

**INDEPENDENT AUDITORS' REPORT ON
BASIC FINANCIAL STATEMENTS, COMPLIANCE,
AND INTERNAL CONTROLS OF
TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND
FOR THE PARISH OF JEFFERSON, LOUISIANA
December 31, 2010**

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 5/11/11

**TWENTY -FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

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Kushner LaGraize, LLC.

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INDEPENDENT AUDITORS' REPORT

To the Judges of the
Twenty-Fourth Judicial District Court
Gretna, Louisiana

We have audited the accompanying financial statements of the Domestic Relations Section Support Fund of the Twenty-Fourth Judicial District Court (the Fund) as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2010 and the results of its operations 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 a report dated April 14, 2011 on our consideration of the Fund's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
April 14, 2011

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

Management's Discussion and Analysis

December 31, 2010

The Management's Discussion and Analysis (MD&A) of the Twenty-Fourth Judicial District Court Domestic Relations Section Support Fund's (the Fund's) annual financial report provides important background information and management's analysis of the Fund's financial performance during the fiscal year that ended on December 31, 2010. Please read this section in conjunction with the financial statements and the notes to the financial statements beginning on page 14 of this report.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2010) and the prior year (2009) is required to be presented in the MD&A. The Statement of Net Assets and Statement of Activities provide information about the activities of the Domestic Relations Section Support Fund as a whole. The Fund's financial statements present how activities were financed throughout the year as well as what remains for the future.

FINANCIAL HIGHLIGHTS

The assets of the Fund at the close of 2010 were \$44,874 and are considered unrestricted and may be used for any lawful purpose.

The Fund's total net assets decreased by \$17,297 in 2010.

The Fund's operating revenues decreased by \$2,870 primarily due to the transfer of the collection and disbursement of child support payments through income assignment orders to the Louisiana Department of Social Services, Office of Family Support, Support Enforcement Services Section (DSS) pursuant to Louisiana Revised Statute 9:303. Beginning in July 2010, the Fund began the process of transferring existing child support cases to the DSS collection unit.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

*Management's Discussion and Analysis - Continued
December 31, 2010*

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of the following basic parts: management's discussion and analysis (this section), the financial statements, and the notes to the financial statements.

The financial statements contained in this report are presented using Governmental Accounting Standards Board (GASB) accounting principles. These financial statements provide overall information about the Fund's financial activities on both a short-term and long-term basis. The statement of net assets presents information about its assets (resources) and liabilities (the amounts obligated to its creditors). The statement of activities presents information about the current year's revenues and expenses. This statement can be used to measure operating improvements or deterioration. The statement also provides useful information for determining whether the Fund's revenues were sufficient to allow the Fund to recover all its costs. The notes to financial statements are also an integral part of this report.

FINANCIAL ANALYSIS OF THE FUND

The statement of net assets and the statement of revenues, expenses and changes in net assets report information about the Fund's activities. These two statements report the net assets of the Fund and changes in them. Increases or decreases in the Fund's net assets are one of a number of indicators of whether its overall financial health is improving or deteriorating. Other factors that should also be considered include:

- The Fund, pursuant to LSA R.S. 9:303, transferred the collection and disbursement of child support payments through income assignment orders to DSS.
- In 2009, the Domestic Relations Section Expense fund's deficit (and resulting payable) was transferred to the Jefferson Parish "Special Revenue Fund, Twenty-Fourth Judicial District Court Commissioner's Fund" (Commissioner's Fund). As a result of this transfer, for each subsequent year, all fees collected within the Domestic Relations Section Support Fund are required to be transferred to the Commissioner's Fund to assist in the payment of fund expenditures.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

*Management's Discussion and Analysis - Continued
December 31, 2010*

Net Assets

A summary of the Funds statements of net assets is presented in Table I below.

TABLE I

**Condensed Statements of Net Assets
as of December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Current assets	\$ 44,874	\$ 62,171	\$ (17,297)
Total Assets	<u>44,874</u>	<u>62,171</u>	<u>(17,297)</u>
Current Liabilities	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net assets:			
Unrestricted	<u>44,874</u>	<u>62,171</u>	<u>(17,297)</u>
Total net assets	<u>\$ 44,874</u>	<u>\$ 62,171</u>	<u>\$ (17,297)</u>

As shown in Table I, total assets decreased by \$17,297 from \$62,171 in 2009 to \$44,874 at December 31, 2010. Liabilities were \$0 at December 31, 2009 and \$0 at December 31, 2010.

Changes in Net Assets

The Fund's net assets decreased \$17,297 to \$44,874 in fiscal year 2010, from a balance of \$62,171 at the end of fiscal year 2009. The change resulted primarily from the decrease in support fees collected due to the transfer of collection and disbursement of child support payments through income assignment orders to the DSS beginning in 2010.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

*Management's Discussion and Analysis - Continued
December 31, 2010*

Summary of Revenues, Expenses and Changes in Net Assets

The following table presents a summary of the Fund's historical revenues and expenses for the fiscal years ended December 31, 2010 and 2009.

TABLE 2

Condensed Statements of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Operating revenues	\$ 61,226	\$ 64,096	\$ (2,870)
Operating expenses	<u>932</u>	<u>-</u>	<u>932</u>
Operating income (loss)	<u>60,294</u>	<u>64,096</u>	<u>(3,802)</u>
Nonoperating revenues (expenses)			
Interest	209	-	209
Miscellaneous	-	87	(87)
Transfer of funds to the Commissioner's Fund	(77,800)	-	(77,800)
Transfer of liabilities (net) to the Commissioner's Fund	<u>-</u>	<u>574,076</u>	<u>(574,076)</u>
	<u>(77,591)</u>	<u>574,163</u>	<u>(651,754)</u>
Change in net assets	(17,297)	638,259	(655,556)
Total net assets (deficit), beginning of year	<u>62,171</u>	<u>(576,088)</u>	<u>638,259</u>
Total net assets, end of year	<u>\$ 44,874</u>	<u>\$ 62,171</u>	<u>\$ (17,297)</u>

Operating income decreased by \$3,802 in 2010. The income decrease was due to the decrease in support fees collected as noted on page 5. Total net assets were \$44,874 at the end of 2010 and the balance was \$62,171 at the end of 2009. The \$17,297 decrease in net assets is due to the factors noted above.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

*Management's Discussion and Analysis - Continued
December 31, 2010*

Contacting the Fund's Financial Management

This financial report is designed to provide all interested parties with a general overview of the Fund's finances and to demonstrate the Fund's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Judicial Administrator's Office at (504) 364-3990.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

STATEMENT OF NET ASSETS

December 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 42,937
Accounts receivable – other	<u>1,937</u>
TOTAL ASSETS	<u>44,874</u>
NET ASSETS	
Unrestricted	<u>44,874</u>
TOTAL NET ASSETS	<u>\$ 44,874</u>

The accompanying notes are an integral part of this statement.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

STATEMENT OF ACTIVITIES

Year Ended December 31, 2010

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u> Charges for Services	<u>Net Expenses and Change in Net Assets</u>
Governmental Activities:			
Domestic Relations Section Support Fund	\$ <u>78,732</u>	\$ <u>61,226</u>	\$ <u>(17,506)</u>
Total Governmental Activities	<u>\$ 78,732</u>	<u>\$ 61,226</u>	(17,506)
General revenues:			
Interest income			<u>209</u>
Total general revenues			<u>209</u>
Decrease in net assets			(17,297)
Net assets – January 1, 2010			<u>62,171</u>
Net assets – December 31, 2010			<u>\$ 44,874</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

GOVERNMENTAL FUND BALANCE SHEET

December 31, 2010

	<u>Governmental Fund Type</u>
	<u>General Fund</u>
ASSETS:	
Cash	\$ 42,937
Accounts receivable – other	<u>1,937</u>
TOTAL ASSETS	<u>\$ 44,874</u>
FUND BALANCE	
Fund balance	<u>\$ 44,874</u>
TOTAL FUND BALANCE	<u>\$ 44,874</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS**

December 31, 2010

Total Fund Balance at December 31, 2010	
Governmental Fund	<u>\$ 44,874</u>
Net Assets at December 31, 2010	<u>\$ 44,874</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TYPE**

Year Ended December 31, 2010

	<u>General Fund</u>
Revenues	
Charges for services	
Domestic support enforcement fees	\$ 61,226
Other Revenues	
Interest income	<u>209</u>
Total Revenues	61,435
Expenditures	<u>932</u>
Excess of revenues over expenditures	60,503
Other Financing Uses	
Transfer of funds to the Commissioner's Fund	<u>(77,800)</u>
Total other financing uses	<u>(77,800)</u>
Deficiency of revenues over expenditures and other financing uses	(17,297)
Fund balance	
Beginning of year	<u>62,171</u>
End of year	<u>\$ 44,874</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

**RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

December 31, 2010

Total net decrease in fund balance-governmental fund	<u>\$ (17,297)</u>
Decrease in net assets of governmental activities	<u>\$ (17,297)</u>

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

NOTES TO FINANCIAL STATEMENTS

December 31, 2010

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Twenty-Fourth Judicial District Court Domestic Relations Section Support Fund (the Fund) conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

As provided by Revised Statutes 46:236.5, the Fund was created for the purpose of expediting the process for the establishment and enforcement of support obligations (child support and alimony) under the jurisdiction of the Twenty-Fourth Judicial District Court Domestic Relations Section.

The Twenty-Fourth Judicial District Court Domestic Relations Section Expense Fund (Expense Fund) consisted of two sections, support and expense. Effective January 1, 2009, the Twenty-Fourth Judicial District Court entered into an agreement with the Parish of Jefferson consolidating the expense section of the Expense Fund into the Jefferson Parish "Special Revenue Fund, Twenty-Fourth Judicial District Court Commissioner's Fund" (Commissioner's Fund). This consolidation included the transfer of all assets, liabilities, revenues and expenditures of the expense section to the Commissioner's Fund. With only the support section remaining, the Expense Fund was renamed to the Twenty-Fourth Judicial District Court Domestic Relations Section Support Fund for the year ended December 31, 2009.

In April 2010, the Louisiana Department of Social Services, Office of Family Support, Support Enforcement Services Section entered into a Cooperative Endeavor Agreement with the Twenty-Fourth Judicial District Court for the Office of Family Support to assume the duties of collecting and disbursing child support payments as ordered through income assignment through the Twenty-Fourth Judicial District Court. This agreement became effective July 1, 2010. However, the Fund will still collect and disburse alimony payments as ordered through income assignment through the Twenty-Fourth Judicial District Court.

Basis of Presentation

The accompanying financial statements of the Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation- Continued

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

Basis of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of this measurement focus is the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or noncurrent) associated with the government's activities are reported. Fund balance is classified as net assets. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, the Statement of Net Assets and Statement of Activities present revenues, expenses and fixed asset acquisitions as follows:

Revenues - Revenues are recognized in the accounting period in which they are earned.

Expenses - Expenses are recorded when the liability is incurred or economic asset used.

Capital Assets - All capital assets are valued at historical cost, except for donated capital assets which are recorded at their estimated fair value at the date of donation. There were no capital assets at December 31, 2010.

Fund Financial Statements

The Fund uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Financial Statements - Continued

Funds are typically classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by governmental funds. Under the modified accrual 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 be used to pay liabilities of the current period. Fees collected and held by intermediary collecting governments at year-end on behalf of the Fund are considered susceptible to accrual and are recognized as revenues.

Cash

All of the Fund's deposits, including demand deposits, are carried at cost. At year-end, the carrying amounts of these deposits were \$42,937.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund does not have a deposit policy for custodial credit risk. As of December 31, 2010, all of the bank balance of \$58,688 was fully covered by federal depository insurance, which was not exposed to custodial credit risk.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT
DOMESTIC RELATIONS SECTION SUPPORT FUND**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Equity Classifications

In the government-wide financial statements, equity is classified as net assets and displayed in one component, unrestricted net assets.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The statutes which created the Fund place certain limitations and restrictions on the collections and disbursements of the Fund. The Fund is in compliance with all significant limitations and restrictions for 2010.

Budgets for the general or major special revenue funds are adopted on a basis consistent with generally accepted accounting principles. A budget for the Fund was not legally required to be adopted for the year ended December 31, 2010.

NOTE 3 – SUBSEQUENT EVENTS

Subsequent events were evaluated through April 14, 2011, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2010 that required recognition or disclosure in these financial statements.

NOTE 4 – RISK MANAGEMENT

The Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fund has obtained liability insurance for the judges and hearing officers and other supporting staff, as well as for employee dishonesty. Losses associated with the destruction or damage to assets are covered through the Twenty-Fourth Judicial District Court.

Kushner LaGraize, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Judges of the
Twenty-Fourth Judicial District Court
Gretna, Louisiana

We have audited the financial statements of the Twenty-Fourth Judicial District Court Domestic Relations Section Support Fund (the Fund) as of and for the year ended December 31, 2010 and have issued our report thereon dated April 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Twenty-Fourth Judicial District Court Judges, the Judicial Administrator and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than those specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

KUSHNER LAGRAIZE, L.L.C.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
April 14, 2011