

SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2008
ISSUED APRIL 29, 2009

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

February 17, 2009

Independent Auditor's Report
on the Financial Statements

SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
New Orleans, Louisiana

We have audited the accompanying special purpose (legal basis) financial statements of the Supreme Court of Louisiana, a court within Louisiana state government, as of and for the year ended June 30, 2008, as listed in the Table of Contents. These financial statements are the responsibility of management of the Supreme Court of Louisiana. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

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

As described in note 1-B, Act 58 of the 2007 Regular Session of the Louisiana Legislature provided various state appropriations to units of the judicial branch of government. The accompanying special purpose financial statements include these state appropriations, except for those appropriations that are not under the control of the Supreme Court of Louisiana as provided in note 1, which are subject to separate audits. As such, they present the appropriated and non-appropriated activity of the court that are part of the accounts and fund structure of the State of Louisiana. The appropriated funds reflect appropriated activity of the court that are part of the General Fund and special revenue funds of the State of Louisiana. The non-appropriated funds are individual funds of the State of Louisiana not subject to budgetary control. The financial statements do not purport to, and do not, present fairly the financial position of the State

of Louisiana as of June 30, 2008, or the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Furthermore, the special purpose financial statements have been prepared on a legal basis of accounting, the purpose of which is to reflect compliance with the annual appropriation act for the appropriated funds and the financial position of the non-appropriated funds. These practices differ from accounting principles generally accepted in the United States of America as described in the notes to the financial statements. The effects on the financial statements of the variances between legal basis accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the accompanying special purpose financial statements referred to previously were not intended to and do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Supreme Court, as of June 30, 2008, or the changes in financial position thereof for the year then ended. Furthermore, the Supreme Court has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be, part of the basic financial statements.

In our opinion, the special purpose financial statements referred to previously present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Supreme Court of Louisiana as of June 30, 2008, and the transactions of such funds for the year then ended, on the basis of accounting described in note 1-D.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2009, on our consideration of the Supreme Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

This report is intended solely for the information and use of the Supreme Court of Louisiana and its management and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

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

Balance Sheet (Legal Basis), June 30, 2008

	APPROPRIATED FUNDS	NON- APPROPRIATED FUNDS	TOTAL (MEMORANDUM ONLY)
ASSETS			
Cash and cash equivalents (note 2)	\$25,496,802	\$2,146,330	\$27,643,132
Receivables	14,390	7,036	21,426
Due from other agencies (note 3)	1,317,052	271,473	1,588,525
Due from other funds (note 4)	220,096		220,096
Prepayments	80,212	764	80,976
	<u>\$27,128,552</u>	<u>\$2,425,603</u>	<u>\$29,554,155</u>
TOTAL ASSETS			
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$230,843	\$328,477	\$559,320
Payroll deductions payable	153,097		153,097
Due to other funds (note 4)		220,096	220,096
Total Liabilities	<u>383,940</u>	<u>548,573</u>	<u>932,513</u>
Fund Equity - fund balances - reserved (note 8)	<u>26,744,612</u>	<u>1,877,030</u>	<u>28,621,642</u>
	<u>\$27,128,552</u>	<u>\$2,425,603</u>	<u>\$29,554,155</u>
TOTAL LIABILITIES AND FUND EQUITY			

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenditures,
and Changes in Fund Balances (Legal Basis)
For the Year Ended June 30, 2008**

	APPROPRIATED FUNDS	NON - APPROPRIATED FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES			
Appropriated by legislature:			
State General Fund	\$122,161,700		\$122,161,700
State General Fund by interagency transfers	9,092,610		9,092,610
State General Fund by statutory dedications	6,108,424		6,108,424
Fees and self-generated	1,036,574	\$981,210	2,017,784
Funding from grants	92,051	1,440,900	1,532,951
Total revenues	<u>138,491,359</u>	<u>2,422,110</u>	<u>140,913,469</u>
EXPENDITURES			
Personal services	69,849,537	316,392	70,165,929
Travel	1,325,111	37,700	1,362,811
Operating supplies and services	3,780,057	261,295	4,041,352
Professional services	1,593,632	1,148,269	2,741,901
Other charges	1,762,084	714,104	2,476,188
Total expenditures	<u>78,310,421</u>	<u>2,477,760</u>	<u>80,788,181</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>60,180,938</u>	<u>(55,650)</u>	<u>60,125,288</u>
OTHER FINANCING SOURCES (Uses)			
Transfers from other entities (note 5)	14,199	1,162,264	1,176,463
Transfers to other entities (note 5)	(54,111,020)	(1,090,111)	(55,201,131)
Total other financing sources (uses)	<u>(54,096,821)</u>	<u>72,153</u>	<u>(54,024,668)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	6,084,117	16,503	6,100,620
FUND BALANCES AT BEGINNING OF YEAR	<u>20,660,495</u>	<u>1,860,527</u>	<u>22,521,022</u>
FUND BALANCES AT END OF YEAR	<u>\$26,744,612</u>	<u>\$1,877,030</u>	<u>\$28,621,642</u>

The accompanying notes are an integral part of this statement.

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

**Statement of Revenues, Expenditures,
and Unexpended Appropriation -
Budget Comparison of Current-Year
Appropriation - Budget (Legal Basis)
For the Year Ended June 30, 2008**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Appropriated by legislature:			
State General Fund:			
Supreme Court	\$43,706,553	\$43,706,553	
Courts of Appeal	38,987,877	38,987,877	
District courts	29,386,504	29,386,504	
Orleans Parish Criminal Court	5,089,202	5,089,202	
Other courts	4,991,564	4,991,564	
Total state General Fund	<u>122,161,700</u>	<u>122,161,700</u>	NONE
Statutory dedications:			
Judges' Supplemental Compensation Fund	6,000,000	4,428,000	(\$1,572,000)
Trial Court Case Management Fund	1,953,107	1,670,424	(282,683)
Administrative expenses of the Medical Review Panel	10,000	10,000	
Total statutory dedications	<u>7,963,107</u>	<u>6,108,424</u>	<u>(1,854,683)</u>
Other - interest earnings	NONE	683,984	683,984
Interagency receipts:			
TANF drug court	5,000,000	5,422,610	422,610
TANF court appointed special advocates	3,670,000	3,670,000	
Total interagency receipts	<u>8,670,000</u>	<u>9,092,610</u>	<u>422,610</u>
Total appropriated revenues	<u>138,794,807</u>	<u>138,046,718</u>	<u>(748,089)</u>
EXPENDITURES			
Supreme Court:			
Salaries - Chief Justice and associate justices	840,037	840,037	
Supreme Court Proper - staff and other expenses and salary of court crier	9,391,985	8,738,369	653,616
Judicial Administrator	3,689,928	3,693,278	(3,350)
Judiciary Commission	1,597,411	1,308,761	288,650
Court reporters	302,060	214,806	87,254
Dues to the National Center for State Courts	135,679	134,746	933
Committee on Professional Ethics	3,000	3,000	
Retired judges - salaries and expenditures	1,195,993	1,537,420	(341,427)
Law Library of Louisiana	1,753,889	1,698,054	55,835

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
ALL APPROPRIATED FUNDS
Statement of Revenues, Expenditures,
and Unexpended Appropriation -
Budget Comparison of Current-Year
Appropriation - Budget (Legal Basis), 2008**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES (CONT.)			
Supreme Court: (Cont.)			
Transferred judges - salaries and expenditures	\$163,870	\$329,779	(\$165,909)
Retirement benefits to justices and judges - all courts	1,631,919	1,512,622	119,297
Retirement benefits to widows of justices and judges - all courts	1,429,385	1,388,805	40,580
Judicial College	195,583	150,957	44,626
Employer contribution to retirement system	6,890,296	6,425,900	464,396
Civil commitment matters	143,424	162,526	(19,102)
Louisiana Protective Order Registry	1,051,733	919,172	132,561
Families in Need of Services	1,915,571	1,719,040	196,531
Administrative expenses of the Medical Review Panel	10,000	10,000	
Drug Court maintenance and enhancement	9,594,110	8,461,864	1,132,246
Paul Hebert Law Center, payable from General Fund Direct	60,000	60,000	
Court Appointed Special Advocates	1,720,680	1,277,999	442,681
Courts of Appeal:			
Salaries of judges	5,991,954	5,964,145	27,809
First Circuit operation and maintenance	8,842,870	8,842,870	
Second Circuit operation and maintenance	4,998,646	4,998,646	
Third Circuit operation and maintenance	7,223,557	7,223,557	
Fourth Circuit operation and maintenance	6,777,537	6,777,537	
Fifth Circuit operation and maintenance	5,153,313	5,153,313	
District Courts:			
Salaries of judges	19,769,778	19,442,754	327,024
District judges - office and travel expenses	1,259,200	1,175,546	83,654
Orleans Parish Civil District Courts - salaries of judges	1,488,049	1,488,048	1
Other judges' expenses	78,400	79,545	(1,145)
Twentieth Judicial District court reporters - salary and retirement contribution	109,642	92,121	17,521
Clerk of Orleans Parish Civil District Court	10,000	10,000	
Employer contribution to group, worker's compensation, general liability, and property insurance	5,576,550	4,264,558	1,311,992
Judicial Districts - salaries	369,768	368,152	1,616
Office expenses - Nineteenth Judicial District	406,448	406,448	
Office expenses - Fifteenth Judicial District	245,854	206,155	39,699
Law clerk of the Twentieth Judicial District	37,815	35,957	1,858

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
ALL APPROPRIATED FUNDS
Statement of Revenues, Expenditures,
and Unexpended Appropriation -
Budget Comparison of Current-Year
Appropriation - Budget (Legal Basis), 2008**

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (CONT.)			
Orleans Parish Criminal Court:			
Judicial Expense Fund - Tenth Judicial District	\$35,000	\$35,000	
Salaries of district judges	1,381,758	1,280,327	\$101,431
Office expenses and employer's share of group insurance	544,256	449,595	94,661
Salaries of minute clerks	273,900	244,639	29,261
Salaries of court reporters	442,838	361,931	80,907
Salaries and related benefits of commissioners	305,526	307,121	(1,595)
Office expenses of commissioners	10,000	10,014	(14)
Salaries of commissioners' minute clerks	71,468	48,091	23,377
Salaries of commissioners' court reporters	55,676	47,268	8,408
Judicial Administrator and assistants - salaries and related benefits	678,885	655,294	23,591
Salaries of law clerks	570,442	527,317	43,125
Salaries of secretaries	165,309	156,304	9,005
Sanity Commissions	162,172	162,172	
Board of Jury Commissioners	354,172	354,172	
Office expenses of Criminal Court Judges Orleans	72,800	68,244	4,556
Other courts - salaries and related benefits:			
Salaries of city court judges	2,059,062	2,003,274	55,788
Juvenile Court - salaries of judges	1,488,049	1,488,048	1
Salaries of family court judges	425,157	425,157	
Salaries of municipal judges, traffic court judges, and parish court judge	332,115	318,552	13,563
Juvenile and family courts - office expenses	100,800	81,753	19,047
Orleans Parish Juvenile Protective Care Monitoring Program	475,030	442,967	32,063
Orleans Parish Juvenile Court - court reporters	81,351	74,445	6,906
Expenses of Judges' Assistance Program	30,000	30,000	
Appropriated by legislature - statutorily dedicated funds:			
Judges' Supplemental Compensation Fund	6,000,000	4,543,567	1,456,433
Trial Court Case Management Fund	1,953,107	1,829,421	123,686
Appropriated by legislature - by interagency receipt:			
TANF Drug Court	5,000,000	5,422,610	(422,610)
TANF Court Appointed Special Advocates	3,670,000	3,670,000	
Total appropriated expenditures	<u>138,794,807</u>	<u>132,153,770</u>	<u>6,641,037</u>
UNEXPENDED APPROPRIATION - CURRENT YEAR	<u>NONE</u>	<u>\$5,892,948</u>	<u>\$5,892,948</u>

(Concluded)

The accompanying notes are an integral part of this statement.

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INTRODUCTION

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

The court's operations are funded through annual appropriations made by the Louisiana Legislature from the state's General Fund, Judges' Supplemental Compensation Fund, and Trial Court Case Management Information Special Revenue Fund. The court's operations are further funded through self-generated revenues authorized by R.S. 13:126, which include fees for appeals, applications for writs, motions filed on unlodged appeals, answers to appeals, and through fees for copies, seminars, and other services. The state's Judges' Supplemental Compensation Special Revenue Fund is funded by an additional fee of \$20 charged by the various courts in the state in compliance with R.S. 13:10.3(E). The state's Trial Court Case Management Information Special Revenue Fund is funded by a special court cost from \$1 to \$2 on all traffic and criminal convictions in the state as mandated by Act 152 of the 1993 Session of the Louisiana Legislature. The amounts collected in connection with these two funds are collected by the Clerk of the Supreme Court and various lower courts and remitted to the state treasurer through the Judicial Administrator's Office of the Supreme Court of Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

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

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

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

Certain appropriations made to units of the judicial branch under Act 58 of the Regular Session of 2007 of the Legislative - Special Acts Judiciary are not administered by the Supreme Court of Louisiana. Disbursements of annual appropriations to these units are accounted for as transfers (other financing uses) and are subject to separate audits. These units are listed as follows:

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

C. FUND ACCOUNTING

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

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

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

APPROPRIATED FUNDS

General Appropriation Fund

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

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

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

The TANF Drug Court Grant provides support for the improvement and enhancement of drug courts. The TANF Court Appointed Special Advocates (CASA) work for timely placement of children in permanent, safe, and stable homes. CASAs are appointed by the courts to represent abused and neglected children in the court system. The TANF funds were available through September 30, 2008.

Judges' Supplemental Compensation Fund

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

Trial Court Case Management Information System Fund

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

NON-APPROPRIATED FUNDS

Judicial College - Seminar Fund

The Judicial College - Seminar Fund was established to account for transactions related to conducting seminars for the education of Louisiana judges. Funding is received from collected registration fees. The balance remaining in the program at fiscal year ended June 30, 2008, will be used to sponsor seminars and special projects relative to judicial education for Louisiana judges during the fiscal year ending June 30, 2009.

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

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

Law Library Self-Generated Fees Fund

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

Mandatory Continuing Legal Education Fund

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

Baptist Community Ministries Fund

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

Ministries authorized that the remaining funds be retained by the program for future usage of the funds to continue the existing mediation programs and for funding of mediation programs in other courts statewide.

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

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

MacArthur Foundation

The Judicial Administrator's Office has been awarded a grant from the John D. and Catherine T. MacArthur Foundation. The purpose of this 18-month award is in support of the Court's activities to improve its statewide programs to divert children and families from formal juvenile court involvement. Funding for this award ends December 31, 2008.

Louisiana District Court Rules Project Fund

The Louisiana District Court Rules Project was created by the Supreme Court in 1998 for the purpose of assessing the need for and, if appropriate, developing district court rules to be implemented by the Supreme Court. The Supreme Court ordered a 90-day official comment period ending May 31, 2001. On December 12, 2001, the Supreme Court adopted District Court Rules, including appendices, and Numbering Systems for Louisiana Family and Domestic Relations Courts and Juvenile Courts. On the same date, the Supreme Court created a standing District Court Rules Committee, charged with receiving related comments and/or proposed additional rules or amendments to those rules.

Families in Need of Services Software Grant Fund

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

Court Improvement Program Grants Fund

The State Court Improvement Grants are two-year federal programs established by the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66) to assist courts in the assessment and improvement of proceedings relating to foster care and adoption. The grant, awarded to the highest court in each state, will enable trial courts to (1) identify barriers; (2) highlight practices that are not fully successful; and (3) measure areas in need of added attention. Reforms will then be implemented that address the state court's specific needs in foster care abuse and neglect proceedings. Grant funding ends September 30, 2007, 2008, and 2009, respectively.

Court Improvement Program Training Grant Fund

The State Court Improvement Training Grants are two-year federal programs allocated in accordance with Section 438 of the Social Security Act to train judges, attorneys and other legal personnel in Child in Need of Care cases including cross-training initiatives that are jointly planned and implemented with the Louisiana Department of Social Services, Office of Community Services. Grant funding ends September 30, 2008 and 2009, respectively.

Court Improvement Program Data Sharing Grant Fund

The State Court Improvement Data Sharing Grants are two-year federal programs allocated in accordance with Section 438 of the Social Security Act to promote meaningful, automated data collection and sharing related to the Children in Need of Care component of Louisiana's IJJIS system in collaboration with the Louisiana Department of Social Services, Office of Community Services. Grant funding ends September 30, 2008 and 2009, respectively.

Campaign for the Children Fund

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

Connection for Permanency Fund

Through an Interagency Agreement between the Judicial Administrator's Office of the Louisiana Supreme Court and the Department of Social Services, Office of Community Services, funding is provided for a demonstration project to

implement a set of specialized strategies for identifying family and facilitating the establishment of permanent connections and support for children in foster care.

Child Representation in Louisiana Grant Fund

Through an Interagency Agreement between the Judicial Administrator's Office of the Louisiana Supreme Court and the Department of Social Services, Office of Community Services, funding is provided to document the current status and evolution of child representation in Louisiana, to summarize current implementation plans, and to develop on-going evaluation strategies.

Louisiana Sexual Assault Conference Grant Fund

Through an Interagency Agreement between the Judicial Administrator's Office of the Louisiana Supreme Court and the Department of Social Services, Office of Community Services, funding is provided to videotape and digitize the presentation at the Louisiana Foundation Against Sexual Assault Conference and to make available on-line through the Children's Law Advocacy Resources On-line Web site for the purpose of advancing practice with child victims with disabilities.

Children's Justice Act Grant Fund

This grant, made available through the Department of Social Services, Office of Community Services, provides for the development of a mediation pilot project for the Children in Need of Care cases. Funding for these grants ends December 31, 2007 and 2008, respectively.

Crime Victims Assistance Grants Fund

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement. The Victims of Crime Act of 1984, section 42 U.S.C. 10601, Public Law 98-473, as amended, provides the source of the federal legislative funding. The goal of this grant is to provide criminal disposition information to the Louisiana State Police for the computerized Criminal History Database in addition to work with the National Instant Check System by providing criminal disposition information when needed. Funding for these grants ends September 30, 2007 and August 31, 2008, respectively.

2006 NCHIP CMIS Program Grant Fund

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3760, Public Law 105-251, as amended, provides the source of the federal legislative funding. The goal of this grant is to provide funding support to implement criminal reporting

systems in existing parishes to replace old and antiquated systems and damaged hardware that is prohibiting parishes from reporting. Funding for this grant ends August 31, 2009.

CMIS NCIS Program Grant Fund

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under the BJS-Crime Identification Technology Act, 42 U.S.C. 14601, as amended, provides the source of the federal legislative funding. The goal of this grant is to provide funding support to transmit criminal dispositions and protective orders from CMIS and LPOR to the FBI National Instant Check System (NICS) Denied database. NICS will use the date to prevent non-qualified persons from possessing firearms. Funding for this grant ended December 31, 2008.

National Criminal History Improvement Program

Criminal Information Technology Act - Louisiana Protective Order Registry (CITA LPOR 2)

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

2006 NCHIP LPOR Program Grant Fund

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3760, Public Law 105-251, as amended, provides the source of the federal legislative funding. The goal of this grant is to provide funding support to conduct 10 regional training seminars including lodging, facility rental, training manuals, as well as costs associated with developing standardized manuals and forms. Funding for this grant ends September 30, 2008.

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

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under Stop Violence Against Women Act, Title I of the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3701. The National Crime Information Center - Protective Order File (NCIC-POF) was implemented in May 1997. The LPOR, a database, was designed to collect information about all court orders issued for the purpose of preventing violent or threatening acts against another person, providing complete, accurate, and timely protective order records to the courts. The purpose of this grant is to fund non-exempt employees for overtime worked to process, query, enter, verify and validate the backlog of court orders that accrued when the registry was unable to operate as a result of Hurricane Katrina. Funding for this grant ends October 31, 2008.

Violence Against Women Act - 03 (M03-8-033) and (M04-8-002) Grant Fund

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement authorized under Stop Violence Against Women Act, Title I of the Omnibus Crime Control and Safe Streets Act of 1968, 42 U.S.C. 3711. The purpose of this grant is to purchase hardware, software, and programming services to convert the registry's database from one that uses Oracle database software to one that uses Microsoft Structured Query Language Server 2005 database software as well as to host new web applications developed by programmers including fax and optical character recognition software component to upgrade the order-entry interface. Funding for these grants ends December 31, 2007 and November 30, 2008, respectively.

Louisiana Highway Safety Commission Grant Fund

This grant, made available from the Louisiana Highway Safety Commission, is part of their 2008 Fatal and Injury Crash Reduction effort. The purpose of the grant is to conduct 16 training sessions with local statewide courts to address the dispositions of moving and non-moving traffic violations. The goal is for the Louisiana Office of Motor Vehicles to acquire data in a timely fashion from the local courts, thereby enhancing the statewide traffic safety effort. Funding for this grant ends September 30, 2008.

Commercial Drivers License Program Fund

This grant is made available in accordance with Title XII of the Commercial Motor Vehicle Safety Act of 1986 (P.L. 99-570), through the Federal Motor Carrier Safety Administration. The purpose of the grant is to purchase or upgrade case management systems that will have the ability to capture traffic dispositions, inclusive of commercial drivers license violations. Funding for this grant ends December 31, 2009.

OJP Training Grant Fund

This grant is made available through the U.S. Department of Justice, Office of Justice Programs. The purpose of this grant is to fund the development and implementation of a comprehensive and multi-faceted statewide training program for practitioners in the Louisiana Drug Court Program. Funding for this grant ends August 31, 2009.

Hurricane Criminal Justice Infrastructure Recovery (CJIR) Grant Fund

This grant is made available through the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. The purpose of this grant is to support criminal justice agencies in the recovery of their essential criminal justice operations disrupted by the 2005 hurricanes. This grant will enhance the ability of the parish clerks of court to digitize their active, inactive, and historical criminal records through the purchase of needed hardware as a means of ensuring the continuity of court operations after disasters. Funding for this grant ends September 30, 2008.

Hurricane Criminal Justice Infrastructure Recovery (HTOK) Grant Fund

This grant is made available through the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. The purpose of this grant is to support criminal justice agencies in the recovery of their essential criminal justice operations disrupted by the 2005 hurricanes. This grant makes funding available to create the Criminal Justice Recovery Resource Center to provide resources and technical assistance to criminal justice agencies recovering from the effects of the hurricanes. Funding for this grant ends January 1, 2010.

Capital Case Litigation Training Grant Fund

This grant is made available through the U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Assistance. The purpose of this grant is to provide training for trial and appellate judges to expedite and improve capital litigation and improve the effectiveness and fairness of capital trials. Funding for this grant ends November 30, 2008.

New York Courts Grant Fund

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

Federal Emergency Management Agency (FEMA) Assistance Fund

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

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

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

D. BASIS OF ACCOUNTING

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

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

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

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

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

Revenues

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

Expenditures

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

Other Financing Sources (Uses)

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

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents may include cash on hand, demand deposits, and investments of excess cash in direct security repurchase agreements. Under state law, the court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the court may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state-chartered credit unions.

F. LONG-TERM OBLIGATIONS

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

G. BUDGET PRACTICES

By rule of the Supreme Court of Louisiana, the Judicial Budgetary Control Board was created with the authority to approve the transfer of funds within the court as needed. The appropriation made for the operations of the court is an annual lapsing appropriation and is recorded in the appropriated funds. As provided by Act 58 of 2007, any funds therein allocated to the judiciary, any portion of the funds previously appropriated to the judiciary, or interest earnings on such appropriations are thereby appropriated and may be used to defray expenses of the judiciary. All funds remaining unexpended and/or unencumbered must be returned to the state General Fund on or before September 1 of the succeeding fiscal year. However, Act 59 of 2008 reappropriated these funds to defray expenses of the judiciary for fiscal year 2008-2009, thereby eliminating the requirement to return the unexpended/unencumbered portion to the state General Fund on or before September 1.

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

Revenues per Statement B -	
appropriated funds	\$138,491,359
Unbudgeted revenues:	
CMIS support revenue	(79,933)
Refunds	(13,652)
Interest earnings	4,245
Louisiana Department of Social Services - recovery	
of disallowed cost for drug courts	(92,051)
Unused funding reduction from prior year	<u>(263,250)</u>
Revenues per Statement C	<u><u>\$138,046,718</u></u>
Expenditures per Statement B:	
General Appropriation	\$78,310,421
Plus - transfers to circuit courts, other entities,	
and other funds per Act 58 of 2007	54,111,020
Unbudgeted expenditures -	
other uses of funds	<u>(267,671)</u>
Expenditures per Statement C	<u><u>\$132,153,770</u></u>

Budget revisions are granted by the Joint Legislative Committee on the Budget, the Judicial Budgetary Control Board, and the Supreme Court of Louisiana. The budget information included in the financial statements (Statement C) is the original

appropriation--Judiciary--Act 58 of 2007. There were no subsequent amendments to the original appropriation.

H. JUDGES' SALARIES

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

I. COMPENSATED ABSENCES

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

J. TOTAL COLUMNS ON STATEMENTS

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2008, the court has cash and cash equivalents (book balances) as follows:

Petty cash	\$550
Demand deposits	<u>27,642,582</u>
Total	<u><u>\$27,643,132</u></u>

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance

must at all times equal the amount on deposit with the fiscal agent. At June 30, 2008, the court has \$34,359,930 in deposits (collected bank balances), which is secured from risk by federal deposit insurance plus pledged securities. Included as part of the collected bank balances at June 30, 2008, the court has excess cash deposited in overnight repurchase agreements totaling \$31,641,303. The repurchase agreements are collateralized by Federal National Mortgage Association securities with a fair market value of \$32,275,686. The underlying securities are held by the counterparty's trust department in the court's name.

3. DUE FROM OTHER AGENCIES

Due from other agencies consists of the following:

Louisiana Department of Social Services	\$1,119,438
Second Circuit Court of Appeal	263,250
U.S. Department of Justice	201,618
Federal Motor Carrier Safety Administration	2,205
Louisiana Highway Safety Commission	2,014
	<hr/>
Total	<u><u>\$1,588,525</u></u>

4. DUE FROM/DUE TO OTHER FUNDS

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

	<u>Due From</u>	<u>Due To</u>
Judicial Administrator Operating Account	\$220,096	
Court Improvement Program Grants Fund		\$6,059
Court Improvement Program Training Grant Fund		8,200
VOCA (C05-8-009) 8705		44,000
2006 NCHIP-CMIS		59,267
2006 NCHIP-LPOR		14,066
VAMA 03 M61-8-015 8737 Katrina		3,452
LA Highway Safety Commission		2,014
Commercial Driver Highway Program		2,205
OJP Training Grant Fund		13,123
Criminal Justice Infrastructure Recovery Grant Fund		64,684
HTOK Recovery-CJIR		418
Capital Case Litigation		2,608
	<hr/>	<hr/>
Total	<u><u>\$220,096</u></u>	<u><u>\$220,096</u></u>

5. TRANSFERS TO/FROM OTHER ENTITIES

Transfers from other entities consist of the following:

Louisiana Commission on Law Enforcement	\$14,199
Medical Review Panel	10,000
Louisiana Department of Social Services, Office of Community Services	54,724
Federal Emergency Management Agency	<u>1,097,540</u>
Total	<u><u>\$1,176,463</u></u>

Transfers to other entities consist of the following:

First Circuit Court of Appeal	\$8,842,870
Second Circuit Court of Appeal	4,998,646
Third Circuit Court of Appeal	7,223,557
Fourth Circuit Court of Appeal	6,777,537
Fifth Circuit Court of Appeal	5,153,313
Nineteenth Judicial District Court	406,448
Other judicial entities	<u>21,798,760</u>
Total	<u><u>\$55,201,131</u></u>

6. COMPENSATED ABSENCES

The liability for unused annual leave payable at June 30, 2008, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60, is estimated at \$1,172,788 of unused annual leave and \$29,068 of unused compensatory leave. The leave payable is not recorded in the accompanying financial statements.

7. LEASE AND RENTAL COMMITMENTS

For fiscal year ended June 30, 2008, the court's rental expenditures amounted to \$442,720. The annual rental payments for operating leases for future years are as follows:

	Office Space	Equipment	Total
Fiscal Year:			
2009	\$234,656	\$14,464	\$249,120
2010	19,200		19,200
2011	19,200		19,200
2012	19,200		19,200
2013	19,200		19,200
2014-2018	<u>67,200</u>		<u>67,200</u>
Total	<u><u>\$378,656</u></u>	<u><u>\$14,464</u></u>	<u><u>\$393,120</u></u>

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

The court has no capital lease agreements for the fiscal year ended June 30, 2008.

8. RESERVED FOR CONTINUING OPERATIONS

As shown on Statement A, the Supreme Court of Louisiana has reserves for continuing operations totaling \$28,621,642 at June 30, 2008. These funds may be retained and used to defray the expenditures of the court, as prescribed by R.S. 13:10.3 for the Judges’ Supplemental Compensation Fund, R.S. 13:124 for the Clerk of the Supreme Court Fee Account Fund, and Act 59 of 2008 for all other appropriated funds. The fund balances in the other non-appropriated funds are considered restricted or reserved for the purposes for which the funds were collected, granted, or donated. The reserves for continuing operations are detailed as follows:

Appropriated Funds:	
Operations and Maintenance	\$18,950,204
Drug Court	5,874,620
CASA	1,919,788
Non-Appropriated Funds:	
Judicial College - Seminar Fund	146,812
Clerk of the Supreme Court Fee Account Fund	1,118,191
Law Library Self-Generated Fees Fund	117,443
Mandatory Continuing Legal Educaiton Fund	304,358
Baptist Campus Ministries Fund	46,574
TIF-JOIN-Integrated Juvenile Justice Information System Project	1,433
MacArthur Foundation	87,086
Louisiana District Court Rules Project Fund	13,711
New York Courts Grant Fund	140
FEMA Katrina/Rita Assistance Fund	41,282
	<hr/>
Total	<u><u>\$28,621,642</u></u>

9. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

10. DEFERRED COMPENSATION PLAN

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

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APPROPRIATED FUNDS

Schedule 1 presents a combining balance sheet for all appropriated funds as of June 30, 2008.

Schedule 2 presents a combining schedule of revenues, expenditures, and changes in fund balances for all appropriated funds for the year ended June 30, 2008.

NON-APPROPRIATED FUNDS

Schedule 3 presents a combining balance sheet for all non-appropriated funds as of June 30, 2008.

Schedule 4 presents a combining schedule of revenues, expenditures, and changes in fund balances for all non-appropriated funds for the year ended June 30, 2008.

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

Combining Balance Sheet (Legal Basis), June 30, 2008

	GENERAL APPROPRIATION FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	TRIAL COURT CASE MANAGEMENT INFORMATION SYSTEM FUND	TOTAL
ASSETS				
Cash and cash equivalents	\$24,835,374	\$596,414	\$65,014	\$25,496,802
Receivables	14,390			14,390
Due from other agencies	1,317,052			1,317,052
Due from other funds	220,096			220,096
Prepayments	76,613		3,599	80,212
	<u>\$26,463,525</u>	<u>\$596,414</u>	<u>\$68,613</u>	<u>\$27,128,552</u>
TOTAL ASSETS				
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$230,843			\$230,843
Payroll deductions payable	153,097			153,097
Total Liabilities	<u>383,940</u>	NONE	NONE	<u>383,940</u>
Fund Equity - fund balances - reserved	<u>26,079,585</u>	<u>\$596,414</u>	<u>\$68,613</u>	<u>26,744,612</u>
	<u>\$26,463,525</u>	<u>\$596,414</u>	<u>\$68,613</u>	<u>\$27,128,552</u>
TOTAL LIABILITIES AND FUND EQUITY				

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

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances (Legal Basis), June 30, 2008**

	GENERAL APPROPRIATION FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND	TRIAL COURT CASE MANAGEMENT INFORMATION SYSTEM FUND	TOTAL
REVENUES				
Appropriated by legislature:				
State General Fund	\$122,161,700			\$122,161,700
State General Fund by interagency transfers	9,092,610			9,092,610
State General Fund by statutory dedications	10,000	\$4,428,000	\$1,670,424	6,108,424
Fees and self-generated	941,572	15,069	79,933	1,036,574
Funding from grants	92,051			92,051
Total revenues	<u>132,297,933</u>	<u>4,443,069</u>	<u>1,750,357</u>	<u>138,491,359</u>
EXPENDITURES				
Personal services	63,979,209	4,543,567	1,326,761	69,849,537
Travel	1,286,867		38,244	1,325,111
Operating supplies and services	3,653,496		126,561	3,780,057
Professional services	1,510,545		83,087	1,593,632
Other charges	1,507,316		254,768	1,762,084
Total expenditures	<u>71,937,433</u>	<u>4,543,567</u>	<u>1,829,421</u>	<u>78,310,421</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>60,360,500</u>	<u>(100,498)</u>	<u>(79,064)</u>	<u>60,180,938</u>
OTHER FINANCING SOURCES (Uses)				
Transfer from Louisiana Commission on Law Enforcement	14,199			14,199
Transfers to other entities	(54,111,020)			(54,111,020)
Total other financing sources (uses)	<u>(54,096,821)</u>	<u>NONE</u>	<u>NONE</u>	<u>(54,096,821)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>6,263,679</u>	<u>(100,498)</u>	<u>(79,064)</u>	<u>6,084,117</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>19,815,906</u>	<u>696,912</u>	<u>147,677</u>	<u>20,660,495</u>
FUND BALANCES AT END OF YEAR	<u><u>\$26,079,585</u></u>	<u><u>\$596,414</u></u>	<u><u>\$68,613</u></u>	<u><u>\$26,744,612</u></u>

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

Combining Balance Sheet (Legal Basis), June 30, 2008

	JUDICIAL COLLEGE - SEMINAR FUND	CLERK OF THE SUPREME COURT FEE ACCOUNT FUND	LAW LIBRARY SELF- GENERATED FEES FUND	MANDATORY CONTINUING LEGAL EDUCATION FUND	BAPTIST COMMUNITY MINISTRIES FUND
ASSETS					
Cash and cash equivalents	\$146,812	\$1,122,377	\$117,497	\$304,358	\$46,574
Receivables		7,036			
Due from other agencies					
Prepayments					
TOTAL ASSETS	\$146,812	\$1,129,413	\$117,497	\$304,358	\$46,574
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable		\$11,222	\$54		
Due to other funds					
Total Liabilities	NONE	11,222	54	NONE	NONE
Fund Equity - fund balances - reserved for continuing operations	\$146,812	1,118,191	117,443	\$304,358	\$46,574
TOTAL LIABILITIES AND FUND EQUITY	\$146,812	\$1,129,413	\$117,497	\$304,358	\$46,574

(Continued)

Schedule 3

TIFF JOIN IJIS FUND	MACARTHUR FOUNDATION FUND	LOUISIANA DISTRICT COURT RULES PROJECT FUND	COURT IMPROVEMENT PROGRAM GRANTS FUND	COURT IMPROVEMENT PROGRAM TRAINING GRANT FUND	COURT IMPROVEMENT PROGRAM DATA SHARING GRANT FUND	CHILDREN'S JUSTICE ACT GRANTS FUND
\$1,433	\$86,965	\$13,711				
	121		\$17,582 643	\$8,200	\$34,388	\$5,466
<u>\$1,433</u>	<u>\$87,086</u>	<u>\$13,711</u>	<u>\$18,225</u>	<u>\$8,200</u>	<u>\$34,388</u>	<u>\$5,466</u>
			\$12,166 6,059	\$8,200	\$34,388	\$5,466
NONE	NONE	NONE	18,225	8,200	34,388	5,466
<u>\$1,433</u>	<u>\$87,086</u>	<u>\$13,711</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<u>\$1,433</u>	<u>\$87,086</u>	<u>\$13,711</u>	<u>\$18,225</u>	<u>\$8,200</u>	<u>\$34,388</u>	<u>\$5,466</u>

**SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
NON-APPROPRIATED FUNDS
Combining Balance Sheet (Legal Basis), June 30, 2008**

	CRIME VICTIMS ASSISTANCE GRANTS FUND	2006 NCHIP CMIS GRANT FUND	2006 NCHIP LPOR GRANT FUND	VIOLENCE AGAINST WOMEN ACT - 03 FUND	LOUISIANA HIGHWAY SAFETY COMMISSION GRANT FUND	COMMERCIAL DRIVERS LICENSE PROGRAM FUND
ASSETS						
Cash and cash equivalents						
Receivables						
Due from other agencies	\$44,000	\$59,267	\$14,066	\$3,452	\$2,014	\$2,205
Prepayments						
TOTAL ASSETS	\$44,000	\$59,267	\$14,066	\$3,452	\$2,014	\$2,205
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable						
Due to other funds	\$44,000	\$59,267	\$14,066	\$3,452	\$2,014	\$2,205
Total Liabilities	44,000	59,267	14,066	3,452	2,014	2,205
Fund Equity - fund balances - reserved for continuing operations	NONE	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND EQUITY	\$44,000	\$59,267	\$14,066	\$3,452	\$2,014	\$2,205

(Concluded)

Schedule 3

OJP TRAINING GRANT FUND	HURRICANE CRIMINAL JUSTICE INFRASTRUCTURE RECOVERY GRANT (CJIR) FUND	HURRICANE CRIMINAL JUSTICE INFRASTRUCTURE RECOVERY GRANT (HTOK) FUND	CAPITAL CASE LITIGATION TRAINING GRANT FUND	NEW YORK COURTS GRANT FUND	FEMA ASSISTANCE FUND	TOTAL
				\$140	\$306,463	\$2,146,330
\$13,123	\$64,684	\$418	\$2,608			7,036
						271,473
						764
<u>\$13,123</u>	<u>\$64,684</u>	<u>\$418</u>	<u>\$2,608</u>	<u>\$140</u>	<u>\$306,463</u>	<u>\$2,425,603</u>
\$13,123	\$64,684	\$418	\$2,608		\$265,181	\$328,477
13,123	64,684	418	2,608	NONE	265,181	220,096
NONE	NONE	NONE	NONE	\$140	41,282	548,573
<u>\$13,123</u>	<u>\$64,684</u>	<u>\$418</u>	<u>\$2,608</u>	<u>\$140</u>	<u>\$306,463</u>	<u>\$2,425,603</u>

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

**Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances (Legal Basis), June 30, 2008**

	<u>JUDICIAL COLLEGE - SEMINAR FUND</u>	<u>CLERK OF THE SUPREME COURT FEE ACCOUNT FUND</u>	<u>LAW LIBRARY SELF- GENERATED FEES FUND</u>	<u>MANDATORY CONTINUING LEGAL EDUCATION FUND</u>	<u>BAPTIST COMMUNITY MINISTRIES FUND</u>	<u>TIFF JOIN IJIS FUND</u>
REVENUES						
Grants - state						
Grants - federal						
Fees and self-generated revenues:						
Court fees		\$182,876				
Copy fees		22,146	\$7,685			
Bar admissions		15,100				
Seminar fees	\$233,577					
Sales of Acts of the Legislature			1,310			
Computer-assisted research fees			1,530			
Facsimile fees			2,654			
Miscellaneous			151			
Use of money and property - interest earnings	4,245	32,242				
Sponsor application fees				\$500		
Accreditation fees				241,647		
Reinstatement fees				11,495		
Sponsor late fees				400		
Delinquent fees				208,498		
Penalty fees				1,050		
Repeat penalty fees				14,100		
NSF fees				4		
Total revenues	<u>237,822</u>	<u>252,364</u>	<u>13,330</u>	<u>477,694</u>	<u>NONE</u>	<u>NONE</u>
EXPENDITURES						
Personnel services		101,427		210,398		
Travel	16,954	9,831		2,509	\$176	
Operating supplies and services	14,958	147,591	2,853	58,961	50	
Professional services	250,532	27,902	154	55,716	1,000	
Other charges	379	30,409		13,832		
Total expenditures	<u>282,823</u>	<u>317,160</u>	<u>3,007</u>	<u>341,416</u>	<u>1,226</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(45,001)</u>	<u>(64,796)</u>	<u>10,323</u>	<u>136,278</u>	<u>(1,226)</u>	<u>NONE</u>
OTHER FINANCING SOURCES (Uses)						
Transfers from other entities		10,000				
Transfers to other entities						
Total other financing sources (uses)	<u>NONE</u>	<u>10,000</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(45,001)</u>	<u>(54,796)</u>	<u>10,323</u>	<u>136,278</u>	<u>(1,226)</u>	<u>NONE</u>
FUND BALANCES AT BEGINNING OF YEAR						
	<u>191,813</u>	<u>1,172,987</u>	<u>107,120</u>	<u>168,080</u>	<u>47,800</u>	<u>\$1,433</u>
FUND BALANCES AT END OF YEAR						
	<u>\$146,812</u>	<u>\$1,118,191</u>	<u>\$117,443</u>	<u>\$304,358</u>	<u>\$46,574</u>	<u>\$1,433</u>

(Continued)

Schedule 4

MACARTHUR FOUNDATION FUND	LOUISIANA DISTRICT COURT RULES PROJECT FUND	FAMILIES IN NEED OF SERVICES SOFTWARE GRANT FUND	COURT IMPROVEMENT PROGRAM GRANTS FUND	COURT IMPROVEMENT PROGRAM TRAINING GRANT FUND	COURT IMPROVEMENT PROGRAM DATA SHARING GRANT FUND	CAMPAIGN FOR THE CHILDREN FUND	CONNECTION FOR PERMANENCY FUND
			\$10,000	\$33,833	\$68,776		
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>10,000</u>	<u>33,833</u>	<u>68,776</u>	<u>NONE</u>	<u>NONE</u>
\$1,789 235							\$242
55,584	\$6,551	\$6,250	10,000	33,833	68,776	\$690	43,052
<u>57,608</u>	<u>6,551</u>	<u>6,250</u>	<u>10,000</u>	<u>33,833</u>	<u>68,776</u>	<u>690</u>	<u>43,294</u>
(57,608)	(6,551)	(6,250)	NONE	NONE	NONE	(690)	(43,294)
							43,294
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>43,294</u>
(57,608)	(6,551)	(6,250)	NONE	NONE	NONE	(690)	NONE
144,694	20,262	6,250	NONE	NONE	NONE	690	NONE
<u>\$87,086</u>	<u>\$13,711</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

**SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
NON-APPROPRIATED FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances (Legal Basis), June 30, 2008**

	CHILD REPRESENTATION IN LOUISIANA GRANT FUND	LOUISIANA SEXUAL ASSAULT CONFERENCE GRANT FUND	COURT IMPROVEMENT PROGRAM TRAINING GRANTS FUND	COURT IMPROVEMENT PROGRAM DATA SHARING GRANT FUND
REVENUES				
Grants - state				
Grants - federal			\$72,211	\$105,891
Fees and self-generated revenues:				
Court fees				
Copy fees				
Bar admissions				
Seminar fees				
Sales of Acts of the Legislature				
Computer-assisted research fees				
Facsimile fees				
Miscellaneous				
Use of money and property - interest earnings				
Sponsor application fees				
Accreditation fees				
Reinstatement fees				
Sponsor late fees				
Delinquent fees				
Penalty fees				
Repeat penalty fees				
NSF fees				
Total revenues	NONE	NONE	72,211	105,891
EXPENDITURES				
Personnel services				
Travel				
Operating supplies and services			1,047	
Professional services	\$11,000	\$430	71,164	103,753
Other charges				2,138
Total expenditures	11,000	430	72,211	105,891
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(11,000)	(430)	NONE	NONE
OTHER FINANCING SOURCES (Uses)				
Transfers from other entities	11,000	430		
Transfers to other entities				
Total other financing sources (uses)	11,000	430	NONE	NONE
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	NONE	NONE	NONE	NONE
FUND BALANCES AT BEGINNING OF YEAR	NONE	NONE	NONE	NONE
FUND BALANCES AT END OF YEAR	NONE	NONE	NONE	NONE

(Continued)

Schedule 4

COURT IMPROVEMENT PROGRAM 2006 GRANTS FUND	COURT IMPROVEMENT PROGRAM 2005 GRANTS FUND	CHILDREN'S JUSTICE ACT GRANTS FUND	CHILDREN'S JUSTICE ACT 2 GRANTS FUND	CRIME VICTIMS ASSISTANCE C05-8-009 GRANTS FUND	CRIME VICTIMS ASSISTANCE C04-8-009 GRANTS FUND	2006 NCHIP CMIS GRANT FUND	CRIMINAL INFORMATION TECHNOLOGY H04-8-001 GRANT FUND
\$105,708	\$64,236	\$9,449	\$5,466	\$44,000	\$22,271	\$100,720	\$27,079
<u>105,708</u>	<u>64,236</u>	<u>9,449</u>	<u>5,466</u>	<u>44,000</u>	<u>22,271</u>	<u>100,720</u>	<u>27,079</u>
3,008	1,873						20,097
102,700	7,567	9,449	5,466	44,000	22,271	100,720	6,982
<u>105,708</u>	<u>29,636</u>	<u>9,449</u>	<u>5,466</u>	<u>44,000</u>	<u>22,271</u>	<u>100,720</u>	<u>27,079</u>
NONE	34,600	NONE	NONE	NONE	NONE	NONE	NONE
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
NONE	34,600	NONE	NONE	NONE	NONE	NONE	NONE
<u>NONE</u>	<u>(34,600)</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

**SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
NON-APPROPRIATED FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances (Legal Basis), June 30, 2008**

	2006 NCHIP LPOR GRANT FUND	VIOLENCE AGAINST WOMEN ACT 03-2006 KATRINA RELIEF FUND	VIOLENCE AGAINST WOMEN ACT - 03 FUND	LOUISIANA HIGHWAY SAFETY COMMISSION GRANT FUND	COMMERCIAL DRIVERS LICENSE PROGRAM FUND
REVENUES					
Grants - state	\$32,474	\$4,564	\$57,580	\$2,014	
Grants - federal					\$376,540
Fees and self-generated revenues:					
Court fees					
Copy fees					
Bar admissions					
Seminar fees					
Sales of Acts of the Legislature					
Computer-assisted research fees					
Facsimile fees					
Miscellaneous					
Use of money and property - interest earnings					
Sponsor application fees					
Accreditation fees					
Reinstatement fees					
Sponsor late fees					
Delinquent fees					
Penalty fees					
Repeat penalty fees					
NSF fees					
Total revenues	<u>32,474</u>	<u>4,564</u>	<u>57,580</u>	<u>2,014</u>	<u>376,540</u>
EXPENDITURES					
Personnel services		4,567			
Travel	392				
Operating supplies and services	6,394				
Professional services	25,688		57,580		67,229
Other charges				2,014	309,311
Total expenditures	<u>32,474</u>	<u>4,567</u>	<u>57,580</u>	<u>2,014</u>	<u>376,540</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>(3)</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
OTHER FINANCING SOURCES (Uses)					
Transfers from other entities					
Transfers to other entities					
Total other financing sources (uses)	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>NONE</u>	<u>(3)</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>3</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

(Concluded)

Schedule 4

OJP TRAINING GRANT FUND	HURRICANE CRIMINAL JUSTICE INFRASTRUCTURE RECOVERY GRANT (CJIR) FUND	HURRICANE CRIMINAL JUSTICE INFRASTRUCTURE RECOVERY GRANT (HTOK) FUND	CAPITAL CASE LITIGATION TRAINING GRANT FUND	NEW YORK COURTS GRANT FUND	FEMA ASSISTANCE FUND	TOTAL
\$34,804	\$257,011	\$2,883	\$3,390			\$568,901 871,999
						182,876 29,831 15,100 233,577 1,310 1,530 2,654 151 36,487 500 241,647 11,495 400 208,498 1,050 14,100 4
<u>34,804</u>	<u>257,011</u>	<u>2,883</u>	<u>3,390</u>	<u>NONE</u>	<u>NONE</u>	<u>2,422,110</u>
						316,392 37,700 261,295 1,148,269 714,104
34,804	83,025	1,078	926			261,295
	173,988	1,805	464			714,104
<u>34,804</u>	<u>257,013</u>	<u>2,883</u>	<u>3,390</u>	<u>NONE</u>	<u>NONE</u>	<u>2,477,760</u>
NONE	(2)	NONE	NONE	NONE	NONE	(55,650)
						\$1,097,540 (1,090,111) 7,429
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>7,429</u>	<u>1,162,264</u> <u>(1,090,111)</u> <u>72,153</u>
NONE	(2)	NONE	NONE	NONE	7,429	16,503
<u>NONE</u>	<u>2</u>	<u>NONE</u>	<u>NONE</u>	<u>\$140</u>	<u>33,853</u>	<u>1,860,527</u>
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>\$140</u>	<u>\$41,282</u>	<u>\$1,877,030</u>

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OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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



LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

February 17, 2009

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

SUPREME COURT OF LOUISIANA
STATE OF LOUISIANA
New Orleans, Louisiana

We have audited the special purpose (legal basis) financial statements of the Supreme Court of Louisiana as of and for the year ended June 30, 2008, and have issued our report thereon dated February 17, 2009. Our report was modified to indicate that the financial statements present fairly the financial position and changes in financial position of the Supreme Court on a legal basis rather than in conformity with accounting principles generally accepted in the United States of America and an emphasis of a matter related to hurricanes Katrina and Rita. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Supreme Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the legal basis of accounting as described in our Independent Auditor's Report on the Financial Statements dated February 17, 2009, such that there is more than a remote likelihood that a misstatement of the Supreme

Court's financial statements that is more than inconsequential will not be prevented or detected by the Supreme 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 Supreme Court's internal control.

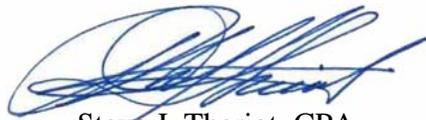
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Supreme Court of Louisiana and its management, others within the Supreme Court, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

KML:JR:EFS:PEP:sr

SUPCRT08