

**THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BIENVILLE, CLAIBORNE
AND JACKSON, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2009**

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 2/3/10

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Annual Financial Report
June 30, 2009

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**THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BIENVILLE, CLAIBORNE
AND JACKSON, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Second Judicial District Court's financial performance presents a narrative overview and analysis of the District Court's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Second Judicial District Court's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

The District Court's assets exceeded its liabilities (net assets) by \$846,658 on June 30, 2009, and \$823,419 on June 30, 2008. Total Net Assets are comprised of the following:

	<u>2009</u>	<u>2008</u>
Capital assets, net of accumulated depreciation	\$ 31,110	\$ 43,771
Unrestricted net assets which represent the portion available to maintain continuing obligations to citizens and creditors	\$815,548	\$779,648

GOVERNMENTAL-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities provide information about the activities of the District Court as a whole and present a longer-term view of the District Court's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The District Court uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-Wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact of short-term financing decreases. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the difference between these two views.

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.

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:

Summary of Net Assets

	<u>2009</u>	<u>2008</u>
ASSETS:		
Cash & Cash Equivalents	\$830,994	\$798,198
Receivables	9,023	9,256
Capital Assets (net)	<u>31,110</u>	<u>43,771</u>
Total Assets	<u>\$871,127</u>	<u>\$851,225</u>
LIABILITIES:		
Accounts Payable	\$ 19,323	\$ 19,096
Accrued Expenses	<u>5,146</u>	<u>8,710</u>
Total Liabilities	<u>\$ 24,469</u>	<u>\$ 27,806</u>
NET ASSETS:		
Invested in Capital Assets	\$ 31,110	\$ 43,771
Unrestricted Net Assets	<u>815,548</u>	<u>779,648</u>
Total Net Assets	<u>\$846,658</u>	<u>\$823,419</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>2009</u>	<u>2008</u>
REVENUES:		
Program Revenues:		
Fees, fines & Charges for Services	\$522,069	\$479,228
General Revenues:		
Operating and Capital Grants	152,888	152,476
Miscellaneous	<u>20,831</u>	<u>29,897</u>
Total Revenues	\$695,788	\$661,601
EXPENSES:		
Judicial	<u>672,549</u>	<u>671,839</u>
Change in Net Assets	\$ 23,239	\$ (10,238)
Beginning Net Assets	<u>823,419</u>	<u>833,657</u>
Ending Net Assets	<u>\$846,658</u>	<u>\$823,419</u>

BUDGETARY HIGHLIGHTS

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and out-flow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Total governmental funds had an ending fund balance of \$815,548 at June 30, 2009, and \$779,648 at June 30, 2008.

CONTACTING THE DISTRICT COURT OFFICE

This financial report is designed to provide a general overview of the District Court's finances, *compliance with governmental financial reporting laws and regulations and demonstrate the District Court's commitment to public accountability.* If you have additional questions about this report or would like to request additional information, contact the Honorable Jenifer Clason, at Courthouse, Homer, Louisiana, 71040.

Johnson, Thomas & Cunningham

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Jenifer Clason, Chief Judge
The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Second Judicial District Court as of and for the year ended June 30, 2009, which collectively comprise the District Court's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Second Judicial District Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Second Judicial District Court as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2009, on our consideration of the Second Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District Court's basic financial statements. The introductory section which includes Management's Discussion and Analysis and the budgetary comparisons listed as required supplemental information in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it. Information from the preceding year is reported on certain financial statements within this report. This information was taken from our report for that year in which we expressed an unqualified opinion on the District's basic financial statements.

Johnson, Thomas & Cunningham

Johnson, Thomas & Cunningham, CPA's

December 29, 2009

Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$830,994
Receivables	<u>9,023</u>
Total Current Assets	\$840,017
Noncurrent Assets-	
Capital Assets (Net)	<u>31,110</u>
Total Assets	\$871,127
LIABILITIES:	
Accounts Payable	\$ 19,323
Accrued Expenses	<u>5,146</u>
Total Liabilities	\$ <u>24,469</u>
NET ASSETS:	
Invested in Capital Assets	\$ 31,110
Unrestricted	<u>815,548</u>
Total Net Assets	\$846,658

The accompanying notes are an integral part of this statement.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Statement of Activities
June 30, 2009

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Fees, Fines, Commissions, And Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$672,549</u>	<u>\$522,069</u>	<u>\$152,888</u>	<u>\$0</u>	<u>\$ 2,408</u>
General Revenues:					
					<u>\$ 16,134</u>
					<u>4,697</u>
					<u>\$ 20,831</u>
					<u>\$ 23,239</u>
					<u>823,419</u>
					<u>\$846,658</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Balance Sheet-Governmental Funds
June 30, 2009

	Major Funds			Nonmajor Fund	Total
	General Fund	Special Revenue Probation Fund	IV-D Collection Fund		
ASSETS:					
Cash & Cash Equivalents	\$396,669	\$343,659	\$35,106	\$55,560	\$ 830,994
Receivables	<u>6,562</u>	<u>0</u>	<u>0</u>	<u>2,461</u>	<u>9,023</u>
Total Assets	<u>\$403,231</u>	<u>\$343,659</u>	<u>\$35,106</u>	<u>\$58,021</u>	<u>\$,840,017</u>
LIABILITIES:					
Accounts Payable	\$ 19,227	\$ 0	\$ 96	\$ 0	\$ 19,323
Accrued Expenses	<u>5,146</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,146</u>
Total Liabilities	\$ 24,373	\$ 0	\$ 96	\$ 0	\$ <u>24,469</u>
FUND BALANCE:					
Unreserved	<u>378,858</u>	<u>343,659</u>	<u>35,010</u>	<u>58,021</u>	\$ 815,548
Total Liabilities and Fund Balances	<u>\$403,231</u>	<u>\$343,659</u>	<u>\$35,106</u>	<u>\$58,021</u>	

Amounts reported for Governmental Activities
in the Statement of Net Assets are different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the funds-

Capital Assets	272,764
Less, Accumulated Depreciation	<u>(241,654)</u>
Net Assets of Governmental Activities	<u>\$ 846,658</u>

The accompanying notes are an integral part of this statement.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balance-Governmental Funds
June 30, 2009

	Major Funds			Nonmajor Fund FINS Fund	Total Governmental Funds
	General Fund	Special Revenue Probation Fund	IV-D Collection Fund		
REVENUES:					
Intergovernmental-					
State	\$ 24,116	\$ 0	\$ 0	\$30,249	\$ 54,365
Parish	98,523	0	0	0	98,523
Fees & Fines-					
Civil Fees	46,736	0	0	0	46,736
Criminal Court Fees	216,164	114,175	144,994	0	475,333
Miscellaneous-					
Interest	8,447	7,228	84	375	16,134
Other	<u>4,697</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,697</u>
Total Revenues	<u>\$ 398,683</u>	<u>\$121,403</u>	<u>\$145,078</u>	<u>\$30,624</u>	<u>\$ 695,788</u>
EXPENDITURES:					
Judicial-					
Auto	\$ 20,000	\$ 0	\$ 0	\$ 0	\$ 20,000
Books & Library	40,340	0	0	0	40,340
Conference & Seminars	19,821	0	0	0	19,821
Contracted Services, Personal Services, & Benefits	311,146	61,047	32,171	27,183	431,547
Dues & Subscriptions	1,304	0	0	220	1,524
Insurance	19,430	3	0	0	19,433
Legal & Accounting	11,453	0	0	0	11,453
Miscellaneous	3,428	6,610	568	0	10,606
Office Supplies	21,834	6,412	688	1,211	30,145
Repairs & Maintenance	4,133	0	0	0	4,133
Travel	40,198	0	1,587	0	41,785
Utilities & Telephone	15,637	1,999	0	1,292	18,928
Capital Outlay	<u>10,172</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,172</u>
Total Expenditures	<u>\$ 518,896</u>	<u>\$ 76,071</u>	<u>\$ 35,014</u>	<u>\$29,906</u>	<u>\$ 659,887</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(120,213)</u>	<u>\$ 45,332</u>	<u>\$110,064</u>	<u>\$ 718</u>	<u>\$ 35,901</u>

Continued next page

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balance-Governmental Funds
June 30, 2009

	Major Funds			Nonmajor Fund FINS Fund	Total Governmental Funds
	General Fund	Special Revenue Probation Fund	IV-D Collection Fund		
OTHER FINANCING SOURCES (USES):					
Operating Transfer In	\$ 108,534	\$ 0	\$ 0	\$ 0	\$ 108,534
Operating Transfer Out	<u>0</u>	<u>(11,534)</u>	<u>(97,000)</u>	<u>0</u>	<u>(108,534)</u>
Total Other Financing	\$ <u>108,534</u>	\$ <u>(11,534)</u>	\$ <u>(97,000)</u>	\$ <u>0</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expen- ditures and Other Uses	\$ (11,679)	\$ 33,798	\$ 13,064	\$ 718	\$ 35,901
Fund Balances- Beginning of Year	<u>390,537</u>	<u>309,861</u>	<u>21,946</u>	<u>57,303</u>	<u>779,647</u>
Fund Balances- End of Year	\$ <u>378,858</u>	\$ <u>343,659</u>	\$ <u>35,010</u>	\$ <u>58,021</u>	\$ <u>815,548</u>

The accompanying notes are an integral part of this statement.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2009

Net Change in Fund Balance-Governmental Funds	\$ 35,901
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period are	10,172
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(22,834)</u>
Net Change in Net Assets per Statement of Activities	<u>\$ 23,239</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2009

Introduction:

The Second Judicial District Court (District Court) of Louisiana is comprised of the parishes of Bienville, Claiborne and Jackson located in north Louisiana. The District Court includes three judges with one judge being designated as the chief judge. The District Court may collect fees on civil suits and criminal cases to aid in the administering of the District Court and of the offices of the individual judges; these fees cannot be used for salaries to the judges. The judges are elected by the qualified electors of the judicial district for a term of six years.

I. 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 Second 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 jury, parish school board, other independently-elected officials, and municipalities within the three 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. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report 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 non-exchange revenues.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2009

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.

C. Fund Accounting-

The accounts of the District Court are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District Court maintains four funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or if its total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The major funds of the District Court are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the District Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds-

Probation Fund

Code of Criminal Procedure Article 894 A(1) stated that as of 1989, the Department of Probation and Parole would not supervise probation in misdemeanor cases. Article 894 A(1) authorized the court to place the defendant on probation with a "probation office" designated by the court upon such conditions as the court may fix. Additionally,

The Second Judicial District Court
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Notes to Financial Statements
June 30, 2009

Article 895 1(C) of the Code of Criminal Procedure provides for a monthly probation fee to be paid to the agency providing supervision. The Probation Fund was established as the designated "probation office". The Probation Fund accounts for the collection of the monthly probation fees and expenditures of maintaining the probation offices.

IV-D Collection Fund

The IV-D Collection Fund accounts for the collection of a five percent fee assessed on child support payments as provided by Louisiana Revised Statute 46:236.5 and the expenditures related to the establishment, modification, and enforcement of support obligations.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District Court as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Court considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2009

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the District Court.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Court maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Fixtures & Equipment	5-7 years
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Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted 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, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2009

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.

F. Budget-

Prior to the beginning of each fiscal year, the District Court adopts a budget for the General Fund and each Special Revenue Fund for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budgets are prepared on the modified accrual basis of accounting.

G. Estimates-

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

2. Cash and Cash Equivalents:

At June 30, 2009, the District Court had cash and cash equivalents totaling \$840,501 (collected bank balances). 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. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the District Court. The deposits at June 30, 2009, were secured as follows:

Demand Deposits	\$ 255,549
Time Deposits	584,952
FDIC Insurance	<u>(840,501)</u>
Uninsured	\$ <u> 0</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Second Judicial Court that the fiscal agent has failed to pay deposited funds upon demand.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2009

3. Compensated Absences:

Employees of the Second Judicial District Court cannot carry leave forward from year to year. Therefore, there is no entry made for compensated absences.

4. Capital Assets:

Capital Asset balances and activity for the year ended June 30, 2009, is as follows:

<u>Activities</u>	<u>Balance 07-01-08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-09</u>
Capital Assets Depreciated:				
Office Furniture, Fixtures & Equipment	\$262,592	\$ 10,172	\$0	\$272,764
Less, Accumulated Depreciation:				
Office Furniture, Fixtures & Equipment	<u>218,820</u>	<u>22,834</u>	<u>0</u>	<u>241,654</u>
Net Capital Assets	<u>\$ 43,772</u>	<u>\$(12,662)</u>	<u>\$0</u>	<u>\$ 31,110</u>

Depreciation expense of \$22,834 was charged to the Judicial function.

5. Pension Plan:

Louisiana State Employees' Retirement System (LASERS)

Plan Description. All full-time administrative employees are required to participate in the System. Excluded by law are independent contractors and certain other non-employee relationships. Participants who retire at the following ages, after the stated years of creditable service, are entitled to a retirement benefit as calculated by the LASERS benefit formula:

At any age	after 30 years of creditable service
At age 55	after 25 years of creditable service
At age 60	after 10 years of creditable service
At age 50	with 10 years, if retiring from a position which is being eliminated.

Additionally, participants may retire with 20 years of service credit at any age with actuarially reduced benefits.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2009

LASERS benefit formula is designed so a retiree receives a maximum retirement benefit equal to 2.5% of their final average compensation for every year of creditable service; an additional \$300 is applied if a participant joined LASERS before July 1, 1986. Benefits may not exceed 100% of final average compensation. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

The System also provides death and disability benefits. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employee's Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

Funding Policy. Plan members are required to contribute 7.5 percent of their annual covered salary and the Second Judicial District Court is required to contribute at an actuarially determined rate. The current rate is 18.5 percent of annual covered payroll. The contribution requirements of plan members and the Second Judicial District Court are established and may be amended by state statute. As provided by statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Second Judicial District Court's contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$46,076, \$45,367, and \$41,518, respectively, equal to the required contributions for each year.

The Second Judicial District Court Judges are also members of the Louisiana State Employees' Retirement System. Judges of the District Court are paid directly by the state and the state pays the employer contribution on their behalf. For that reason, contributions made on behalf of the judges are not included in the amounts referenced in the above paragraph. Additionally, any variances, if any, in "Plan Description" or "Funding Policy" are not included in this note.

6. Expenditures of the Judicial District Not Included in the Accompanying Financial Statements:

The accompanying financial statements do not include certain salary or administrative expenditures for the District Court paid out of the funds of the Bienville, Claiborne or Jackson Parish Police Juries or directly by the State.

7. Litigation:

Management has advised that there is no litigation pending against the Second Judicial District Court at June 30, 2009.

The Second Judicial District Court
 Parishes of Bienville, Claiborne and Jackson, Louisiana
 Notes to Financial Statements
 June 30, 2009

8. Interfund Transfers:

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$108,534	
Special Revenue Funds-		
Probation		\$ 11,534
IV-D Collection Fund	_____	<u>97,000</u>
Totals	<u>\$108,534</u>	<u>\$108,534</u>

Transfers are primarily used to move funds:

- From the Special Revenue Funds to the General Fund so that excess revenues can be used for governmental services.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Major Fund
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts as of June 30, 2008

	2009		Variance Favorable (Unfavorable)	2008 Actual
	Budget Original/Final	Actual		
REVENUES:				
Intergovernmental-				
State	\$ 0	\$ 24,116	\$ 24,116	\$ 14,570
Parish	95,000	98,523	3,523	108,934
Fees & Fines-				
Civil Fees	48,000	46,736	(1,264)	43,048
Criminal Court Fees	216,000	216,164	164	201,689
Miscellaneous-				
Interest	11,000	8,447	(2,553)	17,178
Other	10,000	4,697	(5,303)	1,214
Total Revenues	<u>\$ 380,000</u>	<u>\$ 398,683</u>	<u>\$ 18,683</u>	<u>\$ 386,633</u>
EXPENDITURES:				
Advertising	\$ 750	\$ 123	\$ 627	\$ 1,058
Association Dues	1,500	1,304	196	0
Auto Expenditures	20,000	20,000	0	17,500
Contracted Services	8,000	6,486	1,514	8,437
Court Reporters	15,000	17,181	(2,181)	26,206
Court Reporters-Supplies	1,500	1,520	(20)	1,471
Insurance	25,000	19,430	5,570	21,327
Judicial Per Diem	13,000	12,008	992	11,084
Legal & Accounting	17,000	11,453	5,547	11,501
Periodicals & Library	35,000	40,340	(5,340)	34,793
Office Supplies	15,000	12,903	2,097	14,862
Miscellaneous	500	1,314	(814)	0
Payroll Taxes	2,000	1,470	530	1,578
Repair & Maintenance	3,000	4,133	(1,133)	3,548
Retirement	40,000	45,193	(5,193)	45,367
Salaries	240,000	240,816	(816)	238,690
Seminars/Conventions	15,000	19,821	(4,821)	23,566
Supplies	6,000	8,931	(2,931)	5,638
Travel	15,000	28,191	(13,191)	31,607
Taxes & Licenses	600	470	130	394
Utilities & Telephone	18,000	15,637	2,363	15,146
Capital Outlay	50,000	10,172	39,828	10,326
Total Expenditures	<u>\$ 541,850</u>	<u>\$ 518,896</u>	<u>\$ 22,954</u>	<u>\$ 524,099</u>

Continued next page

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Major Fund
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts as of June 30, 2008

	2009		Variance Favorable (Unfavorable)	2007 Actual
	Budget Original/Final	Actual		
Deficiency of Revenues over Expenditures	<u>\$(161,850)</u>	<u>\$(120,213)</u>	<u>\$ 41,637</u>	<u>\$(137,466)</u>
OTHER FINANCING SOURCES (USES):				
Transfer from Probation	\$ 2,400	\$ 11,534	\$ 9,134	\$ 2,400
Transfer from IV-D	<u>98,000</u>	<u>97,000</u>	<u>(1,000)</u>	<u>100,000</u>
Total Other Financing	<u>\$ 100,400</u>	<u>\$ 108,534</u>	<u>\$ 8,134</u>	<u>\$ 102,400</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (61,450)</u>	<u>\$ (11,679)</u>	<u>\$ 49,771</u>	<u>\$ (35,066)</u>
Fund Balance-Beginning of Year	<u>390,537</u>	<u>390,537</u>	<u>0</u>	<u>425,603</u>
Fund Balance-End of Year	<u>\$ 329,087</u>	<u>\$ 378,858</u>	<u>\$ 49,771</u>	<u>\$ 390,537</u>

See accountant's report.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Major Fund
Probation Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts as of June 30, 2008

	2009		Variance	
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>	2008
	<u>Original/Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Actual</u>
REVENUES:				
Fees, Charges, and Commissions for Services	\$ 94,500	\$114,175	\$19,675	\$ 91,209
Interest	<u>9,500</u>	<u>7,228</u>	<u>(2,272)</u>	<u>9,858</u>
Total Revenues	\$104,000	\$121,403	\$17,403	\$101,067
EXPENDITURES:				
Judicial	<u>81,300</u>	<u>76,071</u>	<u>5,229</u>	<u>68,355</u>
Excess of Revenues over Expenditures	\$ <u>22,700</u>	\$ <u>45,332</u>	\$ <u>22,632</u>	\$ <u>32,712</u>
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	\$ <u>(2,400)</u>	\$ <u>(11,534)</u>	\$ <u>(9,134)</u>	\$ <u>(2,400)</u>
Excess of Revenues over Expenditures and Other Uses	\$ 20,300	\$ 33,798	\$13,498	\$ 30,312
Fund Balance-Beginning of Year	<u>309,861</u>	<u>309,861</u>	<u>0</u>	<u>279,549</u>
Fund Balance-End of Year	<u>\$330,161</u>	<u>\$343,659</u>	<u>\$13,498</u>	<u>\$309,861</u>

See accountant's report.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Major Fund
IV-D Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts as of June 30, 2008

	2009		Variance Favorable (Unfavorable)	2008 Actual
	<u>Budget Original/Final</u>	<u>Actual</u>		
REVENUES:				
Fees, Charges, and Commissions for Services	\$130,000	\$144,994	\$14,994	\$ 143,282
Interest	<u>125</u>	<u>84</u>	<u>(41)</u>	<u>114</u>
Total Revenues	<u>\$130,125</u>	<u>\$145,078</u>	<u>\$14,953</u>	<u>\$ 143,396</u>
EXPENDITURES:				
Judicial	\$ 38,700	\$ 35,014	\$ 3,686	\$ 36,289
Capital Outlay	<u>4,500</u>	<u>0</u>	<u>4,500</u>	<u>0</u>
Total Expenditures	<u>\$ 43,200</u>	<u>\$ 35,014</u>	<u>\$ 8,186</u>	<u>\$ 36,289</u>
Excess of Revenues over Expenditures	\$ 86,925	\$110,064	\$23,139	\$ 107,107
OTHER FINANCING SOURCES (USES):				
Transfer to General Fund	<u>(98,000)</u>	<u>(97,000)</u>	<u>1,000</u>	<u>(100,000)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (11,075)	\$ 13,064	\$24,139	\$ 7,107
Fund Balance-Beginning of Year	<u>21,946</u>	<u>21,946</u>	<u>0</u>	<u>14,839</u>
Fund Balance-End of Year	<u>\$ 10,871</u>	<u>\$ 35,010</u>	<u>\$24,139</u>	<u>\$ 21,946</u>

See accountant's report.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Nonmajor Fund
FINS Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2009
With Comparative Actual Amounts as of June 30, 2008

	2009		Variance Favorable (Unfavorable)	2008 Actual
	<u>Budget Original/Final</u>	<u>Actual</u>		
REVENUES:				
Intergovernmental	\$28,000	\$30,249	\$ 2,249	\$28,972
Interest	<u>2,000</u>	<u>375</u>	(1,625)	<u>1,533</u>
Total Revenues	<u>\$30,000</u>	<u>\$30,624</u>	<u>\$ 624</u>	<u>\$30,505</u>
EXPENDITURES:				
Judicial	\$34,150	\$29,906	\$ 4,244	\$32,389
Capital Outlay	<u>5,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
Total Expenditures	<u>\$39,150</u>	<u>\$29,906</u>	<u>\$ 9,244</u>	<u>\$32,389</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (9,150)	\$ 718	\$ 9,868	\$ (1,884)
Fund Balance-Beginning of Year	<u>57,303</u>	<u>57,303</u>	<u>0</u>	<u>59,187</u>
Fund Balance-End of Year	<u>\$48,153</u>	<u>\$58,021</u>	<u>\$ 9,868</u>	<u>\$57,303</u>

See accountant's report.

OTHER REPORTS

Johnson, Thomas & Cunningham

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

To the Honorable Jenifer Clason, Chief Judge
The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund of the Second Judicial District Court as of and for the year ended June 30, 2009, which collectively comprise the Second Judicial District Court's basic financial statements and have issued our report thereon dated December 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Second Judicial District Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Second Judicial District Court's financial statements that is more than inconsequential will not be prevented or detected by the Second Judicial District Court's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Second Judicial District Court's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control system 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 Second Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the Louisiana Legislative Auditor, and management of the Second Judicial District Court 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.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

December 29, 2009
Natchitoches, Louisiana

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Schedule of Audit Findings
Year Ended June 30, 2009

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unqualified opinion was issued on the financial statements of the Second Judicial District Court as of and for the year ended June 30, 2009.
2. The audit did not disclose any significant deficiencies in internal control.
3. The audit did not disclose any instances of noncompliance that is required to be reported under *Government Auditing Standards*.