees. All fees are established and authorized by the Supreme Court of Louisiana in the MCLE Rules.

**Conference of Chief Justices Fund**

The Conference of Chief Justices was founded in 1949 to provide an opportunity for the highest judicial officers of the states to meet and discuss matters of importance in improving the administration of justice, rules and methods of procedure, and the organization and operation of state courts and judicial systems, and to make recommendations and bring about improvements on such matters.

Membership in the Conference of Chief Justices consists of the highest judicial officer of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the territories of American Samoa, Guam and the Virgin Islands. The Conference of Chief

Justices is governed by a Board of Directors and has several standings, temporary and special committees to assist the conference in meeting its objectives. In 1983, the Board of Directors voted to adopt a nonprofit corporation form of organization.

### **Baptist Community Ministries Fund**

The Judicial Administrator's Office has been awarded a grant from the Baptist Community Ministries, a local philanthropic organization whose mission and purpose is to improve the quality of life for citizens of the greater New Orleans community. This three-year award totaling \$700,000 was used to fund a pilot program in Orleans Parish Juvenile Court and Jefferson Parish Juvenile Court to implement mediation in child in need of care cases. The overall purpose of the program is to reduce the amount of time abused and neglected children remain in foster care. The Judicial Administrator's Office serves as the recipient of the funds and oversees expenditures of the funds. The award began on January 1, 2002, and ended on December 31, 2005. The Baptist Community Ministries authorized that the remaining funds be retained by the program for future usage of the funds to continue the existing mediation programs and for funding of mediation programs in other courts statewide.

### **Integrated Juvenile Justice Information System Project (TIFF-JOIN-IJJIS) Fund**

Funding for this grant is made available through the Office of Justice Programs as prescribed in P.L. 105-119, the Department of Justice Appropriation Act for Fiscal Year 1998, as administered through the Louisiana Commission on Law Enforcement provides for developing an integrated, web-based Juvenile Offender Information Network (JOIN) case management system. The system will enable data sharing among statewide and local juvenile justice agencies.

### **MacArthur Foundation**

The Judicial Administrator's Office has been awarded a grant from the John D. and Catherine T. MacArthur Foundation. The purpose of this 18-month award is in support of the Court's activities to improve its statewide programs to divert children and families from formal juvenile court involvement. This award ends June 30, 2008.

### **Louisiana District Court Rules Project Fund**

The Louisiana District Court Rules Project was created by the Supreme Court in 1998 for the purpose of assessing the need for and, if appropriate, developing district court rules to be implemented by the Supreme Court. The Supreme Court ordered a 90-day official comment period ending May 31, 2001. On December 12, 2001, the Supreme Court adopted District Court Rules, including

appendices, and Numbering Systems for Louisiana Family and Domestic Relations Courts and Juvenile Courts. On the same date, the Supreme Court created a standing District Court Rules Committee, charged with receiving related comments and/or proposed additional rules or amendments to those rules.

#### **Families in Need of Services Software Grant Fund**

With a \$25,000 grant from the Louisiana Families in Need of Services Association, the Guidance database system is being developed to record, calculate, track, and report informal case information pertaining to the families in need of services process. Funds were transferred from the Louisiana Office of Youth Development to the judicial system to facilitate funding for the Family Involvement Initiative.

#### **Campaign for the Children Fund**

The Campaign for the Children is a public awareness program that is designed to inform the public about the problem of foster care drift in Louisiana and to motivate the public to become involved in reducing and eventually eliminating the problem. The Campaign for the Children Grant has entered the final phase of the project. Research and discussions continue with other collaborative partners for the most efficacious use of resources consistent with the mission and purpose of the Campaign. Remaining grant funds will be used for this final effort to promote permanency for the children in the Louisiana foster care system.

#### **Connection for Permanency Fund**

Through an Interagency Agreement between the Judicial Administrator's Office of the Louisiana Supreme Court and the Department of Social Services, Office of Community Services, funding is provided for a demonstration project to implement a set of specialized strategies for identifying family and facilitating the establishment of permanent connections and support for children in foster care.

#### **Court Improvement Program Training Grant Fund**

The State Court Improvement Training Grant is a 15 month federal program allocated in accordance with Section 438 of the Social Security Act to train judges, attorneys and other legal personnel in Child in Need of Care cases including cross-training initiatives that are jointly planned and implemented with the Louisiana Department of Social Services, Office of Community Services. Grant funding ends September 30, 2008.

### **Court Improvement Program Data Sharing Grant Fund**

The State Court Improvement Data Sharing Grant is a 15-month federal program allocated in accordance with Section 438 of the Social Security Act to promote meaningful, automated data collection and sharing related to the Children in Need of Care component of Louisiana's IJJIS system in collaboration with the Louisiana Department of Social Services, Office of Community Services. Grant funding ends September 30, 2008.

### **State Court Improvement Grants Fund**

The State Court Improvement Grant is a two-year federal program established by the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) to assist courts in the assessment and improvement of proceedings relating to foster care and adoption. The grant, awarded to the highest court in each state, will enable trial courts to (1) identify barriers; (2) highlight practices that are not fully successful; and (3) measure areas in need of added attention. Reforms will then be implemented that address the state court's specific needs in foster care abuse and neglect proceedings. Grant funding ends September 30, 2007, and June 30, 2006, respectively.

### **Children's Justice Act Grant Fund**

This grant, made available through the Department of Social Services, Office of Community Services, provides for the development of a mediation pilot project for the Children in Need of Care cases. Funding for this grant ends December 31, 2007.

### **Louisiana Commission on Law Enforcement Integrated Juvenile Justice Information System Project (LCLE-JOIN-IJJIS) Fund**

This grant is made available through the Office of Justice Programs as prescribed in P.L. 105-119, the Department of Justice Appropriation Act for Fiscal Year 1998, as administered through the Louisiana Commission on Law Enforcement provides for developing an integrated, web-based Juvenile Offender Information Network (JOIN) case management system. The system will enable data sharing among statewide and local juvenile justice agencies.

### **Crime Victims Assistance Grants Fund**

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement. The Victims of Crime Act of 1984, section 42 U.S.C. 10601, Public Law 98-473, as amended, provides the source of the federal legislative funding. The goal of this grant is to provide criminal disposition information to the Louisiana State Police for the computerized

Criminal History Database in addition to work with the National Instant Check System by providing criminal disposition information when needed. Funding for these grants ends September 30, 2007 and 2006, respectively.

### **Criminal Information Technology Act Grant Fund**

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement. This grant enables the Supreme Court to continue its participation in the development of the Court Management Information System (CMIS) that will allow accurate and timely information on statewide criminal court dispositions to be reported to the state Computerized Criminal History System. This funding enables the court to accomplish goals and objectives of the CMIS program thereby enhancing and improving local state criminal justice records. Funding for this program extends through September 30, 2006.

### **National Criminal History Improvement Program Criminal Information Technology Act - Louisiana Protective Order Registry (CITA LPOR 1)**

The Statewide Protective Order Grant Program enabled the Supreme Court to provide law enforcement officers with access to accurate, timely, and complete records in regard to Protective Orders, which are issued to prevent acts of domestic violence against a person or to prevent persons from stalking, intimidating, or harassing another person. This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement. The Louisiana Protective Order Registry (LPOR) is a statewide repository for civil and criminal court orders issued to protect victims of intimate partner violence and their children from further harm and harassment. Records in the registry are accessible by query to law enforcement agencies, court officials, and specific agencies with the Louisiana Department of Social Services. Funding from this grant is being used to enhance project software, provide training programs across the state, and expand the registry's record storage system. Funding ends September 30, 2007 and 2006, respectively.

### **2006 NCHIP LPOR Program Grant Fund**

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3760, Public Law 105-251, as amended, provides the source of the federal legislative funding. The goal of this grant is to provide funding support to conduct ten regional training seminars including lodging, facility rental, training manuals, as well as costs associated with developing standardized manuals and forms. Funding for this grant ends September 30, 2007.

**Violence Against Women Act 03-2006 (M61-8-015) Katrina Relief Fund**

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under Stop Violence Against Women Act, Title I of the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3701. The National Crime Information Center - Protective Order File (NCIC-POF) was implemented in May 1997. The LPOR, a database, was designed to collect information about all court orders issued for the purpose of preventing violent or threatening acts against another person, providing complete, accurate, and timely protective order records to the courts. The purpose of this grant is to fund non-exempt employees for overtime worked to process, query, enter, verify and validate the backlog of court orders that accrued when the registry was unable to operate as a result of Hurricane Katrina. Funding for this grant ends October 31, 2007.

**Violence Against Women Act - 03 (M03-8-033) Grant Fund**

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under Stop Violence Against Women Act, Title I of the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3711. The purpose of this grant is to purchase hardware, software, and programming services to convert the registry's database from one that uses Oracle database software to one that uses Microsoft Structured Query Language Server 2005 database software. Funding for this grant ends December 31, 2007.

**Commercial Drivers License Program Fund**

This grant is made available in accordance with Title XII of the Commercial Motor Vehicle Safety Act of 1986 (P.L. 99-570), through the Federal Motor Carrier Safety Administration. The purpose of the grant is to purchase or upgrade case management systems that will have the ability to capture traffic dispositions, inclusive of commercial drivers license violations. Funding for this grant ends September 30, 2008.

**OJP Training Grant Fund**

This grant is made available through the U.S. Department of Justice, Office of Justice Programs. The purpose of this grant is to fund the development and implementation of a comprehensive and multi-faceted statewide training program for practitioners in the Louisiana Drug Court Program. Funding for this grant ends August 31, 2008.

### **Hurricane Criminal Justice Infrastructure Recovery Grant Fund**

This grant is made available through the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. The purpose of this grant is to support criminal justice agencies in the recovery of their essential criminal justice operations disrupted by the 2005 hurricanes. This grant will enhance the ability of the parish clerks of court to digitize their active, inactive, and historical criminal records through the purchase of needed hardware as a means of ensuring the continuity of court operations after disasters. Funding for this grant ends May 31, 2008.

### **New York Courts Grant Fund**

This grant is made available through the New York State Unified Court System Katrina Courts and Families Recovery Fund. The fund stipulates that the grant funds be used to help restore the court system in Louisiana, specifically those court communities affected by hurricanes Katrina and Rita.

### **Federal Emergency Management Agency (FEMA) Assistance Fund**

Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, signed into law November 23, 1988, amended the Disaster Relief Act of 1974, PL 93-288. This act constitutes the statutory authority for most federal disaster response activities especially as they pertain to Federal Emergency Management Agency (FEMA) and FEMA programs.

On March 1, 2003, FEMA became part of the U.S. Department of Homeland Security. FEMA's continuing mission within the new department is to lead the effort to prepare the nation for all hazards and effectively manage federal response and recovery efforts following any national incident. FEMA also initiates proactive mitigation activities, trains first responders, and manages the National Flood Insurance Program.

The Supreme Court is acting as the pass-through agent for all courts impacted by hurricanes Katrina and Rita in the state of Louisiana. The Supreme Court is also an applicant for FEMA assistance as well as for hurricane-related damages and expenditures.

## **D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The funds in the accompanying financial statements measure the resources provided by the legislature to fund current year expenditures and the use of those resources by the court. This differs from accounting principles generally accepted in the United States of America in which the measurement focus would be to measure the flow of current resources.

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements, regardless of the measurement focus applied. The accompanying financial statements reflect revenues and expenditures in accordance with applicable statutory provisions and regulations of the Judicial Budgetary Control Board.

These legal requirements differ from accounting principles generally accepted in the United States of America as follows:

1. Revenues are recognized to the extent that they have been appropriated and not necessarily when measurable and available.
2. Expenditures are recognized to the extent that appropriation authority has been extended to the court and not necessarily when the fund liability has been incurred.

Under the foregoing legal provisions, the court uses the following practices in recognizing revenues and expenditures:

#### **Revenues**

The state General Fund and statutorily dedicated fund appropriations are recognized in the amounts appropriated, to the extent withdrawn from the State Treasury. Interagency transfers, fees and self-generated revenues, and non-appropriated revenues are recognized in the amounts earned, to the extent measurable and available.

#### **Expenditures**

Salaries, related benefits, and obligations of employee vested annual and sick leave are recognized when paid, to the extent that they have been appropriated or approved by the Judicial Budgetary Control Board. Substantially, all other operating expenditures are recorded when the related liability is incurred, to the extent that they have been appropriated or approved by the Judicial Budgetary Control Board. Depreciation expense is not recognized by the court.

#### **Other Financing Sources (Uses)**

Transfers between funds or units of the judicial branch, some of which are not administered by the Supreme Court of Louisiana and are not expected to be repaid, are accounted for as other financing sources (uses) in the year the court or the Judicial Budgetary Control Board authorizes the transfer.

### **E. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents may include cash on hand, demand deposits, and investments of excess cash in direct security repurchase agreements. Under state law, the court may deposit funds within a fiscal agent bank organized under the laws of the State of

Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the court may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state-chartered credit unions.

**F. LONG-TERM OBLIGATIONS**

The court is by statute not allowed to incur bonded indebtedness and, therefore, no recognition within the accompanying financial statements is necessary. Furthermore, any long-term obligations of the court arising from lease commitments, judgments, or compensated absences are not recognized in the accompanying financial statements.

**G. BUDGET PRACTICES**

By rule of the Supreme Court of Louisiana, the Judicial Budgetary Control Board was created with the authority to approve the transfer of funds within the court as needed. The appropriation made for the operations of the court is an annual lapsing appropriation and is recorded in the appropriated funds. As provided by Act 57 of 2006, any funds therein allocated to the judiciary, any portion of the funds previously appropriated to the judiciary, or interest earnings on such appropriations are thereby appropriated and may be used to defray expenses of the judiciary. All funds remaining unexpended and/or unencumbered must be returned to the state General Fund on or before September 1 of the succeeding fiscal year. However, Act 58 of 2007 reappropriated these funds to defray expenses of the judiciary for fiscal year 2007-2008, thereby eliminating the requirement to return the unexpended/unencumbered portion to the state General Fund on or before September 1.

Revenues and expenditures for budget purposes are recognized on the same basis of accounting as described in note 1-D. Statement C includes all appropriated funds and is presented as a single fund for budgetary comparison purposes. A reconciliation of Statement B to Statement C revenues and expenditures follows:

Revenues per Statement B -	
appropriated funds	\$128,809,322
Unbudgeted revenues:	
CMIS support revenue	(8,700)
Refunds	(19)
Louisiana Department of Social Services - recovery	
of disallowed cost for drug courts	(111,811)
Unused funding reduction from prior year	(11,942)
	(11,942)
Revenues per Statement C	\$128,676,850

Expenditures per Statement B:	
General Appropriation	\$73,482,403
Plus - transfers to circuit courts, other entities, and other funds per Act 57 of 2006	49,818,161
Unbudgeted expenditures - other uses of funds	<u>(159,774)</u>
 Expenditures per Statement C	 <u><u>\$123,140,790</u></u>

Budget revisions are granted by the Joint Legislative Committee on the Budget, the Judicial Budgetary Control Board, and the Supreme Court of Louisiana. The budget information included in the financial statements (Statement C) is the original appropriation--Judiciary--Act 57 of 2006. There were no subsequent amendments to the original appropriation.

**H. JUDGES' SALARIES**

The salaries of the judges of the various appellate, district, juvenile, family, and city courts throughout Louisiana are paid directly by the Supreme Court of Louisiana with warrants drawn on the State Treasury and are included in the expenditures of the accompanying financial statements. City court judges, in addition to their state-paid salary, may receive salary from other sources, but their total salary is limited to that of a district court judge by R.S. 13:1874.1.

**I. COMPENSATED ABSENCES**

All regular employees of the Judicial Administrator’s Office, the Office of the Clerk of the Supreme Court, the Law Library of Louisiana, the Judicial College, and certain Justices’ personal staff earn and accumulate annual and sick leave, depending on years of service, at 12 and 24 days per year. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees may be compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay and for any unused compensatory leave earned at the employee’s hourly rate of pay, depending on the availability of funds. Upon retirement, unused annual leave in excess of 300 hours may be converted to additional state service for the purpose of computing retirement benefits. In addition, those who attain eligibility in the state retirement system may include unused accrued sick leave in calculating retirement benefits in accordance with the formula established by the retirement system.

**J. TOTAL COLUMNS ON STATEMENTS**

Total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither are such data comparable to a consolidation.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2007, the court has cash and cash equivalents (book balances) as follows:

Petty cash	\$550
Demand deposits	<u>21,797,216</u>
Total	<u><u>\$21,797,766</u></u>

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2007, the court has \$27,604,238 in deposits (collected bank balances), which is secured from risk by federal deposit insurance plus pledged securities. Included as part of the collected bank balances at June 30, 2007, the court has excess cash deposited in overnight repurchase agreements invested in U.S. Treasury Notes with a market value of \$24,886,050. The underlying securities are held by the counterparty's trust department in the court's name.

**3. DUE FROM OTHER AGENCIES**

Due from other agencies consists of the following:

Louisiana Department of Social Services	\$1,080,238
Louisiana Commission on Law Enforcement	52,489
U.S. Department of Health and Human Services	25,856
U.S. Department of Transportation	123,019
U.S. Department of Justice	124,174
St. Mary Parish Government - Adult Drug Court	<u>15,844</u>
Total	<u><u>\$1,421,620</u></u>

**4. INTERFUND TRANSFERS**

Interfund operating transfers of \$1,978,620 consist of a transfer out for the FEMA Assistance Fund for \$1,977,863 and a transfer to cover the deficit in the Conference of Chief Justices Fund of \$757 from the Appropriated Funds to the Non-Appropriated Funds.

**5. DUE FROM/DUE TO OTHER FUNDS**

Due from/due to other funds consist of the following:

	<u>Due From</u>	<u>Due To</u>
Judicial Administrator Operating Account	\$348,915	
Commercial Drivers License Program Fund		\$123,019
OJP Training Grant Fund		5,323
Hurricane Criminal Justice Infrastructure Recovery Grant Fund		118,849
Connection for Permanency Fund		23,382
State Court Improvement Grant Fund		20,000
Court Improvement Program 2005 Grant Fund		5,856
LCLE JOIN IJJIS Fund		14,400
Crime Victims Assistance Grant (C04-8-009) Fund		27,509
2006 NCHIP LPOR Grant Fund		9,991
Violence Against Women Act 03-2006 Katrina Relief Fund		567
Violence Against Women Act Grant Fund		19
	<u>                    </u>	<u>                    </u>
Total	<u>\$348,915</u>	<u>\$348,915</u>

**6. TRANSFERS TO/FROM OTHER ENTITIES**

Transfers from other entities consist of the following:

Medical Review Panel	\$10,000
Louisiana Department of Social Services, Office of Community Services	25,587
Louisiana Commission on Law Enforcement	<u>325,597</u>
Total	<u>\$361,184</u>

Transfers to other entities consist of the following:

First Circuit Court of Appeal	\$8,440,137
Second Circuit Court of Appeal	4,653,434
Third Circuit Court of Appeal	6,942,543
Fourth Circuit Court of Appeal	6,315,353
Fifth Circuit Court of Appeal	4,716,578
Nineteenth Judicial District Court	386,199
Other judicial entities	<u>18,363,160</u>
Total	<u>\$49,817,404</u>

## **7. PENSION PLANS**

Substantially all employees of the court are members of two statewide, public employee retirement systems (cost-sharing plans). The clerk of court and deputy clerks of the court are members of the Louisiana Clerks Retirement and Relief Fund (LCRRF), a multiple-employer plan. Substantially all other employees and justices are members of the Louisiana State Employees Retirement System (LASERS), a single-employer plan. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. The State of Louisiana guarantees benefits granted by the retirement systems by provisions of the Louisiana Constitution of 1974. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Louisiana Clerks Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 256-6660, and the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

The contribution requirements of plan members and the court are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution, as set forth in R.S. 11:102. Employees contribute 8.25% (LCRRF) and 7.5%-8% (LASERS) of covered salaries. The court is required to contribute 16.75% to the LCRRF and 19.1% of covered salaries to LASERS. Contributions to the systems are funded through employee and employer contributions. The State of Louisiana funds the court's employer contributions through annual appropriations to the court. The court's employer contributions to LCRRF for the years ended June 30, 2007, 2006, and 2005, were \$290,708; \$246,324; and \$204,973, respectively, and to LASERS for the years ended June 30, 2007, 2006, and 2005, were \$8,231,246; \$7,728,679; and \$6,484,889, respectively, equal to the required contributions for each year.

## **8. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The court provides certain continuing health care and life insurance benefits for its retired employees. Substantially all court employees become eligible for these benefits if they reach normal retirement age while working for the court. These benefits for retirees and similar benefits for active employees are provided through insurance companies whose monthly premiums are paid jointly by the employee and the court. The court's cost of providing retiree health care and life insurance benefits is recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2007, the cost of retiree benefits totaled \$1,404,721.

## **9. COMPENSATED ABSENCES**

The liability for unused annual leave payable at June 30, 2007, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60, is estimated at \$1,086,305 of unused annual leave and \$42,837 of unused compensatory leave. The leave payable is not recorded in the accompanying financial statements.

**10. LEASE AND RENTAL COMMITMENTS**

For fiscal year ended June 30, 2007, the court's rental expenditures amounted to \$424,794. The annual rental payments for operating leases for future years are as follows:

	<u>Office Space</u>	<u>Equipment</u>	<u>Total</u>
Fiscal Year:			
2008	\$236,751	\$15,089	\$251,840
2009	215,041	14,464	229,505
2010	19,200		19,200
2011	19,200		19,200
2012	19,200		19,200
2013-2017	<u>86,400</u>		<u>86,400</u>
Total	<u>\$595,792</u>	<u>\$29,553</u>	<u>\$625,345</u>

The court's lease agreements have non-appropriation exculpatory clauses that allow lease cancellations if the legislature does not make an appropriation for their continuation during future fiscal years.

The court has no capital lease agreements for the fiscal year ended June 30, 2007.

**11. RESERVED FOR CONTINUING OPERATIONS**

As shown on Statement A, the Supreme Court of Louisiana has reserves for continuing operations totaling \$22,521,022 at June 30, 2007. These funds may be retained and used to defray the expenditures of the court, as prescribed by R.S. 13:10.3 for the Judges' Supplemental Compensation Fund, R.S. 13:124 for the Clerk of the Supreme Court Fee Account Fund, and Act 58 of 2007 for all other appropriated funds. The fund balances in the other non-appropriated funds are considered restricted or reserved for the purposes for which the funds were collected, granted, or donated. The reserves for continuing operations are detailed as follows:

Appropriated Funds:	
Operations and Maintenance	\$19,815,906
Judges' Supplemental Compensation Fund	696,912
Trial Court Case Management Information System Fund	147,677
Non-Appropriated Funds:	
Judicial College - Seminar Fund	191,812
Clerk of the Supreme Court Fee Account Fund	1,172,987
Law Library Self-Generated Fees Fund	107,120
Mandatory Continuing Legal Education Fund	168,081
Grants:	
Baptist Campus Ministries Fund	47,800
TIF-JOIN-Integrated Juvenile Justice Information System Project	1,433
MacArthur Foundation	144,694
Louisiana District Court Rules Project Fund	20,261
Families in Need of Services Software Grant Fund	6,250
Campaign for the Children Fund	690
Court Improvement CIP 2005 Fund	(34,599)
Violence Against Women Act 2003 Fund	3
CJIR Fund	2
New York Courts Grant Fund	140
FEMA Katrina/Rita Assistance Fund	33,853
Total	\$22,521,022

**12. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

Obligations and losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund or by state General Fund appropriations and are not reflected in the accompanying special purpose financial statements. The self-insurance fund is operated by the Office of Risk Management, the state agency responsible for the state's risk management program.

**13. DEFERRED COMPENSATION PLAN**

Certain employees of the court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor Web site at [www.lia.la.gov](http://www.lia.la.gov).

**14. RESTATEMENT OF FUND BALANCES  
AT BEGINNING OF YEAR**

	Appropriated Funds	Non- Appropriated Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Fund balances at June 30, 2006	\$15,168,251	\$1,533,227	\$16,701,478
Mandatory Continuing Legal Education Fund opening balance		(29,188)	(29,188)
Prior period adjustment	(16,514)		(16,514)
	<u>          </u>	<u>          </u>	<u>          </u>
Fund balances restated at June 30, 2006	<u>\$15,151,737</u>	<u>\$1,504,039</u>	<u>\$16,655,776</u>

**APPROPRIATED FUNDS**

Schedule 1 presents a combining balance sheet for all appropriated funds as of June 30, 2007.

Schedule 2 presents a combining schedule of revenues, expenditures, and changes in fund balances for all appropriated funds for the year ended June 30, 2007.

**NON-APPROPRIATED FUNDS**

Schedule 3 presents a combining balance sheet for all non-appropriated funds as of June 30, 2007.

Schedule 4 presents a combining schedule of revenues, expenditures, and changes in fund balances for all non-appropriated funds for the year ended June 30, 2007.



**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
APPROPRIATED FUNDS**

**Combining Balance Sheet (Legal Basis), June 30, 2007**

	GENERAL APPROPRIATION FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	TRIAL COURT CASE MANAGEMENT INFORMATION SYSTEM FUND	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$18,977,581	\$696,912	\$147,677	\$19,822,170
Receivables	305,201			305,201
Due from other agencies	1,072,700			1,072,700
Due from other funds	348,915			348,915
Prepayments	59,105			59,105
<b>TOTAL ASSETS</b>	<b>\$20,763,502</b>	<b>\$696,912</b>	<b>\$147,677</b>	<b>\$21,608,091</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	\$797,624			\$797,624
Payroll deductions payable	149,972			149,972
Total Liabilities	947,596	NONE	NONE	947,596
Fund Equity - fund balances - reserved	19,815,906	\$696,912	\$147,677	20,660,495
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$20,763,502</b>	<b>\$696,912</b>	<b>\$147,677</b>	<b>\$21,608,091</b>

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**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
APPROPRIATED FUNDS**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis), June 30, 2007**

	GENERAL APPROPRIATION FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	TRIAL COURT CASE MANAGEMENT INFORMATION SYSTEM FUND	TOTAL
<b>REVENUES</b>				
Appropriated by legislature:				
State General Fund	\$113,187,317			\$113,187,317
State General Fund by interagency transfers	8,765,024			8,765,024
State General Fund by statutory dedications	10,000	\$4,330,000	\$1,612,891	5,952,891
Fees and self-generated	758,840	24,599	8,700	792,139
Funding from grants	111,951			111,951
Total revenues	<u>122,833,132</u>	<u>4,354,599</u>	<u>1,621,591</u>	<u>128,809,322</u>
<b>EXPENDITURES</b>				
Personal services	60,038,786	4,363,639	1,239,603	65,642,028
Travel	1,151,593		28,599	1,180,192
Operating supplies and services	3,455,613		131,709	3,587,322
Professional services	1,094,698		41,070	1,135,768
Other charges	1,696,581		240,512	1,937,093
Total expenditures	<u>67,437,271</u>	<u>4,363,639</u>	<u>1,681,493</u>	<u>73,482,403</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>55,395,861</u>	<u>(9,040)</u>	<u>(59,902)</u>	<u>55,326,919</u>
<b>OTHER FINANCING SOURCES (Uses)</b>				
Operating transfers out	(1,978,620)			(1,978,620)
Transfers to other entities	(47,839,541)			(47,839,541)
Total other financing sources (uses)	<u>(49,818,161)</u>	<u>NONE</u>	<u>NONE</u>	<u>(49,818,161)</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	5,577,700	(9,040)	(59,902)	5,508,758
<b>FUND BALANCES AT BEGINNING OF YEAR - (Restated)</b>	<u>14,238,206</u>	<u>705,952</u>	<u>207,579</u>	<u>15,151,737</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>\$19,815,906</u></u>	<u><u>\$696,912</u></u>	<u><u>\$147,677</u></u>	<u><u>\$20,660,495</u></u>

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS**

**Combining Balance Sheet (Legal Basis), June 30, 2007**

	JUDICIAL COLLEGE - SEMINAR FUND	CLERK OF THE SUPREME COURT FEE ACCOUNT FUND	LAW LIBRARY SELF- GENERATED FEES FUND	MANDATORY CONTINUING LEGAL EDUCATION FUND	BAPTIST COMMUNITY MINISTRIES FUND
<b>ASSETS</b>					
Cash and cash equivalents	\$191,812	\$1,169,461	\$107,120	\$188,328	\$67,800
Receivables		5,306			
Due from other agencies					
<b>TOTAL ASSETS</b>	<b>\$191,812</b>	<b>\$1,174,767</b>	<b>\$107,120</b>	<b>\$188,328</b>	<b>\$67,800</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable		\$1,780		\$20,247	\$20,000
Due to other funds					
Total Liabilities	NONE	1,780	NONE	20,247	20,000
Fund Equity - fund balances - reserved for continuing operations	\$191,812	1,172,987	\$107,120	168,081	47,800
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$191,812</b>	<b>\$1,174,767</b>	<b>\$107,120</b>	<b>\$188,328</b>	<b>\$67,800</b>

(Continued)

Schedule 3

TIFF JOIN IJJIS FUND	MACARTHUR FOUNDATION FUND	LOUISIANA DISTRICT COURT RULES PROJECT FUND	FAMILIES IN NEED OF SERVICES SOFTWARE GRANT FUND	CAMPAIGN FOR THE CHILDREN FUND	CONNECTION FOR PERMANENCY FUND	COURT IMPROVEMENT PROGRAM TRAINING GRANT FUND	COURT IMPROVEMENT PROGRAM 2005 GRANT FUND
\$1,433	\$144,694	\$20,261	\$6,250	\$690			
					\$23,382	\$20,000	\$5,856
<u>\$1,433</u>	<u>\$144,694</u>	<u>\$20,261</u>	<u>\$6,250</u>	<u>\$690</u>	<u>\$23,382</u>	<u>\$20,000</u>	<u>\$5,856</u>
							\$34,599
					\$23,382	\$20,000	5,856
NONE	NONE	NONE	NONE	NONE	23,382	20,000	40,455
\$1,433	\$144,694	\$20,261	\$6,250	\$690	NONE	NONE	(34,599)
<u>\$1,433</u>	<u>\$144,694</u>	<u>\$20,261</u>	<u>\$6,250</u>	<u>\$690</u>	<u>\$23,382</u>	<u>\$20,000</u>	<u>\$5,856</u>

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS  
Combining Balance Sheet (Legal Basis), June 30, 2007**

	LCLE JOIN IJIS FUND	CRIME VICTIMS ASSISTANCE GRANT (C04-8-009) FUND	2006 NCHIP LPOR GRANT FUND	VIOLENCE AGAINST WOMEN ACT 03-2006 KATRINA RELIEF FUND	VIOLENCE AGAINST WOMEN ACT - 03 FUND
<b>ASSETS</b>					
Cash and cash equivalents					
Receivables					
Due from other agencies	\$14,400	\$27,509	\$9,991	\$570	\$19
<b>TOTAL ASSETS</b>	<b>\$14,400</b>	<b>\$27,509</b>	<b>\$9,991</b>	<b>\$570</b>	<b>\$19</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable					
Due to other funds	\$14,400	\$27,509	\$9,991	\$567	\$19
Total Liabilities	14,400	27,509	9,991	567	19
Fund Equity - fund balances - reserved for continuing operations	NONE	NONE	NONE	3	NONE
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$14,400</b>	<b>\$27,509</b>	<b>\$9,991</b>	<b>\$570</b>	<b>\$19</b>

(Concluded)

Schedule 3

COMMERCIAL DRIVERS LICENSE PROGRAM FUND	OJP TRAINING GRANT FUND	HURRICANE CRIMINAL JUSTICE INFRASTRUCTURE RECOVERY GRANT FUND	NEW YORK COURTS GRANT FUND	FEMA ASSISTANCE FUND	TOTAL
			\$140	\$77,607	\$1,975,596
					5,306
<u>\$123,019</u>	<u>\$5,323</u>	<u>\$118,851</u>			<u>348,920</u>
<u>\$123,019</u>	<u>\$5,323</u>	<u>\$118,851</u>	<u>\$140</u>	<u>\$77,607</u>	<u>\$2,329,822</u>
				\$43,754	\$120,380
<u>\$123,019</u>	<u>\$5,323</u>	<u>\$118,849</u>			<u>348,915</u>
123,019	5,323	118,849	NONE	43,754	469,295
<u>NONE</u>	<u>NONE</u>	<u>2</u>	<u>\$140</u>	<u>33,853</u>	<u>1,860,527</u>
<u>\$123,019</u>	<u>\$5,323</u>	<u>\$118,851</u>	<u>\$140</u>	<u>\$77,607</u>	<u>\$2,329,822</u>

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS**

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis), June 30, 2007**

	JUDICIAL COLLEGE - SEMINAR FUND	CLERK OF THE SUPREME COURT FEE ACCOUNT FUND	LAW LIBRARY SELF- GENERATED FEES FUND	MANDATORY CONTINUING LEGAL EDUCATION FUND	CONFERENCE OF CHIEF JUSTICES FUND
<b>REVENUES</b>					
Grants - state					
Grants - federal					
Grants - private					
Fees and self-generated revenues:					
Court fees		\$194,538			
Copy fees		16,516	\$5,583		
Bar admissions		16,275			
Seminar fees	\$219,366				
Computer-assisted research fees			1,593		
Facsimile fees			2,402		
Miscellaneous			2,075	\$1,647	
Use of money and property - interest earnings	6,560	55,533			
Sponsor application fees				500	
Accreditation fees				84,850	
Reinstatement fees				1,500	
Sponsor late fees				200	
Delinquent fees				231,050	
Penalty fees				650	
Repeat penalty fees				12,850	
NSF fees				40	
Total revenues	<u>225,926</u>	<u>282,862</u>	<u>11,653</u>	<u>333,287</u>	<u>NONE</u>
<b>EXPENDITURES</b>					
Personnel services		38,306		79,829	
Travel	9,204	14,448	854	2,517	
Operating supplies and services	23,082	142,149	4,189	28,568	
Professional services	216,769	33,404	1,706	21,781	
Other charges		26,252	35	3,324	
Total expenditures	<u>249,055</u>	<u>254,559</u>	<u>6,784</u>	<u>136,019</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>					
	<u>(23,129)</u>	<u>28,303</u>	<u>4,869</u>	<u>197,268</u>	<u>NONE</u>
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in					\$757
Transfers from other entities		10,000			
Transfers to other entities					
Total other financing sources/uses	<u>NONE</u>	<u>10,000</u>	<u>NONE</u>	<u>NONE</u>	<u>757</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>					
	<u>(23,129)</u>	<u>38,303</u>	<u>4,869</u>	<u>197,268</u>	<u>757</u>
<b>FUND BALANCES AT BEGINNING OF YEAR (Restated)</b>					
	<u>214,941</u>	<u>1,134,684</u>	<u>102,251</u>	<u>(29,187)</u>	<u>(757)</u>
<b>FUND BALANCES (Deficiency) AT END OF YEAR</b>					
	<u>\$191,812</u>	<u>\$1,172,987</u>	<u>\$107,120</u>	<u>\$168,081</u>	<u>NONE</u>

(Continued)

Schedule 4

BAPTIST COMMUNITY MINISTRIES FUND	TIF JOIN IJIS FUND	MACARTHUR FOUNDATION FUND	LOUISIANA DISTRICT COURT RULES PROJECT FUND	FAMILIES IN NEED OF SERVICES SOFTWARE GRANT FUND	CAMPAIGN FOR THE CHILDREN FUND	CONNECTION FOR PERMANENCY FUND	COURT IMPROVEMENT PROGRAM TRAINING GRANT FUND
		\$150,000					\$73,585
NONE	NONE	150,000	NONE	NONE	NONE	NONE	73,585
\$2,149		\$278	\$109			\$1,658	2,038
646		28					1,456
47,005		5,000	4,112			21,724	70,091
49,800	NONE	5,306	4,221	\$18,750	NONE	23,382	73,585
(49,800)	NONE	144,694	(4,221)	(18,750)	NONE	(23,382)	NONE
						23,382	
NONE	NONE	NONE	NONE	NONE	NONE	23,382	NONE
(49,800)	NONE	144,694	(4,221)	(18,750)	NONE	NONE	NONE
97,600	1,433	NONE	24,482	25,000	\$690	NONE	NONE
\$47,800	\$1,433	\$144,694	\$20,261	\$6,250	\$690	NONE	NONE

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis), June 30, 2007**

	COURT IMPROVEMENT PROGRAM DATA SHARING GRANT FUND	COURT IMPROVEMENT PROGRAM 2005 GRANT FUND	COURT IMPROVEMENT PROGRAM 2004 GRANT FUND	CHILDREN'S JUSTICE ACT FUND
<b>REVENUES</b>				
Grants - state				
Grants - federal	\$36,638	\$166,131	\$80,551	
Grants - private				
Fees and self-generated revenues:				
Court fees				
Copy fees				
Bar admissions				
Seminar fees				
Computer-assisted research fees				
Facsimile fees				
Miscellaneous				
Use of money and property - interest earnings				
Sponsor application fees				
Accreditation fees				
Reinstatement fees				
Sponsor late fees				
Delinquent fees				
Penalty fees				
Repeat penalty fees				
NSF fees				
Total revenues	<u>36,638</u>	<u>166,131</u>	<u>80,551</u>	<u>NONE</u>
<b>EXPENDITURES</b>				
Personnel services		576		
Travel	680	8,744		
Operating supplies and services		8,347	1	
Professional services	27,421	183,063	411	\$2,205
Other charges	8,537			
Total expenditures	<u>36,638</u>	<u>200,730</u>	<u>412</u>	<u>2,205</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>NONE</u>	<u>(34,599)</u>	<u>80,139</u>	<u>(2,205)</u>
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in				
Transfers from other entities				2,205
Transfers to other entities				
Total other financing sources/uses	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>2,205</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<u>NONE</u>	<u>(34,599)</u>	<u>80,139</u>	<u>NONE</u>
<b>FUND BALANCES AT BEGINNING OF YEAR (Restated)</b>	<u>NONE</u>	<u>NONE</u>	<u>(80,139)</u>	<u>NONE</u>
<b>FUND BALANCES (Deficiency) AT END OF YEAR</b>	<u>NONE</u>	<u>(\$34,599)</u>	<u>NONE</u>	<u>NONE</u>

(Continued)

Schedule 4

LACLE JOIN IJJIS FUND	CRIME VICTIMS ASSISTANCE GRANT (C04-8-009) FUND	CRIME VICTIMS ASSISTANCE GRANT (C03-8-011) FUND	CRIMINAL INFORMATION TECHNOLOGY ACT GRANT (H00-8-001) FUND	CRIMINAL INFORMATION TECHNOLOGY ACT GRANT (H00-8-009) FUND	CITA LPOR 1 GRANT FUND	2006 NCHIP CMIS GRANT FUND	2006 NCHIP LPOR GRANT FUND
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
\$14,877	\$27,509	\$49,780	\$1,184	\$75,000	\$13,824 27,754	\$6,416	\$2,094 16,197 34,068
<u>14,877</u>	<u>27,509</u>	<u>49,780</u>	<u>33,995</u>	<u>75,000</u>	<u>41,578</u>	<u>6,416</u>	<u>52,359</u>
(14,877)	(27,509)	(49,780)	(33,995)	(75,000)	(41,578)	(6,416)	(52,359)
14,877	27,509	49,780	33,995	75,000	41,578	6,416	52,359
<u>14,877</u>	<u>27,509</u>	<u>49,780</u>	<u>33,995</u>	<u>75,000</u>	<u>41,578</u>	<u>6,416</u>	<u>52,359</u>
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis), June 30, 2007**

	VIOLENCE AGAINST WOMEN ACT 03-2006 KATRINA RELIEF FUND	VIOLENCE AGAINST WOMEN ACT - 03 FUND	COMMERCIAL DRIVERS LICENSE PROGRAM FUND	OJP TRAINING GRANT FUND
<b>REVENUES</b>				
Grants - state				
Grants - federal			\$275,696	\$24,586
Grants - private				
Fees and self-generated revenues:				
Court fees				
Copy fees				
Bar admissions				
Seminar fees				
Computer-assisted research fees				
Facsimile fees				
Miscellaneous				
Use of money and property - interest earnings				
Sponsor application fees				
Accreditation fees				
Reinstatement fees				
Sponsor late fees				
Delinquent fees				
Penalty fees				
Repeat penalty fees				
NSF fees				
Total revenues	NONE	NONE	275,696	24,586
<b>EXPENDITURES</b>				
Personnel services	\$17,468			
Travel				
Operating supplies and services		\$19		
Professional services		6,593	4,517	24,586
Other charges			271,179	
Total expenditures	17,468	6,612	275,696	24,586
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(17,468)	(6,612)	NONE	NONE
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in				
Transfers from other entities	17,471	6,612		
Transfers to other entities				
Total other financing sources/uses	17,471	6,612	NONE	NONE
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	3	NONE	NONE	NONE
<b>FUND BALANCES AT BEGINNING OF YEAR (Restated)</b>	NONE	NONE	NONE	NONE
<b>FUND BALANCES (Deficiency) AT END OF YEAR</b>	\$3	NONE	NONE	NONE

(Concluded)

HURRICANE CRIMINAL JUSTICE INFRASTRUCTURE RECOVERY GRANT FUND	NEW YORK COURTS GRANT FUND	FEMA ASSISTANCE FUND	TOTAL
\$206,315			\$206,315
			657,187
			150,000
			194,538
			22,099
			16,275
			219,366
			1,593
			2,402
	\$140	\$20,812	24,674
			62,093
			500
			84,850
			1,500
			200
			231,050
			650
			12,850
			40
<u>206,315</u>	<u>140</u>	<u>20,812</u>	<u>1,888,182</u>
			136,179
			44,773
8,911			238,506
197,402			757,182
<u>206,313</u>	<u>NONE</u>	<u>NONE</u>	<u>716,995</u>
			1,893,635
<u>2</u>	<u>140</u>	<u>20,812</u>	<u>(5,453)</u>
			1,977,863
			1,978,620
			361,184
			(1,977,863)
<u>NONE</u>	<u>NONE</u>	<u>(1,977,863)</u>	<u>(1,977,863)</u>
			361,941
2	140	20,812	356,488
<u>NONE</u>	<u>NONE</u>	<u>13,041</u>	<u>1,504,039</u>
<u>\$2</u>	<u>\$140</u>	<u>\$33,853</u>	<u>\$1,860,527</u>

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**OTHER REPORT REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.





LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

March 24, 2008

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the special purpose (legal basis) financial statements of the Supreme Court of Louisiana as of and for the year ended June 30, 2007, and have issued our report thereon dated March 24, 2008. Our report was modified to indicate that the financial statements present fairly the financial position and changes in financial position of the court on a legal basis rather than in conformity with accounting principles generally accepted in the United States of America and an emphasis of a matter related to hurricanes Katrina and Rita. 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 Supreme 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 the purpose of expressing an opinion on the effectiveness of the Supreme Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Supreme Court's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the court's financial statements that is more than inconsequential will not be prevented or detected by the court's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the court's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Supreme 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 the Supreme Court of Louisiana and its management, others within the court, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

JMJ:JR:PEP:sr

SUPCRT07