

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**ELEVENTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND**

Parishes of DeSoto and Sabine, Louisiana

**FINANCIAL STATEMENTS
June 30, 2008**

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 11/5/08

Deborah D. Dees, MBA, CPA
122 Jefferson Street
Mansfield, Louisiana 71052
318-872-3007

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND
DeSoto and Sabine Parishes, Louisiana

As of and for the Year Ended June 30, 2008

	Statement/ Schedule	Page
Accountant's Review Report		2
<u>Required Supplemental Information (Part I)</u>		
Management's Discussion and Analysis		4-7
<u>Basic Financial Statements:</u>		
<u>Government-Wide Financial Statements:</u>		
Statement of Net Assets	A	10
Statement of Activities	B	11
<u>Fund Financial Statements</u>		
Balance Sheet-Governmental Fund	C	13
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets	D	14
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Fund	E	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	16
<u>Notes to Financial Statements:</u>		
Notes to the Financial Statements		18-24
<u>Required Supplemental Information (Part II)</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget & Actual	1	26
<u>Other Reports:</u>		
Accountant's agreed-upon procedure report required by Statements on <i>Standard for Attestation Engagements and Government Auditing Standards</i>		28-30
Attestation questionnaire		31-32

Deborah D. Dees, MBA, CPA



122 JEFFERSON STREET • MANSFIELD, LOUISIANA 71052 • (318) 872-3007 • FAX (318) 872-1357

CERTIFIED PUBLIC ACCOUNTANT

Independent Accountant's Report

To the Honorable Judges of the
Eleventh Judicial District Court
DeSoto and Sabine Parishes, Louisiana

I have reviewed the accompanying financial statements of the governmental activities of the Eleventh Judicial District Court Expense Fund, DeSoto and Sabine Parishes, Louisiana as of and for the year ended June 30, 2008, which comprise the Eleventh Judicial District Court Expense Fund's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Eleventh Judicial District Court's management.

A review consists principally of inquires of entity personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles

The management's discussion and analysis and budgetary comparison information, on pages 4 through 7 and 26, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

As discussed in Note 8, the Eleventh Judicial District Court Expense Fund financial statements no longer include accounts exclusively controlled by only one judge in the District.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated September 8, 2008 on the results of our agreed-upon procedures.

Deborah D. Dees, CPA

Mansfield, Louisiana
September 8, 2008

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

ELEVENTH JUDICIAL DISTRICT



STATE OF LOUISIANA

DISTRICT JUDGE

DIVISION A

ROBERT E. BURGESS

OFFICE: 318-872-1366

FAX: 318-872-1388

HOME: 318-872-5160

P.O. BOX 1295

MANSFIELD, LOUISIANA 71052

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Eleventh Judicial District Court Expense Fund's financial performance presents a narrative overview and analysis of the District Court's financial activities for the year ended June 30, 2008. The information provided in our financial statements only reflects the activities of the Eleventh Judicial combined accounts and other joint accounts of the Eleventh Judicial Court. **Any cash accounts controlled exclusively by one judge, meaning those possessing signatory authority by only one judge, are not included in our financial statements.** This document focuses on the current year's activities, resulting changes, and currently known facts of the Combined Accounts and joint accounts of the Eleventh Judicial Court. Please read this document in conjunction with the additional information contained in the Court's financial statements.

FINANCIAL HIGHLIGHTS

Effective August 1, 2007, the District's combined accounts were split per a court order signed by Judge Burgess, Division A, and Judge Beasley, Division C, into two separate accounts: the "DeSoto Judicial Expense Fund" and the "Sabine Judicial Expense Fund." The DeSoto Judicial Expense Fund is maintained by the judges of Divisions A and B. The Sabine Judicial Expense Fund is controlled by the judge of Division C. Also as of August 1, 2007, the Eleventh Judicial Combined and LAMP accounts were ordered split equally between the two funds.

The separation of the combined accounts was a precursor to the split of the District into two separate judicial districts, as voted by the constituents of DeSoto and Sabine Parishes on October 20, 2007. Sabine Parish will remain the Eleventh Judicial District, whereas DeSoto will become the Forty-second Judicial District. The split is set to take into effect January 1, 2009.

The District Courts' assets exceeded its liabilities (net assets) by \$260,713 on June 30, 2008 and \$404,132 on June 30, 2007. The unrestricted net assets which represent the portion available to maintain continuing obligations to citizens and creditors is \$198,356 on June 30, 2008 and \$329,304 on June 30, 2007.

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statements of Activities provide information about the activities of the Court as a whole and present a longer-term view of the Court's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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 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 cost, fees, grants, and interest finance these activities.

FUND FINANCIAL STATEMENTS

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 governmental funds.

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 the District Court, the Court also accounts for appropriations received from the U. S. Department of Justice and State of Louisiana Supreme Court to administer the Drug Court. These funds are reported using an accounting method called modified accrual accounting, which measure 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 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.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures. Also included is a report from the accountant on the results of evaluating management's assertions concerning compliance with certain laws and regulations for the year ended June 30, 2008. These required procedures are found in the *Louisiana Governmental Audit Guide*.

FINANCIAL ANALYSIS OF THE DISTRICT COURT AS A WHOLE

Changes in net assets may be observed and used to discuss the changing financial position of the District Court as a whole. The following provides a summary of the District Court's net assets:

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 54,300	\$ 113,219
Restrict cash	-	304
LAMP account	178,356	245,623
Receivables	10,116	9,183
Capital assets, net	<u>62,357</u>	<u>74,524</u>
Total Assets	\$ <u>305,129</u>	\$ <u>442,853</u>
Liabilities		
Total Liabilities	\$ <u>44,416</u>	\$ <u>38,721</u>
Net assets		
Investment in capital assets, net	\$ 62,357	\$ 74,524
Restricted	-	304
Unrestricted	<u>198,356</u>	<u>329,304</u>
Total Net Assets	\$ <u><u>260,713</u></u>	\$ <u><u>404,132</u></u>

The District Court continues to maintain operations with no long-term debt. This is an indication of the District Court's ability to pay its obligations as they become due. Restricted Cash and Net Assets were eliminated when the last \$304 of Drug Court appropriation was disbursed.

The following table provides a summary of the District Court's changes in net assets:

<u>Governmental Activities</u>	<u>2008</u>	<u>2007</u>
Expenses		
Administrative	\$ 100,540	\$ 99,465
Drug Court	304	11,898
Probation	124,154	100,969
Restitution	<u>16,903</u>	<u>7,248</u>
Total Expenses	<u>241,901</u>	<u>219,580</u>
Program revenues		
Fees, fines and charges for services	<u>256,011</u>	<u>227,518</u>
Total Program revenues	<u>256,011</u>	<u>227,518</u>
Total General revenues	<u>8,542</u>	<u>13,308</u>
Total Revenues	<u>264,553</u>	<u>240,826</u>
Excess before special items	22,652	21,246
Special items	<u>(166,072)</u>	<u>(22,680)</u>
Decrease in Net Assets	<u>(143,420)</u>	<u>(1,434)</u>
Net Assets Beginning	<u>404,133</u>	<u>405,567</u>
Net Assets Ending	\$ <u><u>260,713</u></u>	\$ <u><u>402,699</u></u>

Special items consist solely of the transfer of cash to Division C's Sabine Judicial Expense Fund in preparation of the split of the district. This resulted in a decrease in net assets for year ends 2008 and 2008

GENERAL FUND BUDGETARY HIGHLIGHTS

The Eleventh Judicial District Court's budgetary comparison is presented as required supplementary information and shown on page 27. Revenues collected are \$23,727 over budget, due to an increase in restitution collected and probation and related fees. Expenditures were over budget by \$26,150 due to an increase in probation related expenses.

The district uses prior year audit numbers as their budget for the current year. This process is going to change for the year 2009. A budget will be prepared and agreed upon among the judges and amended as necessary.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2008, and 2007 the Court has \$62,357 and \$74,524, respectively, invested in capital assets including computers, office furniture and equipment (See table below).

	<u>2008</u>	<u>2007</u>
Equipment	\$ 89,104	\$ 85,468
Furniture and fixtures	91,232	91,232
FINS	7,613	7,613
Total	<u>187,949</u>	<u>184,313</u>
Less accumulated depreciation	<u>(125,592)</u>	<u>(109,789)</u>
Net Capital Assets	<u>\$ 62,357</u>	<u>\$ 74,524</u>

During the year the Court added two new computers.

Debt

The Eleventh Judicial District Court Expense Fund has no debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- 1) Fees, fines and charges for services
- 2) Personnel services expenses
- 4) Operating services expenses

The Court expects expenses and revenues to decrease in the next year due to the separation of the District effective January 1, 2009.

CONTACTING THE ELEVENTH JUDICIAL COURT EXPENSE FUND'S MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the Eleventh Judicial District Court Expense Fund's finances and to show the Eleventh Judicial District Court Expense Fund's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Robert Burgess, Chief Judge, P. O. Box 1299, Mansfield, LA 71052.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

STATEMENT OF NET ASSETS

June 30, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 54,300
LAMP deposits	178,356
Receivables	10,116
Capital assets (net)	62,357
TOTAL ASSETS	<u>\$ 305,129</u>
LIABILITIES	
Accounts, salaries, and other payables	\$ 3,497
Due to others	34,320
Victim restitution payable	6,599
TOTAL LIABILITIES	<u>\$ 44,416</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 62,357
Unrestricted	198,356
TOTAL NET ASSETS	<u>\$ 260,713</u>

See the accompanying notes and accountant's report.

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2008

	Expenses	Program Revenues		Net (Expenses) Revenues and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Administrative	\$ 100,540	\$ 163,607		\$ 63,067
Drug court	304			(304)
Probation	124,154	74,040		(50,114)
Restitution	18,903	18,364		1,461
Total Governmental Activities	\$ 241,901	\$ 256,011	\$	\$ 14,110
Interest income				8,542
Total General Revenues				8,542
Change in Net Assets before spe				22,652
Special Items				
Transfer of assets to Division C				(166,072)
Total Special Items				(166,072)
Total Change in Net Assets after Special Items				(143,420)
Net Assets Beginning				404,133
Net Assets Ending				\$ 260,713

See the accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

BALANCE SHEET, GOVERNMENTAL FUNDS

June 30, 2008

	<u>GENERAL FUND</u>
ASSETS	
Cash and cash equivalents	\$ 54,300
LAMP deposits	178,356
Receivables	
Fines and court costs receivable	10,116
TOTAL ASSETS	<u>\$ 242,772</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts, salaries, and other payables	\$ 3,497
Due to DeSoto Parish Sheriff's Office	34,320
Victim restitution payable	6,599
Total Liabilities	<u>44,416</u>
Fund Balances:	
Reserved for:	
Unreserved, reported in:	
General fund	198,356
Total Fund Balances	<u>198,356</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 242,772</u>

See the accompanying notes and accountant's report.

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND
DeSoto and Sabine Parishes, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2008

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

Total Fund Balances for Governmental Funds (Statement C)	\$ 198,356
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds. Those assets consist of:	
Furniture, fixtures and equipment, net of \$125,592 in accumulated depreciation	<u>62,357</u>
Total Net Assets of Governmental Activities (Statement A)	<u>\$ 260,713</u>

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND
DeSoto and Sabine Parishes, Louisiana
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
For the Year Ended June 30, 2008

	GENERAL FUND
Revenues:	
Bond fees, forfeitures, and court costs	\$ 163,607
Restitution collected	18,364
Probation and related fees	74,040
Intergovernmental:	
Interest earnings	8,542
Total Revenues	264,553
 Expenditures:	
Current:	
Administrative	
Personnel and related benefits	9,068
Operating and administrative	75,418
Drug court	304
Probation	123,462
Restitution paid to others	16,902
Fees paid to others	942
Capital outlays	3,637
Total Expenditures	229,733
 Excess (Deficiency) of Revenues over Expenditures Before Special Items	 34,820
 Special Items	
Transfer of assets to Division C	(166,072)
Total Special Items	(166,072)
 Excess (Deficiency) of Revenues over Expenditures after Special Items	 (131,252)
 Fund balances, beginning of year	 329,608
Fund balances, end of year	\$ 198,356

See the accompanying notes and accountant's report.

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND
DeSoto and Sabine Parishes, 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, 2008

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances-Total Governmental Funds (Statement E)	\$ (131,252)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,636) exceeds depreciation (\$15,804) in the current period.	(12,168)
Change in Net Assets of Governmental Activities (Statement B)	<u>\$ (143,420)</u>

NOTES TO THE FINANCIAL STATEMENTS

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2008

INTRODUCTION

The Eleventh Judicial District Court Expense Fund (the Fund) was created by LSA-RS 13:996.58. 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 to any purpose or purposes connected with, incidental to or related to the proper administration of the court.

The Eleventh Judicial District Court (the District) was created by LSA-RS 13:477(11). The District is comprised of DeSoto and Sabine parishes with courthouses in Mansfield and Many, respectively. The District's purpose is general jurisdiction judgeship for the approximately 50,500 people in the parishes. The voters of the two parishes elect the three judges of the District to six-year terms. The Fund employs ten full-time employees whose salaries are paid by the police juries or the sheriff of each parish, and part-time employees hired as needed paid by the expense fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Eleventh Judicial District Court includes all funds that are within the oversight responsibility of the District Court. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the District Court is deemed to be a separate reporting entity. Certain units of local government over which the District Court exercises no oversight responsibility, such as the parish police juries, parish school boards, other independently-elected officials, and municipalities within the parishes, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the District Court.

B. 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.

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Basic Financial Statements (continued)

Government-wide financial statements (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District Court's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include a) fees and charges paid by the recipient for goods or services offered by the program, and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general 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 major 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.

C. Measurement Focus/Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in accounts and reported in the financial statements. Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements.

Accrual Basis – Government-Wide Financial Statements (GWFS)

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. 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. Revenues, expenses, gains and losses resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis – Fund Financial Statements (FFS)

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 at the end of the period. 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

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus/Basis of Accounting (continued)

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 outlays) are recorded when the related fund liability is incurred.

D. Budgets

The Chief Judge prepares a proposed budget for the fund on the modified accrual basis of accounting. Due to the uncertainties of the budgeting, at least two of the three judges are involved in the transfer of funds from one program or function to another or for increased expenditures resulting from revenues exceeding amounts estimated. All budgetary appropriations lapse at the end of each fiscal year.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. The Fund includes amounts in time deposits and investments with original maturities of 90 days or less as cash equivalents. Under state law, the Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

F. Investments

Under state law the Fund may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed three months. Under this interpretation, the Fund has no investments.

G. 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, improvements, 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 years
Other office equipment	5 years
Furniture and fixtures	7-10 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the Fund upon acquisition.

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND
DeSoto and Sabine Parishes, Louisiana
Notes to the Financial Statements
June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

Assets purchased under the FINS Grant Program are currently being accounted for by the Eleventh Judicial District Court Expense Fund. However, under the provisions of the Grant contracts the assets are the property of the State of Louisiana. The State of Louisiana has instructed the Eleventh Judicial District Court, Judicial Expense Fund to maintain control and ownership. The State of Louisiana, Office of Social Services retains reversion rights in those assets.

H. Compensated Absences

The Fund has the following policy relating to vacation and sick leave: full time employees of the Fund receive ten days of noncumulative vacation leave each year. Sick leave is granted at the discretion of the judges and is also noncumulative. Since the employees are paid by others, the Fund does not have accumulated and vested benefits related to vacation and sick leave.

I. 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 debt attributable to these fixed assets as of June 30, 2008.

Restricted – This component of net assets consists of constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

J. Estimates

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

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2008

2. CASH

At June 30, 2008, the Eleventh Judicial District Court Expense Fund has cash (book balances) totaling \$232,656.

Interest bearing demand deposits	\$	54,300
LAMP deposits		<u>178,356</u>
	\$	<u><u>232,656</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2008, the Eleventh Judicial District Court Expense Fund has \$58,145 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

Cash equivalents held at June 30, 2008, include \$178,356 invested with the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in the pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33-2955.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is no registered with the SEC as an investment company.

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2008

3. CAPITAL ASSETS

A summary of the Eleventh Judicial District Court Expense Fund's capital assets at June 30, 2008 follows:

Governmental Activities:	Balance 6/30/2007	Additions	Deletions	Balance 6/30/2007
Capital assets, being depreciated				
Equipment	\$ 85,468	\$ 3,636	\$	\$ 89,104
Furniture and fixtures	91,232			91,232
FINS equipment	7,613			7,613
Total capital assets, being depreciated	\$ 184,313	\$ 3,636	\$ 0	\$ 187,949
Less accumulated depreciation for				
Equipment	\$ 69,217	\$ 6,164	\$	\$ 75,381
Furniture and Fixtures	34,497	8,691		43,188
FINS equipment	6,076	948		7,024
Total accumulated depreciation	109,789	15,803	0	125,592
Total Capital assets being depreciated, net	\$ 74,524		\$	\$ 62,357

Depreciation expense of \$15,803 for the year ended June 30, 2008, was charged to the following functions:

Administrative	\$ 15,112
Probation	691
	\$ 15,803

4. LEASES

The Eleventh Judicial District Court Expense Fund has operating leases as follows:

Division A – An automobile lease for 30 months with a down payment of \$3,844 and monthly payments of \$494.15 dated June 30, 2006. The lease expires in December of 2008. The purchase option at the end of the lease is \$13,330. There is a possible early termination charge and a possible charge for mileage in excess of 37,500 total miles at .15 per mile.

Division B – An automobile lease for 30 months with monthly payments of \$498.23 dated April, 2006. This lease expires September of 2008. There is a possible early termination charge and a possible charge for mileage in excess of 37,500 total miles at .15 per mile.

Division C – An automobile lease for 36 months with a down payment of \$2,750 and monthly payments of \$411.30 dated May 10, 2006. This lease expires in April of 2009. The purchase option at the end of the lease is \$27,690. There is a possible early termination charge and a possible charge for excessive mileage exceeding 24,166. Lease payments were transferred to the Sabine Judicial Expense Fund in November, 2007.

The total lease expense reported in the financial statements is \$13,945. The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal year 6/30	Vehicles
2009	\$ 4,459.59
	\$ 4,459.59

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2008

5. JOINT VENTURE

The Misdemeanor Probation program entered into an agreement with the DeSoto Parish Sheriff to reimburse the salary, payroll taxes, group insurance, retirement, and workman's compensation of the probation officers. The fund reimbursed the Sheriff's office \$103,104.

6. EXPENDITURES OF THE JUDICIAL DISTRICT PAID BY THE PARISH POLICE JURY

The accompanying financial statements do not include certain salary or administrative expenditures of the District Court paid out of the funds of the DeSoto and Sabine Parish Police Juries or directly by the State.

7. CONTINGENCIES

As of June 30, 2008, in the opinion of management, there are no outstanding matters that would have a significant effect on the financial position of the Expense Fund.

8. SPECIAL ITEMS

As of year ended June 30, 2007, the District Court's financial statements no longer include the transactions that are exclusively controlled by and the accounts that have sole signatory authority of one individual judge in the District. The special item reflects the transfer of assets to Division C and the Sabine Judicial Expense Fund under the control of one judge.

9. SUBSEQUENT EVENTS

In October 20, 2007, constituents of DeSoto and Sabine Parishes passed a vote to split the Eleventh Judicial District into two separate districts based on parish lines effective January 1, 2009. Sabine Parish will remain the Eleventh Judicial District; DeSoto will become the Forty-second Judicial District.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL

General Fund

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Budget to Actual
	Original	Final		Positive(Negative)
Revenues:				
Bond fees, forfeitures, and costs	\$ 169,056	\$ 163,000	\$ 163,607	\$ 607
Restitution collected	6,982	18,000	18,364	364
Probation and related fees	51,180	74,000	74,040	40
Drug court fees	300			
Intergovernmental:				
Investment and Interest income	13,308	8,500	8,542	42
Total Revenues	240,828	263,500	264,553	1,053
Expenditures:				
Current:				
Administrative				
Personnel and related benefits	16,364	9,000	9,068	(68)
Operating and administrative	63,247	75,500	75,418	82
Drug court	11,898	300	304	(4)
Probation	100,267	123,500	123,462	38
Restitution paid to others	7,248	17,000	16,902	98
Fees paid to other	1,195	950	942	8
Capital outlay	3,364	3,600	3,637	(37)
Total Expenditures	203,583	229,850	229,733	117
Excess of Revenues over Expenditures before Special Items	33,650	33,650	34,820	1,170
Special Items				
Transfer of assets to Division C	22,680	166,072	166,072	
Total Special Items	22,680	166,072	166,072	
Net Change in Fund Balance		(132,422)	(131,252)	1,170
Fund Balances (Deficit) at Beginning of Year		329,608	329,608	
Fund Balances (Deficit) at End of Year		\$ 197,186	\$ 198,356	\$ 1,170

See accountant's report.

**OTHER REPORTS REQUIRED BY LOUISIANA GOVERNMENTAL
AUDIT GUIDE**

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Judges of the
Eleventh Judicial District Court
DeSoto and Sabine Parishes, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Eleventh Judicial District Court's Expense Fund and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Eleventh Judicial District Court Expense Fund's compliance with certain laws and regulations during the year ended June 30, 2008 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

None noted.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

Management uses prior year actual amounts adjusted for known changes during the year. The budget was amended.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book are posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not applicable. Judicial expense fund is not defined as a "public body" in R.S. 42:4.2(2).

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

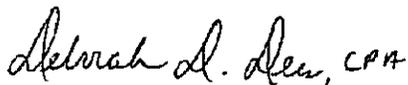
11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

I inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

My prior year report, dated December 27, 2007, did not include any comments or unresolved matters.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Eleventh Judicial District Court Expense Fund and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Deborah D. Dees, CPA
September 8, 2008

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

May 27, 2008

Deborah D. Dees, CPA
122 Jefferson Street
Mansfield, Louisiana 71052

In connection with your review of our financial statements as of June 30, 2008, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 1, 2008.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.
Yes No

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.
Yes No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.
Yes No

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.
Yes No

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.
Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [X] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Not applicable. Judicial expense fund is not defined as a "public body" in R.S. 42:4.2(2).

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [X] No []

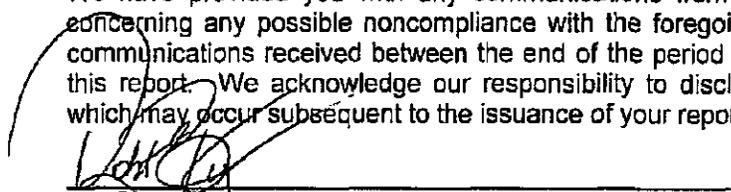
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

 District Judge 5/29/2008 Date

 District Judge 6-2-08 Date