

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

**FINANCIAL STATEMENTS  
June 30, 2007**

---

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 3/26/08

---

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

---

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

As of and for the Year Ended June 30, 2007

	Statement/ Schedule	Page
Accountant's Review Report		2
<u>Required Supplemental Information (Part I)</u>		
Management's Discussion and Analysis		4-8
<b><u>Basic Financial Statements:</u></b>		
<u>Government-Wide Financial Statements:</u>		
Statement of Net Assets	A	11
Statement of Activities	B	12
<u>Fund Financial Statements</u>		
Balance Sheet-Governmental Fund	C	14
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Financial Statement of Net Assets	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Fund	E	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	17
<u>Notes to Financial Statements:</u>		
Notes to the Financial Statements		19-25
<u>Required Supplemental Information (Part II)</u>		
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget & Actual	1	27
<b><u>Other Reports:</u></b>		
Accountant's agreed-upon procedure report required by Statements on <i>Standard for Attestation Engagements and Government Auditing Standards</i>		29-31
Attestation questionnaire		32-33

*Deborah D. Dees, MBA, CPA*



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

CERTIFIED PUBLIC ACCOUNTANT

### Independent Accountant's Report

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

I have reviewed the accompanying financial statements of the governmental activities of the Eleventh Judicial District Court Expense Fund, DeSoto and Sabine Parishes, Louisiana as of and for the year ended June 30, 2007, which collectively comprise the Eleventh Judicial District Court Expense Fund's basic financial statements as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. These financial statements are the representation of the Eleventh Judicial District Court's management.

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

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

The management's discussion and analysis and budgetary comparison information, on pages 4 through 8 and 27, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

As discussed in Note 9, the Eleventh Judicial District Court Expense Fund financial statements no longer include accounts exclusively controlled by only one judge in the District.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report, dated December 27, 2007, on the results of our agreed-upon procedures.

*Deborah D. Dees, CPA*

Mansfield, Louisiana  
December 27, 2007

**REQUIRED SUPPLEMENTAL INFORMATION (PART I)**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis of the Eleventh Judicial District Court Expense Fund's financial performance presents a narrative overview and analysis of the District Court's financial activities for the year ended June 30, 2007. The information provided in our financial statements only reflects the activities of the Eleventh Judicial combined accounts and other joint accounts of the Eleventh Judicial Court. Any cash accounts controlled exclusively by one judge, meaning those possessing signatory authority by only one judge, are not included in our financial statements. This document focuses on the current year's activities, resulting changes, and currently known facts of the Combined Accounts and joint accounts of the Eleventh Judicial Court. Please read this document in conjunction with the additional information contained in the Court's financial statements.

### **FINANCIAL HIGHLIGHTS**

The District Courts' assets exceeded its liabilities (net assets) by \$394,929 on June 30, 2007 and \$405,567 on June 30, 2006. The unrestricted net assets which represent the portion available to maintain continuing obligations to citizens and creditors is \$329,304 on June 30, 2007 and \$295,886 on June 30, 2006.

### **GOVERNMENTAL-WIDE FINANCIAL STATEMENTS**

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

These two statements report the Court's net assets and changes in them. The Court's net assets, the difference between assets and liabilities, measure the Court's financial position. The increases or decreases in the Court's net assets are an indicator of whether its financial position is improving or deteriorating. Other non-financial factors, however, such as number of cases handled by District Court as well as the number of judgeships approved by the State Legislature and State's economic condition should be considered in order to assess the overall condition of the Court.

Currently, the Court has only governmental activities that provide for personnel, equipment, supplies, and other costs related to the proper administration of the District Court. Primarily, court cost, fees, grants, and interest finance these activities.

### **FUND FINANCIAL STATEMENTS**

Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by also providing information about all the Court governmental funds.

The fund financial statements provide detailed information about the Court's funds, not the court as a whole. In addition to accounting for the court costs and fees and other revenues that finance activities of the District Court, the Court also accounts for appropriations received from the U. S. Department of Justice and State of Louisiana Supreme Court to administer the Drug Court. These funds are reported using an accounting method called modified accrual accounting, which measure only cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Court's operations and the services it provides. Governmental fund information helps determine the amount of financial resources available to be spent in the near future to finance the Court's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental funds are shown in a reconciliation following the fund financial statements.

#### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents Other Required Supplementary Information consisting of a comparison of budgeted revenues and expenditures to actual revenues and expenditures. Also included is a report from the accountant on the results of evaluating management's assertions concerning compliance with certain laws and regulations for the year ended June 30, 2007. These required procedures are found in the *Louisiana Governmental Audit Guide*.

#### FINANCIAL ANALYSIS OF THE DISTRICT COURT AS A WHOLE

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

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 113,219	\$ 94,502
Restrict cash	304	19,161
LAMP account	245,623	233,142
Receivables	9,183	7,752
Capital assets, net	74,524	90,520
<b>Total Assets</b>	<u>\$ 442,853</u>	<u>\$ 445,077</u>
<b>Liabilities</b>	<u>\$ 38,721</u>	<u>\$ 39,510</u>
<b>Total Liabilities</b>	<u>38,721</u>	<u>39,510</u>
<b>Net assets</b>		
Investment in capital assets, net	\$ 74,524	\$ 90,520
Restricted	304	19,161
Unrestricted	329,304	295,886
<b>Total Net Assets</b>	<u>\$ 404,132</u>	<u>\$ 405,567</u>

The District Court continues to maintain operations with no long-term debt. This is an indication of the District Court's ability to pay its obligations as they become due.

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

<u>Governmental Activities</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>		
Administrative	\$ 99,465	\$ 202,121
Drug Court	11,898	23,836
Probation	100,969	121,770
FINS	-	35,350
Restitution	7,248	10,021
Total Expenses	<u>219,580</u>	<u>393,098</u>
<b>Program revenues</b>		
Fees, fines and charges for services	227,518	213,293
Operating grants and contributions		171,411
Total Program revenues	<u>227,518</u>	<u>384,704</u>
<b>Total General revenues</b>	<u>13,308</u>	<u>10,073</u>
<b>Total Revenues</b>	<u>240,826</u>	<u>394,777</u>
<b>Change in net assets</b>	21,246	1,679
<b>Other Financing Sources (Uses)</b>	(22,880)	
Net Assets Beginning	405,567	403,888
Net Assets Ending	<u>\$ 404,133</u>	<u>\$ 405,567</u>

Other financing uses consist solely of the transfer of Division C and FINS assets to the newly formed Sabine Judicial Expense Fund.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Eleventh Judicial District Court's budgetary comparison is presented as required supplementary information and shown on page 27. Revenues collected are \$21,326 over budget, due to an increase in fines and forfeitures. Expenditures were less than budget by \$67,215 due to a decrease of the personnel and related benefits and other similar accounts.

The differences in the original and final budgets reflect the decreases in revenues and expenditures that had been reported for cash flows through accounts controlled exclusively by Division C.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of June 30, 2007, and 2006 the Court has \$65,321 and \$90,520 respectively invested in capital assets including computers, office furniture and equipment (See table below).

	2007	2006
Equipment	\$ 85,468	\$ 82,104
Furniture and fixtures	91,232	91,232
FINS	7,613	7,613
Total	<u>184,313</u>	<u>180,949</u>
Less accumulated depreciation	(109,789)	(90,429)
Net Capital Assets	<u>\$ 74,524</u>	<u>\$ 90,520</u>

During the year the Court added one new computer.

### Debt

The Eleventh Judicial District Court Expense Fund has no debt.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- 1) Fees, fines and charges for services
- 2) Personnel services expenses
- 4) Operating services expenses
- 5) Separation of Division C related income and expenses from Division A and B

The Court expects expenses and revenues to decrease in the next year due to the separation of the Divisions.

### Other Economic Factors

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

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

## **CONTACTING THE ELEVENTH JUDICIAL COURT EXPENSE FUND'S MANAGEMENT**

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

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

## STATEMENT OF NET ASSETS

June 30, 2007

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 113,219
LAMP account	245,623
Restricted cash	304
Receivables	9,183
Capital assets (net)	74,524
<b>TOTAL ASSETS</b>	<b>\$ 442,853</b>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	\$ 1,254
Due to others	30,411
Victim restitution payable	7,056
<b>TOTAL LIABILITIES</b>	<b>\$ 38,721</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	\$ 74,524
Restricted for:	
Drug court	304
Unrestricted	329,304
<b>TOTAL NET ASSETS</b>	<b>\$ 404,132</b>

See the accompanying notes and accountant's report.

## ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

## DeSoto and Sabine Parishes, Louisiana

## STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2007

	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Governmental Activities
<b>Governmental Activities:</b>				
Administrative	\$ 99,465	\$ 169,056		\$ 69,591
Drug court	11,898	300		(11,598)
Probation	100,969	51,180		(49,789)
Restitution	7,248	6,982		(266)
<b>Total Governmental Activities</b>	<b>\$ 219,580</b>	<b>\$ 227,518</b>	<b>\$</b>	<b>\$ 7,938</b>
Interest income				13,308
Total General Revenues				13,308
Change in Net Assets				21,246
<b>Other Financing Sources (Uses)</b>				
Transfer of assets to Division C				(22,680)
Total Other Financing Sources (Uses)				(22,680)
Total Change in Net Assets after Other Financing Sources (Uses)				(1,434)
Net Assets Beginning				405,567
Net Assets Endln				\$ 404,133

See the accompanying notes and accountant's report.

**FUND FINANCIAL STATEMENTS**

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
**DeSoto and Sabine Parishes, Louisiana**  
**BALANCE SHEET, GOVERNMENTAL FUNDS**  
June 30, 2007

	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 113,219
LAMP account	245,823
Restricted cash:	
Cash-Drug court	304
Receivables	
Fines and court costs receivable	9,183
<b>TOTAL ASSETS</b>	<b>\$ 368,329</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts, salaries, and other payables	\$ 1,254
Due to DeSoto Parish Sheriff's Office	30,411
Victim restitution payable	7,056
<b>Total Liabilities</b>	<b>38,721</b>
<b>Fund Balances:</b>	
<b>Reserved for:</b>	
Drug court	304
<b>Unreserved, reported in:</b>	
General fund	329,304
<b>Total Fund Balances</b>	<b>329,608</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 368,329</b>

See the accompanying notes and accountant's report.

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
**DeSoto and Sabine Parishes, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
June 30, 2007

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

Total Fund Balances for Governmental Funds (Statement C)	\$	329,808
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds. Those assets consist of:		
Furniture, fixtures and equipment, net of \$109,789 in accumulated depreciation		<u>74,524</u>
Total Net Assets of Governmental Activities (Statement A)	\$	<u>404,132</u>

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
**DeSoto and Sabine Parishes, Louisiana**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Governmental Funds**  
For the Year Ended June 30, 2007

	<u>GENERAL FUND</u>
<b>Revenues:</b>	
Bond fees, forfeitures, and court costs	\$ 169,058
Restitution collected	6,982
Probation and related fees	51,180
Drug court fees	300
Intergovernmental:	
Interest earnings	13,308
Total Revenues	<u>240,828</u>
<b>Expenditures:</b>	
<b>Current:</b>	
Administrative	
Personnel and related benefits	16,366
Operating and administrative	63,247
Drug court	11,898
Probation	100,267
Restitution paid to others	7,248
Fees paid to others	1,195
Capital outlays	3,364
Total Expenditures	<u>203,585</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>37,241</b>
<b>Other Financing Sources (Uses)</b>	
Transfer of assets to Division C	(22,680)
Total Other Financing Sources (Uses)	<u>(22,680)</u>
<b>Excess (Deficiency) of Revenues over Expenditures after Other Financing Sources (Uses)</b>	<b>14,561</b>
Fund balances, beginning of year	315,047
Fund balances, end of year	<u>\$ 329,608</u>

See the accompanying notes and accountant's report.

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
**DeSoto and Sabine Parishes, Louisiana**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2007**

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

Net Change in Fund Balances-Total Governmental Funds (Statement E)	\$	14,561
--	----	--------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,364) exceeds depreciation (\$19,360) in the current period.		(15,996)
---	--	----------

Change in Net Assets of Governmental Activities (Statement B)	\$	<u>(1,435)</u>
---	----	----------------

**NOTES TO THE FINANCIAL STATEMENTS**

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
DeSoto and Sabine Parishes, Louisiana  
Notes to the Financial Statements  
June 30, 2007

**INTRODUCTION**

The Eleventh Judicial District Court Expense Fund (the Fund) was created by LSA-RS 13:996.58. The purpose of the fund is to provide sufficient funding to expedite efficient operation of the court. In general, the fund is established and may be used to any purpose or purposes connected with, incidental to or related to the proper administration of the court.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

**B. Basic Financial Statements**

*Government-wide financial statements*

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2007

**B. Basic Financial Statements (continued)**

*Government-wide financial statements (continued)*

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

*Fund Financial Statements.*

The financial transactions of the Judicial Expense Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The funds of the Judicial Expense Fund are described as follows:

**General Fund** – The general fund is the general operating fund and accounts for all activities of the Judicial Expense Fund except those required to be accounted for in another fund.

**C. Measurement Focus/Basis of Accounting**

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

**Accrual Basis – Government-Wide Financial Statements (GWFS)**

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. Revenues, expenses, gains and losses resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**Modified Accrual Basis – Fund Financial Statements (FFS)**

All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources at the end of the period. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means the

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
DaSoto and Sabine Parishes, Louisiana  
Notes to the Financial Statements  
June 30, 2007

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Measurement Focus/Basis of Accounting (continued)**

amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlays) are recorded when the related fund liability is incurred.

**D. Budgets**

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

**E. Cash and Cash Equivalents**

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

**F. Investments**

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

**G. Capital Assets**

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$1,000, or more are reported at historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment, including software	5 years
Other office equipment	5 years
Furniture and fixtures	7-10 years

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

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
DeSoto and Sabine Parishes, Louisiana  
Notes to the Financial Statements  
June 30, 2007

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Capital Assets (continued)**

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

**H. Compensated Absences**

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

**I. Net Assets**

Net assets comprise the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net assets are classified in the following three components:

*Invested in capital assets, net of related debt* – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition of those assets. There was no debt attributable to these fixed assets as of June 30, 2007.

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

*Unrestricted net assets* – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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

**J. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**  
DeSoto and Sabine Parishes, Louisiana  
Notes to the Financial Statements  
June 30, 2007

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Estimates (continued)**

and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH**

At June 30, 2007, the Eleventh Judicial District Court Expense Fund has cash (book balances) totaling \$113,523 which includes restricted monies for the Drug Court of \$304.

Demand deposits	\$	4,788
Interest bearing demand deposits		108,735
	\$	113,523

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

At June 30, 2007, the Eleventh Judicial District Court Expense Fund has \$115,183 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance. The remaining amount of \$15,183 is adequately pledged by securities at market value.

At June 30, 2007, the balance in the Louisiana Asset Management Pool, Inc. (LAMP) account is \$245,623 (See summary of Significant Accounting Policies Note F.) In accordance with GASB Codification 150.164, the balance in the LAMP account is not categorized in the three risk categories provided by GASB Codification 150.164 because the balance is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Only local governments having contracted to participate in LAMP have an interest in the pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Therefore, under GASB 9, the Judicial Expense Fund classifies this asset as cash.

**ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2007

**3. CAPITAL ASSETS**

A summary of the Eleventh Judicial District Court Expense Fund's capital assets at June 30, 2007 follows:

Governmental Activities:	Balance 06/30/06	Additions	Deletions	Balance 06/30/07
<b>Capital assets, being depreciated</b>				
Equipment	\$ 82,104	\$ 3,364	\$	\$ 85,468
Furniture and fixtures	91,232			91,232
FINS equipment	7,613			7,613
<b>Total capital assets, being depreciated</b>	<b>\$ 173,756</b>	<b>\$ 3,364</b>	<b>\$ 0</b>	<b>\$ 184,313</b>
<b>Less accumulated depreciation for</b>				
Equipment	\$ 59,823	\$ 9,394	\$	\$ 69,217
Furniture and Fixtures	24,583	9,914		34,497
FINS equipment	6,023	53		6,076
<b>Total accumulated depreciation</b>	<b>90,429</b>	<b>\$ 19,360</b>	<b>0</b>	<b>109,789</b>
<b>Total Capital assets being depreciated, net</b>	<b>\$ 102,823</b>			<b>\$ 74,524</b>

Depreciation expense of \$19,360 for the year ended June 30, 2007, was charged to the following functions:

Administrative	\$ 19,307
FINS	53
	<u>\$ 19,360</u>

**4. LEASES**

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

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

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

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

The total lease expense reported in the financial statements is \$16,049. The minimum annual commitments under noncancelable operating leases are as follows:

Fiscal year June 30,	Vehicles
2008	\$ 16,433.41
2009	4,459.59
<b>Total</b>	<b>\$ 20,893.00</b>

## **ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND**

DeSoto and Sabine Parishes, Louisiana

Notes to the Financial Statements

June 30, 2007

### **5. RESTRICTED NET ASSETS**

The reserved fund balance shown on the balance sheet is a result of a state grant from the Louisiana Supreme Court for drug court operations.

### **6. JOINT VENTURE**

The Misdemeanor Probation program entered into an agreement with the DeSoto Parish Sheriff to reimburse the salary, payroll taxes, group insurance, retirement, and workman's compensation of the probation officers. The fund reimbursed the Sheriff's office \$80,595.

### **7. EXPENDITURES OF THE JUDICIAL DISTRICT PAID BY THE PARISH POLICY JURY**

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

### **8. CONTINGENCIES**

As of June 30, 2007, in the opinion of management, there are no outstanding matters that would have a significant effect on the financial position of the Expense Fund.

### **9. TRANSFER OF ASSETS**

As of year ended June 30, 2007, the District Court's financial statements no longer include the transactions that are exclusively controlled by and the accounts that have sole signatory authority of one individual judge in the District.

### **10. SUBSEQUENT EVENTS**

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

Effective August 1, 2007, per court order signed by two of the three judges, a second Judicial Expense Fund was created for the Eleventh Judicial District Court referred to as the "Sabine Judicial Expense Fund." Fifty percent of the Eleventh Judicial Expense Fund ("DeSoto Judicial Expense Fund") and the LAMP Fund were transferred to this "Sabine Judicial Expense Fund." The order also stipulated that all income from any source, including self-generating interest, for the "DeSoto Judicial Expense Fund" and DeSoto LAMP Fund accounts shall remain with these funds exclusively. The same applies for any income generated by the Sabine Judicial Expense Fund and Sabine LAMP accounts. It was further ordered that sums collected or received pursuant to La. R.S. 13:966:58, and by prior en Banc Order of the court order dated June 23, 1999, by the Sabine Parish Clerk of Court and the Sabine Parish Sheriff shall be delivered to the Judicial Secretary for Division C of the Eleventh Judicial District Court. The judge of Division C shall have control over the "Sabine Judicial Expense Fund" and all disbursements made therefrom. Control of the "DeSoto Judicial Expense Fund" will be controlled by the judges of Divisions A and B.

**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**

## ELEVENTH JUDICIAL DISTRICT COURT EXPENSE FUND

DeSoto and Sabine Parishes, Louisiana

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

General Fund

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Budget to Actual
	Original	Final		Positive(Negative)
<b>Revenues:</b>				
Bond fees, forfeitures, and costs	\$ 125,000	\$ 125,000	\$ 189,056	\$ 44,056
Restitution collected	9,000	9,000	6,982	(2,018)
Probation and related fees	65,000	65,000	51,180	(13,820)
Drug court fees	10,500	10,500	300	(10,200)
Truancy fees	4,000			
Intergovernmental:				
Grant - State FINS	35,000			
Grant - Federal OJP	2,000			
Parish salary reimbursement	76,000			
Investment and interest income	10,000	10,000	13,308	3,308
<b>Total Revenues</b>	<b>336,500</b>	<b>219,500</b>	<b>240,826</b>	<b>21,326</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Administrative</b>				
Personnel and related benefits	99,000	23,000	16,386	6,634
Operating and administrative	83,000	83,000	63,247	19,753
Drug court	24,000	24,000	11,898	12,102
Probation	122,000	122,000	100,267	21,733
FINS	36,000			
Restitution paid to others	10,000	10,000	7,248	2,752
Fees paid to other	1,800	1,800	1,195	605
Capital outlay	7,000	7,000	3,364	3,636
<b>Total Expenditures</b>	<b>382,800</b>	<b>270,800</b>	<b>203,585</b>	<b>67,215</b>
<b>Excess of Revenues over Expenditures</b>	<b>(51,300)</b>	<b>(51,300)</b>	<b>37,241</b>	<b>88,541</b>
<b>Other Financing Sources (Uses)</b>				
Transfer of assets to Division C			(22,680)	22,680
<b>Total Other Financing Sources (Uses)</b>			<b>(22,680)</b>	<b>22,680</b>
<b>Net Change in Fund Balance</b>		<b>(51,300)</b>	<b>14,561</b>	<b>65,861</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>		<b>315,047</b>	<b>315,047</b>	
<b>Fund Balances (Deficit) at End of Year</b>		<b>\$ 263,747</b>	<b>\$ 329,608</b>	<b>\$ 65,861</b>

See accountant's report.

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

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

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

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Eleventh Judicial District Court's Expense Fund and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Eleventh Judicial District Court Expense Fund's compliance with certain laws and regulations as of and the year ended June 30, 2007 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

*Public Bid Law*

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

None noted.

*Code of Ethics for Public Officials and Public Employees*

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

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

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

Management provided us with the required list.

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

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

*Budgeting*

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

Management uses prior year actual amounts adjusted for known changes due to a decrease in a federal grant and increased capital outlays. The budget was amended.

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

Not applicable.

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

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

*Accounting and Reporting*

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

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

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

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

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

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

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

*Meetings*

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

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

*Debt*

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

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

*Advances and Bonuses*

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

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

My prior year report, dated December 29, 2006, did not include any comments or unresolved matters.

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

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



Deborah D. Dees, CPA  
December 27, 2007

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

December 7, 2007

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

In connection with your review of our financial statements as of June 30, 2007, and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 1, 2006.

**Public Bid Law**

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

**Code of Ethics for Public Officials and Public Employees**

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

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

**Budgeting**

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

**Accounting and Reporting**

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

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.  
Yes  No

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

**Meetings**

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

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

**Debt**

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

Yes  No

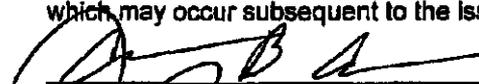
**Advances and Bonuses**

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

Yes  No

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

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

  
\_\_\_\_\_  
District Judge 1-9-08 Date

  
\_\_\_\_\_  
District Judge 1-9-08 Date

\_\_\_\_\_  
District Judge \_\_\_\_\_ Date