

**JUDICIAL EXPENSE FUND OF THE
TWENTY-FIRST JUDICIAL DISTRICT COURT
AMITE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 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 7/15/09

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
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Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA
Lyle E. Lambert, CPA

Member
American Institute of CPAs
Society of Louisiana CPAs

June 29, 2009

Independent Auditor's Report

The Honorable Robert Morrison, Chief Judge
and Honorable Judges
Twenty-First Judicial District Court
Amite, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court as of and for the year ended December 31, 2008, which collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Judicial Expense Fund of the Twenty-First Judicial District Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

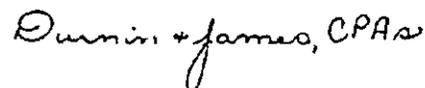
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court as of December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2009, on our consideration of the Judicial Expense Fund of the Twenty-First Judicial District 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 important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 6 and the budgetary comparison information identified as Schedules 1 through 3 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



Durnin & James, CPAs
(A Professional Corporation)

Management's Discussion and Analysis

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Management's Discussion and Analysis
For the Year Ended December 31, 2008

Introduction

The management of the Judicial Expense Fund of the Twenty-First Judicial District Court, Amite, Louisiana (the "Court") is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34), and related standards. Please read the following in conjunction with the Court's financial statements and footnotes, which follow this section.

Financial Highlights

- Total assets for the year were \$1,196,527 at December 31, 2008, and exceeded liabilities in the amount of \$990,623 (i.e., net assets). Of the total net assets, \$988,484 was unrestricted and available to support short-term operations, with the balance invested in capital assets.
- The Court's total net assets decreased by \$183,787 to \$990,623 as compared to \$1,174,410 for the prior fiscal year.
- The Court's total revenues increased by \$128,935 to \$2,245,015 as compared to \$2,116,080 for the prior fiscal year.
- The Court's operating expenses increased by \$361,427 to \$2,428,802 as compared to \$2,064,173 for the prior fiscal year.

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of Court's financial condition and performance.

The financial statements report information on the court using full accrual accounting methods similar to those used in the private business sector. Financial statements include the Balance Sheet and the Statement of Revenues, Expenses, and Changes in Net Assets. The Balance Sheet provides information about the nature and amount of the court's resources and obligations at year-end, and provides a basis for evaluating the capital structure of the court and assessing the liquidity and financial flexibility of the court.

The Statement of Revenues, Expenses, and Changes in Net Assets accounts for the revenues and expenses for the fiscal year, and provides information on how net assets changed during the year. This statement measures the success of the court's operations in a format that can be used to determine if the court has recovered its costs through user fees and other charges.

The notes to the financial statements provide required disclosures essential to an understanding of the financial statements. The notes present information about the court's accounting policies, significant account balances and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule, key information schedules on operation of the court, and schedules detailing audit findings and management response.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Management's Discussion and Analysis
For the Year Ended December 31, 2008

Financial Analysis

The purpose of financial analysis is to help determine whether the court is better off as a result of the current year's activities. In this analysis, data from two of the basic financial statements, the Balance Sheet, and the Statement of Revenues, Expenses, and Changes in Net Assets, are presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the court. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

Condensed Balance Sheet

	December 31, 2008	December 31, 2007	Dollar Change	Percent Change
Current and Other Assets	\$ 1,194,388	\$ 1,397,285	\$ (202,897)	-14.52%
Capital Assets	2,139	4,570	(2,431)	-53.19%
Total Assets	<u>\$ 1,196,527</u>	<u>\$ 1,401,855</u>	<u>\$ (205,328)</u>	-14.65%
Current Liabilities	\$ 205,904	\$ 227,445	\$ (21,541)	-9.47%
Total Liabilities	<u>\$ 205,904</u>	<u>\$ 227,445</u>	<u>\$ (21,541)</u>	-9.47%
Invested in Capital Assets, Net of Related Debt	\$ 2,139	\$ 4,570	\$ (2,431)	-53.19%
Unrestricted	988,484	1,169,840	(181,356)	-15.50%
Total Net Assets	<u>\$ 990,623</u>	<u>\$ 1,174,410</u>	<u>\$ (183,787)</u>	-15.65%

"Total Net Assets" (total assets less total liabilities) decreased by \$183,787 for the fiscal year ending December 31, 2008, primarily because of the increase to "Current and Other Assets" of \$202,897.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Management's Discussion and Analysis
For the Year Ended December 31, 2008

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	December 31, 2008	December 31, 2007	Dollar Change	Percent Change
Revenues:				
Operating Revenues	\$ 2,104,800	\$ 1,948,190	\$ 156,610	8.04%
Nonoperating Revenues	<u>140,215</u>	<u>167,890</u>	<u>(27,675)</u>	-16.48%
Total Revenues	\$ 2,245,015	\$ 2,116,080	\$ 128,935	6.09%
Expenses:				
Depreciation Expense	\$ 2,431	\$ 3,202	\$ (771)	-24.08%
Other Operating Expenses	<u>2,426,371</u>	<u>2,064,173</u>	<u>362,198</u>	17.55%
Total Expenses	\$ 2,428,802	\$ 2,067,375	\$ 361,427	17.48%
Changes in Net Assets	\$ (183,787)	\$ 48,705	\$ (232,492)	-477.35%
Beginning Net Assets	<u>1,174,410</u>	<u>1,125,705</u>	<u>48,705</u>	4.33%
Ending Net Assets	<u>\$ 990,623</u>	<u>\$ 1,174,410</u>	<u>\$ (183,787)</u>	-15.65%

While the Balance Sheet shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets provides answers to the nature and scope of these changes. The above table gives an indication of how the court is being conservatively managed. Total Revenues increased by \$128,935 (6.09%). The majority of this increase can be attributed to an increase of \$156,610 (8.04%) in "Operating Revenues." Total expenses increased by \$361,427 from the prior fiscal year. The majority of this increase is due to the Livingston Office Expansion Project of which \$167,864 was paid in 2008. These are one-time expenses and the project will be complete in 2009. Another major increase was due to paying the salary, staff, and office expenses for an Ad Hoc Juvenile Judge (\$64,000). These expenses will be funded by the state in 2009. Other additional expenses seen are due to increases in cost of supplies, cost of living raises for staff, and increase in staff.

The court showed ending net assets of \$990,623 for the fiscal year ended December 31, 2008, as compared to \$1,174,410 for the fiscal year ended December 31, 2007.

Budgetary Highlights

The court adopts an annual operating budget in accordance with requirements of the provisions of Louisiana R.S. 33:4574.2. Annual appropriated budgets are adopted for the General Fund, Court Support Fund, and Indigent Transcript Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with budget appropriations. The operating budget is adopted before the end of the prior fiscal year and is amended after review of monthly budget comparison financial statements prior to year-end. Although not presented as a part of the basic financial statements, a more detailed schedule is also presented in "Schedule 1 – Budgetary Comparison Schedule," as supplementary information, following the footnotes to the financial statements.

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Management's Discussion and Analysis
For the Year Ended December 31, 2008

Capital Assets

The court's investment in capital assets for its governmental activities as of December 31, 2008 amounts to \$2,139 (net of accumulated depreciation). This investment in capital assets includes equipment and furniture. The total decrease in the court's investment in capital assets for the current fiscal year was \$2,431.

	December 31, 2008	December 31, 2007	Dollar Change	Percent Change
Equipment	\$ 165,777	\$ 165,777	\$ -	0.00%
Furniture	87,104	87,104	-	0.00%
Subtotal	252,881	252,881	-	0.00%
Less: Accumulated Depreciation	(250,742)	(248,311)	(2,431)	0.98%
Net Capital Assets	<u>\$ 2,139</u>	<u>\$ 4,570</u>	<u>\$ (2,431)</u>	-53.19%

Future Economic Plans

The Court's management approach is conservative. The Court actively monitors revenues and expenses and evaluates the costs of proposed expansion projects.

Basic Financial Statements

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Statement of Net Assets
December 31, 2008

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 835,537
Receivables	63,940
Due from Other Governments (Net of Allowances for Uncollectibles)	294,911
Capital Assets, Net of Accumulated Depreciation (Note 6)	2,139
Total Assets	\$ 1,196,527
Liabilities	
Accounts Payable	\$ 205,904
Total Liabilities	\$ 205,904
Net Assets	
Investment in Capital Assets, Net of Related Debt	\$ 2,139
Unrestricted	988,484
Total Net Assets	\$ 990,623

The accompanying notes are an integral part of this statement.

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Statement of Activities
For the Year Ended December 31, 2008

Exhibit B

		Program Revenues		Net Revenue (Expense) and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Governmental Activities
Governmental Activities:				
District Court Activities	\$ 2,426,371	\$ 1,116,810	\$ 987,990	\$ (321,571)
Depreciation	2,431	-	-	(2,431)
Total Governmental Activities	<u>\$ 2,428,802</u>	<u>\$ 1,116,810</u>	<u>\$ 987,990</u>	<u>\$ (324,002)</u>
General Revenues:				
Criminal Court Reimbursement				\$ 114,953
Interest				25,262
Miscellaneous Income				-
Total General Revenues				<u>\$ 140,215</u>
Change in Net Assets				\$ (183,787)
Net Assets - Beginning of the Year				<u>\$ 1,174,410</u>
Net Assets - End of the Year				<u>\$ 990,623</u>

The accompanying notes are an integral part of this statement.

Judicial Expense Fund of the Twenty-First Judicial District Court

Amite, Louisiana

Governmental Funds – Balance Sheet
December 31, 2008

Exhibit C

	General Fund	Court Support Fund	Indigent Transcript Fund	Total
Assets				
Cash and Cash Equivalents	\$ 689,028	\$ 135,592	\$ 10,917	\$ 835,537
Receivables	62,559	285	1,096	63,940
Due from Other Governments (Net of Allowances for Uncollectibles)	84,797	210,114	-	294,911
Due from Other Funds	3,845	-	-	3,845
Total Assets	\$ 840,229	\$ 345,991	\$ 12,013	\$ 1,198,233
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 57,382	\$ 148,482	\$ 40	\$ 205,904
Due to Other Funds	-	3,845	-	3,845
Total Liabilities	57,382	152,327	40	209,749
Fund Balances:				
Unreserved, Undesignated	607,847	18,664	11,973	638,484
Unreserved, Designated	175,000	175,000	-	350,000
Total Fund Balances	782,847	193,664	11,973	988,484
Total Liabilities and Fund Balances	\$ 840,229	\$ 345,991	\$ 12,013	\$ 1,198,233

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Assets
For the Year Ended December 31, 2008

Total Fund Balances, Governmental Funds (Exhibit C) \$ 988,484

Amounts reported for governmental activities in the statement of net assets are different because:

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

Governmental Capital Assets, Net of Depreciation 2,139

Net Assets of Governmental Activities (Exhibit A) \$ 990,623

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Exhibit E

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2008

	General Fund	Court Support Fund	ITF Fund	Total
Revenues:				
Charges for Services	\$ 626,085	\$ 482,080	\$ 8,645	\$ 1,116,810
Federal Operating Grants	-	371,757	-	371,757
State Operating Grants	-	616,233	-	616,233
Interest	19,980	5,282	-	25,262
Criminal Court Reimbursement	109,302	5,651	-	114,953
Miscellaneous Income	-	-	-	-
Total Revenues	<u>755,367</u>	<u>1,481,003</u>	<u>8,645</u>	<u>2,245,015</u>
Expenditures:				
Administrator's Contract	89,074	-	-	89,074
Salaries & Related Benefits	112,191	-	-	112,191
General Office Expenditures	121,170	10,320	-	131,490
Telephone	46,639	-	-	46,639
Travel, Training, & Meetings	19,883	10,228	-	30,111
Vehicle Expense	48,000	-	-	48,000
Insurance	8,784	-	-	8,784
Legal & Professional	11,518	8,775	-	20,293
Contracted Law Clerks	125	84,397	-	84,522
Court Reporters	12,978	54,821	12,828	80,627
Probation Office Expenditures	239,826	-	-	239,826
Cooperative Endeavor Agreement	173,568	-	-	173,568
Miscellaneous	1,153	252	-	1,405
Juvenile Judge Expenditures	-	64,957	-	64,957
Data Processing	-	720	-	720
Law Library, Books, & Cassettes	-	372	-	372
Hearing Officer	-	131,036	-	131,036
Stenographer, Public Defender, & Minute Clerk	-	115,647	-	115,647
FINS Program Expenditures	-	110,930	-	110,930
TASC Program Expenditures	-	300,457	-	300,457
Juvenile Drug Court	-	187,995	-	187,995
Adult Drug Court	-	447,727	-	447,727
Capital Outlay	-	-	-	-
Total Expenditures	<u>884,909</u>	<u>1,528,634</u>	<u>12,828</u>	<u>2,426,371</u>
Excess (Deficiency) of Revenues over Expenditures	(129,542)	(47,631)	(4,183)	(181,356)
Fund Balances - Beginning of the Year	<u>912,389</u>	<u>241,295</u>	<u>16,156</u>	<u>1,169,840</u>
Fund Balances - End of the Year	<u>\$ 782,847</u>	<u>\$ 193,664</u>	<u>\$ 11,973</u>	<u>\$ 988,484</u>

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Exhibit F

**Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended December 31, 2008**

Net Change in Fund Balances, Governmental Funds (Exhibit E) \$ (181,356)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	-
Depreciation Expense	<u>(2,431)</u>

Change in Net Assets of Governmental Activities (Exhibit B) \$ (183,787)

The accompanying notes are an integral part of this statement.

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Notes To The Financial Statements
For the Year Ended December 31, 2008

Narrative Profile

The Judicial Expense Fund of the Twenty-First Judicial District Court (hereafter referred to as "District Court") was established on July 8, 1981 by Act No. 437, Subsection A of Section 996.6 of Title 13 of the Louisiana Revised Statutes of 1950 by the Legislature of Louisiana. This original Act was amended by Act 1985, Number 64, Section 1.

The Amended Act provides for the collection of fees or costs in addition to all other fees or costs now or hereafter provided by law. *"...the Clerks of Court of the Twenty-First Judicial District Court shall collect from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum to be determined by Judges of said district, sitting en banc, which sum shall not exceed ten dollars, subject; however, to the provisions of Louisiana Code of Civil Procedure, Article 5181, et seq. In all criminal cases over which the Twenty-First Judicial District Court has jurisdiction, there shall be taxed as costs against every defendant who is convicted after trial or after he pleads guilty or who forfeits his bond, a sum likewise determined, but which shall not exceed ten dollars, which shall be in addition to all other fines, costs or forfeitures lawfully imposed, and which shall be transmitted to the said clerk for further disposition in accordance herewith."*

The judges, en banc, of the District Court may pay each of their court reporters a salary from the judicial expense fund. The judges, en banc, may further appoint such secretarial, clerical, research, administrative or other personnel, as they deem necessary to expedite the business and function of the court and pay all or any part of the salaries of such personnel out of the monies in the judicial expense fund. In like manner, the judges may utilize the monies in the judicial expense fund to pay all or any part of the cost of establishing and maintaining a law library for the court, or for buying and maintaining any type of equipment, supplies, or other items consistent with the proper administration and efficient operation of the court.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, issued in June 1999.

B. Financial Reporting Entity

All Judges are independently elected officials. As the governing authority of the Parish, for reporting purposes, the Tangipahoa Parish Council is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) primary government (parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

Because the District Court's revenues are self-generated, the District Court is not fiscally dependent on the council. The District Court was determined not to be a component unit of the Tangipahoa Parish Council, the Parish financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Court and do not present information on the Tangipahoa Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the Parish financial reporting entity.

C. Fund Accounting

The District Court uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the District Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the District Court. The following are the District Court's governmental funds:

Judicial Expense Fund - the primary operating fund of the District Court, which accounts for all the operations of the District Court, except those required to be accounted for in other funds.

Special Revenue Funds (Court Support Fund and Indigent Transcript Fund) - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

D. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District Court as a whole. These statements include all the financial activities of the District Court with most of the interfund activities removed. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

The District Court does not allocate indirect expenses.

Basic Financial Statements – Governmental Funds

The amounts reflected in the General Fund, Court Support Fund, and Indigent Transcript Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Court's operations.

The amounts reflected in the General Fund, Court Support Fund, and Indigent Transcript Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for interest and principal payments on long-term debt, which are recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Fees, grants, interest revenue, and other revenues are recorded when due. An exception to this rule is criminal probation supervision fees, which is recorded as revenue when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation - Explanation of differences between the governmental funds balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

E. Budgets And Budgetary Accounting

The District Court adopted an operating budget for the Judicial Expense Fund, Court Support Fund, and Indigent Transcript Fund for the fiscal year ended December 31, 2008. The budgets for the Judicial Expense Fund, Court Support Fund, and Indigent Transcript Fund are adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles (GAAP).

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

The District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Judicial Administrator prepares a proposed budget and submits it to the Judges for their review no later than fifteen days prior to the beginning of each fiscal year.
2. A meeting is then held with the Judicial Administrator and the Judges to review the proposed budget and formal adoption is made by majority vote of the Judges. The budget for 2008 was adopted by the Judges on November 27, 2007.
3. Copies of the adopted budget are kept on file for public inspection.
4. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require majority vote of the Judges. The budget was amended on December 17, 2008.
5. All budgetary appropriations lapse at the end of each year.
6. Formal budgetary integration is not employed.

The District Court did not report an unfavorable variance in expenditures over appropriations for the fiscal year ended December 31, 2008.

F. Cash, Cash Equivalents, and Investments

The District Court's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under state law, the District Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments for the District Court are reported at cost.

G. Inventories

Inventories for supplies are immaterial and are recorded as expenditures / expenses when purchased.

H. Prepaid Items

The District Court recognizes expenditures for insurance and similar services extending over more than one accounting period when paid. The District Court did not record any prepaid items at December 31, 2008.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

I. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which capital asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture	7
Equipment	5

J. Pension Plans

The District Court is not a member of any retirement system, but is a member of the social security system. All full-time employees are carried on the payroll of other governmental units and are covered under their respective pension plans.

K. Compensated Absences

All full-time employees earn ten (10) days of annual leave and ten (10) days of sick leave each year. Unused sick leave and annual leave is not accumulated. At December 31, 2008, there were no employee leave benefits requiring recognition in accordance with GASB Statement No. 16. All full-time employees are carried on the payroll of other governmental units and are covered under their related pension plans.

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Estimates

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

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year-end. See Note 1 regarding operating budgets. The District Court complied with the Local Government Budget Act.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District Court complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2008, the District Court had no funds with deficit fund equities.

3. Cash and Cash Equivalents

As reflected on Exhibit A, the District Court has cash and cash equivalents totaling \$835,537 at December 31, 2008.

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 bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The following is a summary of cash and cash equivalents (bank balances) at December 31, 2008, with the related federal deposit insurance and pledge securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 646,074
Collateralized:	
Collateral held by District Court's agent in the District Court's name	-
Collateral held by pledging bank's trust department in the District Court's name	-
Collateral held by pledging bank's trust department not in the District Court's name	197,954
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 844,028</u>

Even though pledged securities are not held in the entity's name, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the District Court that the fiscal agent has failed to pay deposited funds upon demand.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

Deposits collateralized by pledged securities are considered to be exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial risk.

As of December 31, 2008, the District Court was in compliance with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

4. Receivables

Receivables represent accrued interest on certificates of deposit, court-filing fees, and support account fees earned in 2008 and received in 2009 from the following:

	<u>Judicial Expense Fund</u>	<u>Court Support Fund</u>	<u>ITF Fund</u>	<u>Total</u>
Clerk of Court:				
Tangipahoa Parish	\$ 2,595	\$ -	\$ 126	\$ 2,721
Livingston Parish	2,691	-	133	2,824
St. Helena Parish	310	-	12	322
Civil Court Fees	<u>5,596</u>	-	271	5,867
Sheriffs:				
Tangipahoa Parish	16,055	-	114	16,169
Livingston Parish	27,272	-	402	27,674
St. Helena Parish	2,315	-	44	2,359
Criminal Court Fees	<u>45,642</u>	-	560	46,202
Other	<u>11,321</u>	<u>285</u>	<u>265</u>	<u>11,871</u>
Total Receivables	<u>\$ 62,559</u>	<u>\$ 285</u>	<u>\$ 1,096</u>	<u>\$ 63,940</u>

No allowance for uncollectible receivables is required at December 31, 2008.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

5. Due From Other Governmental Units

Due from other governments consists of operating grants and revenues from other governments totaling \$294,911. The outstanding balances as of December 31, 2008 consist of the following:

	<u>Judicial Expense Fund</u>	<u>Court Support Fund</u>	<u>ITF Fund</u>	<u>Total</u>
Support Enforcement	\$ -	\$ 42,796	\$ -	\$ 42,796
State of Louisiana:				
TASC Grant	-	51,781	-	51,781
Adult Drug Court	-	74,569	-	74,569
Juvenile Drug Court	-	35,317	-	35,317
21st JDC Criminal Court Fund	<u>84,797</u>	<u>5,651</u>	<u>-</u>	<u>90,448</u>
Subtotal	84,797	210,114	-	294,911
Less: Allowance for Uncollectible Accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 84,797</u>	<u>\$ 210,114</u>	<u>\$ -</u>	<u>\$ 294,911</u>

6. Changes In Fixed Assets

A summary of changes in fixed assets for the year ended December 31, 2008 follows:

<u>Description</u>	<u>Balance 12/31/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/08</u>
Total Capital Assets	\$ 252,881	\$ -	\$ -	\$ 252,881
Less: Accumulated Depreciation	<u>248,311</u>	<u>2,431</u>	<u>-</u>	<u>250,742</u>
Total Capital Assets, Net	<u>\$ 4,570</u>	<u>\$ (2,431)</u>	<u>\$ -</u>	<u>\$ 2,139</u>

7. Pension Plan

All employees of the District Court are members of the social security system. In addition to employee payroll deduction, the District Court remits funds to match the employee contributions. The District Court's portion of contributions to the social security system for the year ended December 31, 2008, totaled \$4,834. The District Court does not have any liability for employee pension benefits.

Judicial Expense Fund of the Twenty-First Judicial District Court

Amite, Louisiana

Notes To The Financial Statements (Continued)

For the Year Ended December 31, 2008

8. Leases

The District Court records operating leases as current expenditures in the accompanying financial statements. The following is an analysis of significant operating leases at December 31, 2008:

The District Court currently leases office space in Livingston Parish on a month-by-month basis. The lease is currently for \$1,000 per month.

The District Court currently leases office space in Tangipahoa Parish on a month-by-month basis. The lease amounts are as follows: \$475 per month for the Probation Office, \$600 per month for the Drug Court, \$200 per month for the Hearing Office, and \$925 per month for the FINS / TASC office.

Since these leases may be terminated at any time, the District Court has no required future annual commitments under these leases.

9. Litigation

There is no litigation pending against the District Court at December 31, 2008.

10. FINS Program

The Families in Need of Services Special Revenue Fund (FINS) is used to account for the receipt and disbursement of funds collected for reducing the number of children who enter the juvenile justice system or foster care system. The FINS Fund is included in the Court Support Special Revenue Fund.

Selected data for the FINS Fund follows:

Revenues:

Intergovernmental Grant	\$ 57,514
Office of Youth Development Grant	15,003
Less: Portion of Grant Shared with the City of Hammond	<u>(12,027)</u>
Revenue Recognized	60,490
Expenditures	<u>110,930</u>
Excess of Expenditures over Revenues	<u>\$ 50,440</u>

The excess of expenditures over revenues was absorbed by other Special Revenue Fund revenues. No audit fees were paid for using funds received for the FINS program.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2008

11. Designated Fund Balances

The District Court records dedications to indicate that a portion of the fund equity is segregated for a specific future use. The following details the description and amount of all dedications used by the District Court.

<u>Fund</u>	<u>Year-End Balance</u>	<u>Purpose of Designation</u>
General Fund	\$ 175,000	Capital Expenditures
Court Support Special Revenue Fund	175,000	Capital Expenditures
	<u>\$ 350,000</u>	

Required Supplemental Information (Part II)

Budgetary Comparison Schedules

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Schedule 1

Budgetary Comparison Schedule – Judicial Expense Fund
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Civil & Criminal Court Fees	\$ 206,253	\$ 198,253	\$ 217,670	\$ 19,417
Bond Forfeiture Rebates	56,245	56,245	70,038	13,793
Criminal Probation Supervision Fees	312,857	287,827	338,377	50,550
Interest Earned	19,873	19,873	19,980	107
Reimbursement from Criminal Court	51,955	71,955	109,302	37,347
Miscellaneous Income	1,654	-	-	-
Total Revenues	<u>648,837</u>	<u>634,153</u>	<u>755,367</u>	<u>121,214</u>
Expenditures:				
Administrator's Contract	80,000	86,000	89,074	(3,074)
Salaries & Related Benefits	94,623	107,750	112,191	(4,441)
General Office Expenditures	126,951	123,821	121,170	2,651
Telephone	37,810	43,935	46,639	(2,704)
Travel, Training, & Meetings	21,773	27,736	19,883	7,853
Vehicle Expense	48,500	48,000	48,000	-
Insurance	12,931	9,361	8,784	577
Legal & Professional	12,125	12,125	11,518	607
Contracted Law Clerks	4,000	2,130	125	2,005
Court Reporters	17,449	12,599	12,978	(379)
Probation Office Expenditures	222,146	231,631	239,826	(8,195)
Cooperative Endeavor Agreement	-	180,800	173,568	7,232
Miscellaneous	1,449	1,177	1,153	24
Capital Outlay	-	-	-	-
Total Expenditures	<u>679,757</u>	<u>887,065</u>	<u>884,909</u>	<u>2,156</u>
Excess (Deficiency) of Revenues over Expenditures	(30,920)	(252,912)	(129,542)	123,370
Fund Balance - Beginning of the Year	912,389	912,389	912,389	-
Fund Balance - End of the Year	<u>\$ 881,469</u>	<u>\$ 659,477</u>	<u>\$ 782,847</u>	<u>\$ 123,370</u>

See auditor's report.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Schedule 2

Budgetary Comparison Schedule – Court Support Fund
For the Year Ended December 31, 2008

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Support Enforcement Fees	\$ 460,125	\$ 460,125	\$ 468,205	\$ 8,080
Federal Grants	385,985	255,185	371,757	116,572
State Grants	392,653	683,762	616,233	(67,529)
Adult Drug Court Program Fees	21,873	14,533	13,875	(658)
Interest Earned	4,468	4,968	5,282	314
Reimbursement from Criminal Court	4,744	5,644	5,651	7
Miscellaneous Income	630	-	-	-
Total Revenues	<u>1,270,478</u>	<u>1,424,217</u>	<u>1,481,003</u>	<u>56,786</u>
Expenditures:				
Court Reporters	82,926	54,926	54,821	105
Juvenile Judge Expenditures	61,462	69,133	64,957	4,176
General Office Expenditures	7,455	10,174	10,320	(146)
Travel, Training, & Meetings	12,618	12,138	10,228	1,910
Data Processing	1,405	605	720	(115)
Law Library, Books, & Cassettes	774	274	372	(98)
Legal & Professional	9,280	9,280	8,775	505
Hearing Officer	117,181	125,233	131,036	(5,803)
Stenographer, Public Defender, & Minute Clerk	104,779	113,579	115,647	(2,068)
Contracted Law Clerks	89,854	81,866	84,397	(2,531)
FINS Program Expenditures	115,705	109,255	110,930	(1,675)
TASC Program Expenditures	208,424	312,039	300,457	11,582
Juvenile Drug Court	157,838	186,242	187,995	(1,753)
Adult Drug Court	401,780	450,518	447,727	2,791
Miscellaneous	50	150	252	(102)
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,371,531</u>	<u>1,535,412</u>	<u>1,528,634</u>	<u>6,778</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(101,053)</u>	<u>(111,195)</u>	<u>(47,631)</u>	<u>63,564</u>
Fund Balance - Beginning of the Year	<u>241,295</u>	<u>241,295</u>	<u>241,295</u>	<u>-</u>
Fund Balance - End of the Year	<u>\$ 140,242</u>	<u>\$ 130,100</u>	<u>\$ 193,664</u>	<u>\$ 63,564</u>

See auditor's report.

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana**

Schedule 3

Budgetary Comparison Schedule – Indigent Transcript Fund
For the Year Ended December 31, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
Revenues:				
Civil & Criminal Court Fees	\$ 3,648	\$ 3,648	\$ 6,894	\$ 3,246
Special Fees	<u>4,800</u>	<u>4,800</u>	<u>1,751</u>	<u>(3,049)</u>
Total Revenues	8,448	8,448	8,645	197
Expenditures:				
Court Reporters	<u>1,650</u>	<u>13,858</u>	<u>12,828</u>	<u>1,030</u>
Total Expenditures	<u>1,650</u>	<u>13,858</u>	<u>12,828</u>	<u>1,030</u>
Excess (Deficiency) of Revenues over Expenditures	6,798	(5,410)	(4,183)	1,227
Fund Balance - Beginning of the Year	<u>16,156</u>	<u>16,156</u>	<u>16,156</u>	<u>-</u>
Fund Balance - End of the Year	<u>\$ 22,954</u>	<u>\$ 10,746</u>	<u>\$ 11,973</u>	<u>\$ 1,227</u>

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

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

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA
Lyle E. Lambert, CPA

Member
American Institute of CPAs
Society of Louisiana CPAs

June 29, 2009

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

The Honorable Robert Morrison, Chief Judge
and Honorable Judges
Twenty-First Judicial District Court
Amite, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court, Amite, Louisiana, as of for the year ended December 31, 2008, which collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District Court's basic financial statements and have issued our report thereon dated June 29, 2009. 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 Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Judicial Expense Fund of the Twenty-First Judicial District 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 Judicial Expense Fund of the Twenty-First Judicial District Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Judicial Expense Fund of the Twenty-First Judicial District Court's financial statements that is more than inconsequential will not be prevented or detected by the Judicial Expense Fund of the Twenty-First Judicial District 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 Judicial Expense Fund of the Twenty-First Judicial District 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 Judicial Expense Fund of the Twenty-First Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities 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,

Durnin & James, CPAs

Durnin & James, CPAs
(A Professional Corporation)

Schedule of Findings and Questioned Costs

**Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Current Year Audit Findings
For the Year Ended December 31, 2008**

Internal Control over Financial Reporting

None

Compliance

None

Summary Schedule of Prior Findings

Judicial Expense Fund of the Twenty-First Judicial District Court

Amite, Louisiana

Summary Schedule of Prior Findings
For the Year Ended December 31, 2008

Fiscal Year Findings Ref.#	Initially Occurred	Description of Findings	Corrective Action Taken	Plan Corrective Action - Partial Corrective Action Taken	Additional Explanation
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the Judicial Expense Fund of the Twenty-First Judicial District Court.

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durnin, CPA
Dennis E. James, CPA
Lyle E. Lambert, CPA

Member
American Institute of CPAs
Society of Louisiana CPAs

June 29, 2009

The Honorable Robert Morrison, Chief Judge
and Honorable Judges
Twenty-First Judicial District Court
Amite, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court for the year ended December 31, 2008. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated December 18, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Judicial Expense Fund of the Twenty-First Judicial District Court. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Judicial Expense Fund of the Twenty-First Judicial District Court's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Judicial Expense Fund of the Twenty-First Judicial District Court are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Judicial Expense Fund of the Twenty-First Judicial District Court during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and

because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets is based on the suggested useful lives as published by the Louisiana Legislative Auditor. We evaluated the key factors and assumptions used to develop the estimate of useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 29, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Judicial Expense Fund of the Twenty-First Judicial District Court's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities 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,

Durnin & James, CPAs

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