

NINTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

ALEXANDRIA, LOUISIANA

DECEMBER 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/15/09

**Ninth Judicial District Court
Judicial Expense Fund**

December 31, 2008

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

Judges of Ninth Judicial District Court
Judicial Expense Fund

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ninth Judicial District Court, Judicial Expense Fund, Alexandria, Louisiana, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2008, which collectively comprise the Ninth Judicial District Court, Judicial Expense Fund's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ninth Judicial District Court, Judicial Expense Fund, as of December 31, 2008, 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 our report dated May 15, 2009, on our consideration of the Judicial Expense Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

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PAYNE, MOORE & HERRINGTON, LLP

Judges of Ninth Judicial District Court
Judicial Expense Fund

The management's discussion and analysis and budgetary comparison information presented on pages 3 through 6 and 24 through 26, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Payne, Moore & Herrington, LLP

Certified Public Accountants

May 15, 2009

Required Supplemental Information – Part I
Management's Discussion and Analysis

**Ninth Judicial District Court
Judicial Expense Fund**

December 31, 2008

Management's Discussion and Analysis

The following discussion and analysis of the Ninth Judicial District Court, Judicial Expense Fund's financial performance provide an overview of the financial activity for the year ended December 31, 2008. This analysis should give a snapshot of the financial health of the Ninth Judicial District Court's office as of that date.

Using This Annual Report

The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Ninth Judicial District Court as a whole and present a longer-term view of the District 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.

Fund financial statements, which present information for specific activities or objectives begin on page 11. For the various funds shown, their statements tell how these services were financed as well as what remains for future spending. The fund financial statements also report the Court's operations in more detail than the Government-Wide Statements by providing information about the Court's most significant funds. The notes to Basic Financial Statements present information that help explain the transactions and balances shown in the Government-Wide Statements and the individual fund financial statements. The notes begin on page 16.

After the notes to Basic Financial Statements, this report contains some supplementary information. This information beginning on page 24 reports fund revenues and expenses and compares these to the budgets adopted by the Court. These funds are each reported in a separate statement.

Analysis of the Court's Financial Statements as a Whole

The combined Net Assets of the Court as of December 31, 2008, was \$968 thousand compared to \$982 thousand at December 31, 2007, an decrease of \$14 thousand. Assets at year end were \$1.020 million compared to liabilities of only \$52 thousand.

The Statement of Activities for the year ended December 31, 2008, reflects a net reduction of \$14 thousand in net assets for the year, compared to a net increase of \$5 thousand for the year ended December 31, 2007, and reflects program and general revenue of \$2.7 million and expenses of \$2.7 million.

**Ninth Judicial District Court
Judicial Expense Fund**

December 31, 2008 and 2007

**Management's Discussion and Analysis
(Continued)**

Condensed Financial Information

	Net Assets December 31,	
	<u>2008</u>	<u>2007</u>
Current assets	\$ 938,385	\$ 952,613
Capital assets	81,776	119,334
Total Assets	<u>1,020,161</u>	<u>1,071,947</u>
Current liabilities	43,185	70,314
Deferred revenue	8,935	19,139
Total Liabilities	<u>52,120</u>	<u>89,453</u>
Net assets		
Invested in capital assets	81,776	119,334
Unrestricted	886,265	863,160
Total Net Assets	<u>\$ 968,041</u>	<u>\$ 982,494</u>

**Changes in Net Assets
Year Ended December 31,**

	<u>2008</u>	<u>2007</u>
Program revenues		
Charges for services	\$ 58,222	\$ 63,511
Operating grants and contributions	2,166,368	2,091,946
General revenues		
Criminal court fees	74,132	69,868
Commissions and fees	400,262	416,081
Interest earnings	15,012	17,333
Total Revenues	<u>2,713,996</u>	<u>2,658,739</u>
Functions/Program expenses		
Judicial expense	2,167,177	2,091,355
Child support	311,214	324,581
Juvenile drug court	197,266	188,498
Families in need of services	52,792	49,589
Total Expenses	<u>2,728,449</u>	<u>2,654,023</u>
Change in Net Assets	(14,453)	4,716
Net Assets, Beginning of Year	<u>982,494</u>	<u>977,778</u>
Net Assets, End of Year	<u>\$ 968,041</u>	<u>\$ 982,494</u>

**Ninth Judicial District Court
Judicial Expense Fund**

December 31, 2008

**Management's Discussion and Analysis
(Concluded)**

General Fund Budgetary Highlights

The Court adopted budgets for each of the various funds shown. Budgets are amended during the year to reflect actual and anticipated revenues and expenses.

Capital Assets and Depreciation Allowances

Changes in capital assets, consisting of furniture, equipment, and improvements and accumulated depreciation are detailed on page 22. Net undepreciated assets was \$81,776 and represents approximately 17 percent of the original cost of the capital assets.

Currently Known Facts, Decisions, or Conditions

The Judicial District Juvenile Court entered into a contract with the Louisiana Office of Youth Services (Agency) for the Juvenile Court to provide a goal directed, highly structured, community based alternative program to secure detention, the objective being to reduce the population in the local juvenile detention centers and juveniles committed to the Agency of Public Safety and Corrections. The contract, effective July 1, 2004 through June 30, 2005, is a purchase of service contract. This contract was renewed for additional twelve month periods beginning July 1, 2005, and July 1, 2006. The contract for the period July 1, 2006 through June 30, 2007, was amended during May 2007 to extend the ending date of the present contract to June 30, 2008, with an increase in the maximum amount payable under the contract agreement from \$30,386 to \$60,773. The Louisiana Office of Youth Development has the option to renew this contract for two additional twelve month periods, not to exceed sixty months. A new contract was entered into with a beginning date of July 1, 2008, and ending June 30, 2011 with the *maximum contract amount* set at \$91,159. During the year ended December 31, 2008, a total of \$14,624 was received under this contract and is reflected in Exhibit E of this report.

Contacting The Ninth Judicial District Court's Management

This report is intended as a brief overview of the Court's financial condition. If you have specific questions about the report, contact Hope Lafleur, P. O. Box 1431, Alexandria, LA 71309.

Basic Financial Statements

**Government-Wide
Financial Statements (GWFS)**

Ninth Judicial District Court
Judicial Expense Fund
Statement of Net Assets
December 31, 2008

Exhibit A

Assets		
Cash and cash equivalents	\$ 543,785	
Investments - certificates of deposit	331,992	
Receivables	62,608	
Capital assets, net of depreciation and amortization		
Furniture, equipment, and improvements	<u>81,776</u>	
Total Assets		1,020,161
Liabilities		
Accounts payable	27,172	
Intergovernmental payable	16,013	
Deferred revenue	<u>8,935</u>	
Total Liabilities		<u>52,120</u>
Net Assets		
Invested in capital assets	81,776	
Unrestricted	<u>886,265</u>	
Net Assets		<u>\$ 968,041</u>

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Statement of Activities
Year Ended December 31, 2008**

Exhibit B

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
Functions/Programs				
Governmental Activities				
Judicial expense	\$ 2,167,177	\$ 182,940	\$ 1,919,009	\$ (65,228)
Child support	311,214	349,676	-	38,462
Juvenile drug court	197,266	-	198,651	1,385
Families in need of services	52,792	-	48,708	(4,084)
Total Governmental Activities	\$ 2,728,449	\$ 532,616	\$ 2,166,368	\$ (29,465)
 General Revenues				
Interest earnings				15,012
Total General Revenues				15,012
 Change in Net Assets				 (14,453)
Net Assets, Beginning of Year				982,494
Net Assets, End of Year				\$ 968,041

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Ninth Judicial District Court
Judicial Expense Fund
Balance Sheet
Governmental Funds
December 31, 2008**

Exhibit C

	General Fund	Child Support Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 183,389	\$ 330,137	\$ 30,259	\$ 543,785
Investments - certificates of deposit	-	331,992	-	331,992
Receivables	3,459	2,102	-	5,561
Intergovernmental receivables	7,503	34,905	14,639	57,047
Due from other funds	52,710	-	-	52,710
Total Assets	\$ 247,061	\$ 699,136	\$ 44,898	\$ 991,095
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 6,510	\$ 102	\$ 20,560	\$ 27,172
Intergovernmental payable	-	1,082	14,931	16,013
Due to other funds	-	52,710	-	52,710
Deferred revenue	-	-	8,935	8,935
Total Liabilities	6,510	53,894	44,426	104,830
Fund Equity				
Fund balances				
Unreserved - undesignated	240,551	645,242	472	886,265
Total Liabilities and Fund Equity	\$ 247,061	\$ 699,136	\$ 44,898	\$ 991,095

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets
December 31, 2008**

Exhibit D

Total fund balances - Governmental Funds \$ 886,265

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 as assets in Governmental Funds.

Cost of capital assets	481,711	
Less - accumulated depreciation and amortization	<u>399,935</u>	<u>81,776</u>

Net Assets **\$ 968,041**

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2008**

Exhibit E

	<u>General Fund</u>	<u>Child Support Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Intergovernmental				
Court and administrative fees	\$ 182,940	\$ -	\$ -	\$ 182,940
On-behalf payments made by governmental entities	1,904,385	-	-	1,904,385
Other	14,624	-	48,708	63,332
Commissions	-	349,676	-	349,676
Grants	-	-	198,651	198,651
Interest	4,441	10,459	112	15,012
Total Revenues	<u>2,106,390</u>	<u>360,135</u>	<u>247,471</u>	<u>2,713,996</u>
Expenditures				
Current	2,129,097	301,446	246,398	2,676,941
Capital outlay	7,578	5,450	922	13,950
Total Expenditures	<u>2,136,675</u>	<u>306,896</u>	<u>247,320</u>	<u>2,690,891</u>
Excess (Deficiency) of Revenues over Expenditures	(30,285)	53,239	151	23,105
Fund Balances, Beginning of Year	<u>270,836</u>	<u>592,003</u>	<u>321</u>	<u>863,160</u>
Fund Balances, End of Year	<u>\$ 240,551</u>	<u>\$ 645,242</u>	<u>\$ 472</u>	<u>\$ 886,265</u>

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
 Judicial Expense Fund
 Reconciliation of Governmental Funds Statement
 of Revenues, Expenditures, and Changes in
 Fund Balances to the Statement of Activities
 Year Ended December 31, 2008**

Exhibit F

Net change in fund balances - Governmental Funds \$ 23,105

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

Capital outlays are reported in Governmental funds as expenditures.
 However, in the Statement of Activities, the cost of those assets is
 allocated over the estimated useful lives as depreciation and amortization
 expense. This is the amount by which capital outlays exceeds
 depreciation and amortization expense in the period.

Capital outlays	13,950	
Less - depreciation and amortization expense	<u>51,508</u>	<u>(37,558)</u>

Change in Net Assets of Governmental Activities \$ (14,453)

The accompanying notes are an integral part of the financial statements.

Notes to Basic Financial Statements

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The Judicial Expense Fund was created by Act 633 of the Regular Session of 1982, enacting Louisiana R.S. 13:996.19. The purpose of the Fund is to account for additional court costs provided by the Act and to provide for the administration and expenditure of such monies.

The financial statements of the Ninth Judicial District Court, Judicial Expense Fund, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units.

In evaluating how to define the entity for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are: the capacity for the organization to have its own name; the right for the organization to sue and be sued in its own name without recourse to the primary government; and, the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to consider "financially accountable" include: appointment of a voting majority of the organization's governing body; ability for the primary government to impose its will on the organization; potential to provide specific financial benefits to or improve specific financial burdens on the primary government; and fiscal dependence of the organization. The Judicial Expense Fund is part of the operations of the district court system that is fiscally dependent on the Parish government. The nature of the relationship between the Judicial Expense Fund and the district court and the Parish government is significant. Therefore, the Judicial Expense Fund is determined to be a component unit of the Rapides Parish Police Jury. Only the operating activities of the Judicial Expense Fund are included in these financial statements.

Basis of Presentation

The Judicial Expense Fund's Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Assets and the Statement of Activities. These statements include all funds of the Judicial Expense Fund and report financial information for them as a whole. Individual funds are not displayed. The Statement of Net Assets presents the financial position of the governmental activities at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Judicial Expense Fund's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The District Court does not allocate indirect expenses to functions in the Statement of Activities. The Statement

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District Court services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include criminal court fees, commissions on child support collections, and interest. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District Court.

Fund Financial Statements – The accounting system is organized on the basis of funds. The financial transactions of the Judicial Expense Fund are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing set of accounts that include its assets, liabilities, fund equity, revenues, and expenditures. 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.

Governmental funds are used to account for all of the Judicial Expense Fund's general activities, including the collection and disbursement of specifically or legally restricted monies in special revenue funds. The Fund Financial Statements report financial information by major funds and nonmajor funds, if any.

Management considers all of the following funds to be major funds:

General Fund - accounts for all of the general activities not accounted for in some other fund.

Special Revenue Fund - Child Support Fund - consists of fees received for the purpose of operating the child support office.

The most significant of the Judicial Expense Fund's accounting policies are described as follows:

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements are prepared using the economic resources 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

Fund Financial Statements (FFS)

Major individual governmental funds are reported as separate columns in the fund financial statements. Fund financial statements report detailed information about the Judicial Expense Fund. The focus of governmental fund financial statements is on major funds rather than reporting funds by type.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. Governmental funds are used to account for all of the general activities, including the collection and disbursement of earmarked monies (special revenue funds).

Governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (i.e., within 90 days after year end and available to pay obligations of the current period). Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are court and administrative fees, collection fees, grants receivable, and interest revenue.

Budgets and Budgetary Accounting

The Judicial Expense Fund's General and Special Revenue Funds budgets are adopted by the District Judges. The District Judges make any amendments. All annual appropriations lapse at year end.

Cash and Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits, as well as short-term investments, with original maturity of three months or less from the date of acquisition. Under state law, the Judicial Expense Fund may deposit funds in demand deposits (interest-bearing or non-interest bearing), money market accounts, or time deposits with banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments represent certificates of deposit with a maturity date more than three months from the date acquired. Investments are stated at cost, which approximates market value.

Receivables

Receivables are charged against income, as they become uncollectible. In the opinion of management, all accounts at year end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Due from other funds" or "Due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "Interfund receivables/payables".

Capital Assets

In the Government-Wide Financial Statements capital assets, including general capital assets, are capitalized and depreciated on a straight line method over their estimated useful lives. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on the date received. Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed.

In the Fund Financial Statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Capital asset costs less than \$500 are considered current operating expenditures.

No provision is made for depreciation on capital assets in the Fund Financial Statements since the full cost is expensed at the time of purchase.

Deferred Revenues

Deferred revenues include amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. In the Fund Financial Statements and Government-Wide Financial Statements, the Judicial Expense Fund reports deferred revenue when reimbursement – type grant funds are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Judicial Expense Fund has a legal claim to the resources, the liability for deferred revenue is removed from the Balance Sheet and the revenue is recognized.

Net Assets

Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where restricted and unrestricted monies are received by the Judicial Expense Fund for the same function or purpose, the restricted monies are used first.

Interfund Transactions

In the governmental funds, quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

Interfund balances are eliminated in the Government-Wide Financial Statements.

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

2. Legal Compliance - Budgets

As mentioned in Note 1, the General and Special Revenue Fund budgets are adopted by the District Judges. Formal budgetary integration is employed as a management control device during the year. Budgeted amounts presented in the accompanying financial statements disclose both the original adopted budget amounts and final budget amounts that include all subsequent amendments. As independently elected parish officials, budgetary control is exercised by the judges at the fund level.

The following is a reconciliation of non-GAAP budgetary comparison financial statements to GAAP basis financial statements for the General Fund.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Revenues</u>
Non-GAAP budgetary basis (Statement G)	\$ 202,005	\$ 232,290	\$ (30,285)
Adjustments – on-behalf payments made by other governmental entities			
RPPJ General Fund – court reporters	329,990	329,990	-
RPPJ Criminal Court Fund – secretaries and law clerks	726,085	726,085	-
State of Louisiana	<u>848,310</u>	<u>848,310</u>	-
GAAP basis (Exhibit E)	\$2,106,390	\$ 2,136,675	\$ (30,285)

3. Cash and Cash Equivalents and Investments

Custodial Credit Risk

At December 31, 2008, the Judicial Expense Fund had cash and investments (book balances) totaling \$875,777 in demand deposit accounts and certificates of deposit held at local financial institutions. The bank balances totaled \$888,864. A summary of collateralization of bank balances is presented below.

Insured (federal deposit insurance)	\$ 1,000,000
Collateralized (category 1)	<u>554,602</u>
	\$ 1,554,602

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 bank. The amount of pledged securities plus the federal deposit insurance held by one of the fiscal agent banks was less than the amount of deposits held by the fiscal agent bank at December 31, 2008.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

4. Receivables

	General Fund	Child Support Fund	Juvenile Drug Court Fund	Total Governmental Funds
Accounts	\$ 3,459	\$ 2,102	\$ -	\$ 5,561
Intergovernmental				
Rapides Parish Sheriff	4,968	-	-	4,968
Rapides Parish Police Jury	21	-	-	21
Louisiana Department of Social Services	-	34,905	-	34,905
Louisiana Supreme Court TANF	-	-	14,639	14,639
Louisiana – Youth Development	2,514	-	-	2,514
	<u>\$ 10,962</u>	<u>\$ 37,007</u>	<u>\$ 14,639</u>	<u>\$ 62,608</u>

5. Interfund Assets/Liabilities

Due from/to others:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Child Support	\$ 52,710

Balances at December 31, 2008, resulted from the routine lag between the dates that interfund goods or services are provided and reimbursable expenditures occur. Transactions are recorded in the accounting system, and payments between funds are made to satisfy the balances.

6. Capital Assets

	<u>Estimated Life</u>	<u>January 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2008</u>
Furniture, equipment, and improvements	3-10 Years	\$ 478,240	\$ 13,950	\$ 10,479	\$ 481,711
Less:					
Accumulated depreciation and amortization		<u>358,906</u>	<u>51,508</u>	<u>10,479</u>	<u>399,935</u>
Capital Assets, Net		\$ 119,334	\$ (37,558)	\$ -	\$ 81,776

Depreciation and amortization expense was charged to functions as follows:

Judicial expense	\$ 38,080
Child support	9,768
Juvenile drug court	1,523
Families in need of services	<u>2,137</u>
Total Depreciation and Amortization Expense for Governmental Activities	\$ 51,508

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2008**

Notes to Basic Financial Statements

7. Expenditures of the Judicial Expense Fund Not Included in the Financial Statements

The accompanying financial statements do not include certain expenditures of the office of the Judicial Expense Fund which are paid out of the funds of the Rapides Parish Police Jury General Fund and Criminal Court Fund in accordance with statutory requirements. These expenditures are summarized below.

Retired judges and widows	\$ 9,500
Telephone	17,447
Office supplies	10,558
Witness and juror's fees	100,093
Library materials	52,601
Lunacy commission expense	11,638
Equipment maintenance	9,634
Court reporter fees	10,841
Court reporter expense	6,188
	<u>\$ 228,500</u>

Also, the capital assets used by the Judicial Expense Fund that are purchased with the Rapides Parish Police Jury's money are reported in the Police Jury's financial statements. Capital assets purchased with the Judicial Expense Fund's General Fund or Special Revenue Fund revenues are reported in these financial statements.

8. Risk Management

The Ninth Judicial District Court – Judicial Expense Fund is exposed to various risks of loss related to damage to, theft of, and destruction of assets. The Rapides Parish Police Jury carries commercial insurance coverage on these assets. In addition, the Fund carries fidelity bonds on the court reports. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

Required Supplemental Information – Part II

**Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2008**

Statement G

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable</u>
	<u>Original</u>	<u>Final</u>		<u>(Unfavorable)</u>
Revenues				
Intergovernmental				
Court and administrative fees	\$ 175,000	\$ 181,000	\$ 182,940	\$ 1,940
Louisiana Office of Youth Development	18,200	14,500	14,624	124
Interest	3,000	4,500	4,441	(59)
Total Revenues	<u>196,200</u>	<u>200,000</u>	<u>202,005</u>	<u>2,005</u>
Expenditures				
Current				
Insurance premiums	37,500	39,500	39,226	274
Parking fees	2,160	2,160	2,160	-
Legal and other professional	9,000	12,000	12,933	(933)
Office supplies, etc.	12,000	12,100	12,195	(95)
Travel and training	16,000	21,000	20,435	565
Telephone and internet	8,000	8,000	8,007	(7)
Meeting and jury expense	9,350	4,100	4,146	(46)
Maintenance - equipment and network	18,700	18,700	18,948	(248)
Operating assistance to Rapides Parish Police Jury and sherriffs - supplemental pay and benefits - clerks, reporters, and office support staff	77,000	85,000	85,424	(424)
Juvenile and teen programs	21,000	17,000	16,973	27
Pauper transcripts expense	1,000	1,200	1,290	(90)
Dues and memberships	3,500	3,000	2,975	25
Capital outlay	10,000	7,500	7,578	(78)
Total Expenditures	<u>225,210</u>	<u>231,260</u>	<u>232,290</u>	<u>(1,030)</u>
Excess (Deficiency) of Revenues over Expenditures	(29,010)	(31,260)	(30,285)	975
Fund Balances, Beginning of Year	<u>270,836</u>	<u>270,836</u>	<u>270,836</u>	-
Fund Balances, End of Year	<u>\$ 241,826</u>	<u>\$ 239,576</u>	<u>\$ 240,551</u>	<u>\$ 975</u>

See independent auditor's report.

Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
Child Support Fund
Year Ended December 31, 2008

Statement H

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>(Unfavorable)</u>
Revenues				
Commissions and grants	\$ 370,000	\$ 350,000	\$ 349,676	\$ (324)
Interest	6,500	10,000	10,459	459
Total Revenues	<u>376,500</u>	<u>360,000</u>	<u>360,135</u>	<u>135</u>
Expenditures				
Current				
Fathering Assistance Program:				
Contract services, training, etc.	5,800	4,500	4,207	293
Computer and internet	900	1,100	1,097	3
Office supplies, etc.	6,500	8,300	8,212	88
Insurance	2,000	1,500	1,145	355
Travel and training	2,100	2,700	2,608	92
Membership fees and dues	1,100	1,100	1,125	(25)
Reimbursement to Rapides Parish Police Jury - salary and benefits - clerks, reporters, office support staff and utilities	235,000	231,000	230,122	878
Administrative fees to Judicial Expense Fund	50,000	53,000	52,930	70
Capital outlay	9,250	5,500	5,450	50
Total Expenditures	<u>312,650</u>	<u>308,700</u>	<u>306,896</u>	<u>1,804</u>
Excess (Deficiency) of Revenues over Expenditures	63,850	51,300	53,239	1,939
Fund Balance, Beginning of Year	592,003	592,003	592,003	-
Fund Balance, End of Year	\$ 655,853	\$ 643,303	\$ 645,242	\$ 1,939

See independent auditor's report.

**Other Report Required by
Government Auditing Standards and
Louisiana Governmental Audit Guide**

**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***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

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

Judges of Ninth Judicial District Court
Judicial Expense Fund

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ninth Judicial District Court, Judicial Expense Fund, Alexandria, Louisiana, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2008, which collectively comprise the Judicial Expense Fund's basic financial statements and have issued our report thereon dated May 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Judicial Expense Fund's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Judicial Expense Fund's financial statements that is more than inconsequential will not be prevented or detected by the Judicial Expense Fund's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as findings 08-01 through 08-04, to be significant deficiencies in internal control over financial reporting.

MARVIN A. JUREAU, C.P.A. ROBERT W. OYURAK, C.P.A. JAMES K. BALLARD, C.P.A.
ERNEST F. SASSER, C.P.A. BENECCA B. MORRIS, C.P.A. CINDY L. HOMPRIES, C.P.A.
MICHAEL A. JUREAU, C.P.A.

ROBERT L. LITTON, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

Judges of Ninth Judicial District Court
Judicial Expense Fund

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 08-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Judicial Expense Fund'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as finding 08-02.

The Judicial Expense Fund's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. We did not audit the Judicial Expense Fund's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of Judicial Expense Fund and Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 21:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants

May 15, 2009

Schedule of Findings and Responses

**Ninth Judicial District Court
Judicial Expense Fund
Schedule of Findings and Responses
Year Ended December 31, 2008**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified that are not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
<i>Management's Corrective Action Plan</i>	See Attached
<i>Management's Summary Schedule of Prior Audit Findings</i>	See Attached
<i>Memorandum of Other Comments and Recommendations</i>	Not Applicable
<i>Federal Awards</i>	Not Applicable

Section II - Findings Related to the Financial Statements Which are Required to be Reported under Government Auditing Standards

Criteria: The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Finding 08-01 - Checks Prepared for Disbursement of Funds

Condition: Two instances were noted where checks used for disbursement of funds were not completed as to amount, etc; however both checks reflected the signature of two authorized persons.

Recommendation: We recommend that checks prepared for disbursement of funds be completed as to date, payee, and amount prior to being signed by persons authorized to sign checks.

Management's Response: See Management's Corrective Action Plan.

**Ninth Judicial District Court
Judicial Expense Fund
Schedule of Findings and Responses
Year Ended December 31, 2008**

Finding 08-02 – Sales Tax Paid on Purchases

Condition: Three instances were noted where parish and/or state sales tax had been paid on expenditures.

Recommendation: Parish and/or state sales tax should not be paid on supplies, equipment, etc. purchases.

Management's Response: See Management's Corrective Action Plan.

Finding 08-03 – Financial Statement Preparation

Condition: An appropriate and effective system of internal control over financial reporting includes controls over preparation of the financial statements which would prevent or detect a misstatement in the financial statements. The Judicial Expense Fund does not have personnel with the technical accounting expertise to prepare GAAP financial statements including footnote disclosures. Due to the cost effectiveness, auditor assistance is required for preparation of the financial statements and the related notes.

Recommendation: No action is recommended.

Management's Response: See Management's Corrective Action Plan.

Finding 08-04 – Balances Due from Judges

Condition: We reported in the prior year Finding 07-02, an amount due from one of the judges of \$3,160 as of December 31, 2007. As of December 31, 2008, the balance remained unchanged. Subsequent to year-end this balance was paid in full.

Recommendation: Not applicable

Management's Response: See Management's Corrective Action Plan

**Ninth Judicial District Court
Judicial Expense Fund
Management's Corrective Action Plan
Year Ended December 31, 2008**

Ninth Judicial District Court, Judicial Expense Fund, respectfully submits the following corrective action plan for the year ended December 31, 2008.

Independent Public Accounting Firm:

Payne, Moore, & Herrington, LLP
P. O. Box 13200
Alexandria, LA 71315-3200

Audit period: January 1, 2008 to December 31, 2008

The findings from the December 31, 2008, schedule of findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the report.

Finding 08-01 – Checks Prepared for Disbursement of Funds

Contact person responsible for corrective action: Judge Davidson.

Corrective action planned: Existing controls will be more strictly enforced and followed.

Anticipated completion date: June 30, 2009.

Finding 08-02 – Sales Tax Paid on Purchases

Contact person responsible for corrective action: Judge Davidson.

Corrective action planned: Existing controls will be more strictly enforced and followed.

Anticipated completion date: June 30, 2009.

Finding 08-03 – Financial Statement Preparation

Contact person responsible for corrective action: Judge Davidson.

Corrective action planned: We believe the control deficiency is not a material weakness.

No action was recommended. The Judicial Expense Fund does not have the funds available to create and fund personnel devoted strictly to technical accounting, but will make an effort to educate its existing personnel on the GAAP financial statement procedures.

Anticipated completion date: December 31, 2009.

**Ninth Judicial District Court
Judicial Expense Fund
Management's Corrective Action Plan
Year Ended December 31, 2008**

Finding 08-04 – Balance Due from Judges

Contact person responsible for corrective action. Judge Davidson

Corrective action planned: Resolved

**Ninth Judicial District Court
Judicial Expense Fund
Management's Summary Schedule of Prior Audit Findings
Year Ended December 31, 2008**

Finding 07-01 – Funds on Deposit

Status: Resolved.

Finding 07-02 – Balances Due From Judges

Status: Resolved

Finding 07-03 – Financial Statement Preparation

Status: Unresolved – See Finding 08-03