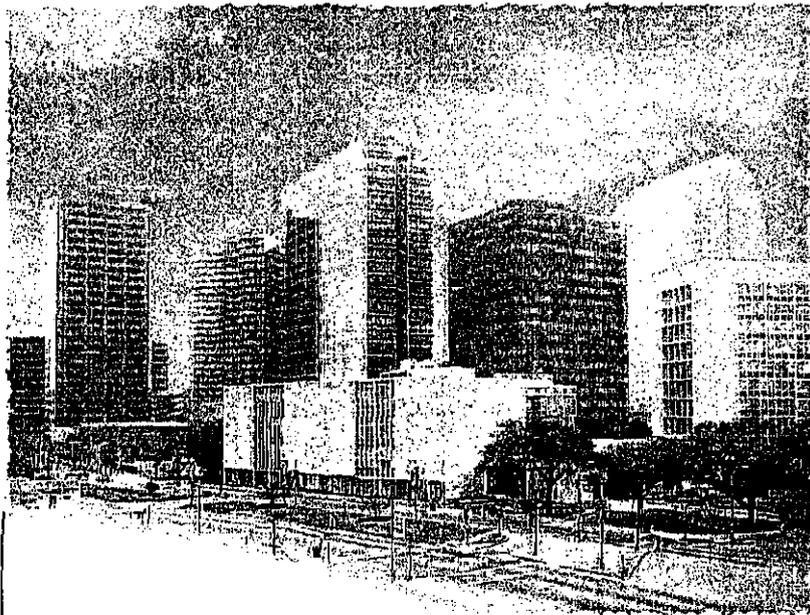


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2007 & 2006



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 8/13/08

JUDICIAL EXPENSE FUND
FOR THE CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS
STATE OF LOUISIANA

PREPARED BY ANNE W. CASTJOHN, CPA
CHIEF ACCOUNTANT

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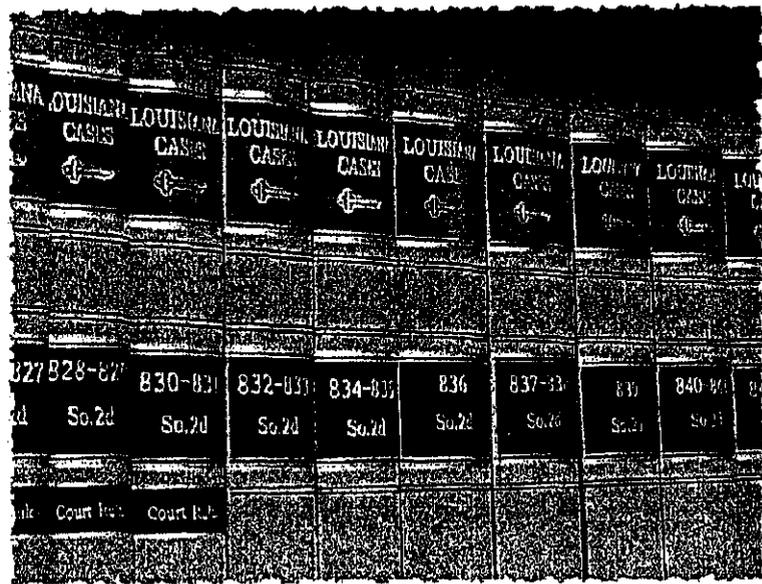
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INTRODUCTORY SECTION



JUDICIAL EXPENSE FUND

Judicial Expense Fund

320 Civil Courts Building
421 Loyola Ave.
New Orleans, La. 70112

(504) 592-9275

Fax (504) 592-9279

June 26, 2008

To: Chief Judge Nadine Ramsey
The Judges *En Banc* of the Judicial Expense Fund
The Supreme Court of the State of Louisiana
Citizens of the Parish of Orleans and the State of Louisiana

It is my privilege to present the Comprehensive Annual Financial Report (CAFR) on the financial condition of the Judicial Expense Fund for the Civil District Court for the Parish of Orleans, also including First and Second City Courts, Recorder of Mortgages, and Register of Conveyances for the City of New Orleans (the Judicial Expense Fund), for the fiscal years ended December 31, 2007 and 2006. The report was prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), and is submitted in accordance with Louisiana Revised Statutes, Title 24, section 514.

The Judges *En Banc* of the Judicial Expense Fund are responsible for the accuracy, completeness and fair presentation of the data, representations, and disclosures presented in the CAFR. To the best of my knowledge and belief, the data presented are accurate in all material respects, reported in a manner designed to fairly present the financial position and results of operations, and provide disclosures necessary to enable the reader to gain an understanding of the financial activities and condition of the Judicial Expense Fund.

The CAFR is comprised of the following three sections:

- * The Introductory section, contains background and organizational information and summarizes current initiatives;
- * The Financial section, includes the independent auditor's report, Management's Discussion and Analysis, government-wide financial statements, fund financial statements, and notes to the financial statements; and
- * The Statistical section presents historical financial data.

GASB Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis. This letter of transmittal is intended to complement Management's Discussion and Analysis, which begins on page immediately following the independent auditor's report, and should be read in conjunction with it.

Independent Audit

These financial statements have been audited by the firm of Bruno and Tervalon LLP, Certified Public Accountants, located in New Orleans, Louisiana. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Judicial Expense Fund for the fiscal years ended December 31, 2007 and 2006 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. . For the years ended December 31, 2007 and 2006, the independent auditor was unable to obtain the audited Financial Statements for Funds on Deposit for the Clerk of Civil District Court. Therefore his report was qualified with respect to those funds and no opinion was expressed upon them. With the exception of the Funds on Deposit for the Clerk of Civil District Court, the financial statements of the Judicial Expense Fund for the year ended December 31, 2007 and 2006 are fairly presented in accordance with GAAP. The independent auditor's report is the first component of the financial section of this report.

Accounting Control

Management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to provide for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within this framework. We believe that the internal accounting controls of the Judicial Expense Fund adequately safeguard assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Profile of the Judicial Expense Fund

The Louisiana State Constitution of 1879 created the Judicial Expense Fund, which includes a district court (Orleans Parish Civil District Court); two city courts (First City Court and Second City Court of New Orleans); and two city offices (the Recorder of Mortgages and the Register of Conveyances of New Orleans). The Judicial Expense Fund processes the most civil filings of all the 41 judicial districts in the state of Louisiana. Management's Discussion and Analysis includes a description of the financial reporting entity, and Note 1 explains the significant accounting policies.

The Judicial Expense Fund has only one fund, a General Fund. Revenues are comprised primarily of filing fees paid by attorneys and litigants. The Judicial Expense Fund is completely self-funded and does not receive tax revenue of any type. At December 31, 2007 and 2006 the Judicial Expense Fund did not have any debt, and all of the Fund Balance is unreserved.

As the Organizational Chart on page shows, the fourteen judges of Civil District Court, the three judges of First City Court, and the judge of Second City Court form the Judges *En Banc*, which is charged with managing the Judicial Expense Fund in accordance with Louisiana Revised Statutes, Title 13, section 1312. The names of these principal officials can be found on page 5 following this letter. All eighteen judges are elected for six-year terms. The terms of the fourteen judges of Civil District Court expire on December 31, 2008; the terms of the three First City Court judges expire on December 31, 2010; and the term of the Second City Court judge expires on December 31, 2008.

The Judges *En Banc* at a public meeting on December 19, 2006, adopted a budget for the fiscal year ending December 31, 2007. At a public meeting on December 4, 2007 the Judges *En Banc* amended the previously adopted budget for the fiscal year ended December 31, 2007 and adopted a budget for fiscal year ended December 31, 2008. In accordance with Louisiana Revised Statutes, Title 39, section 1305 the budget is prepared by function and character. Management's Discussion and Analysis compares the budget with actual results and discusses the reasons for the major variances. The budget-to-actual financial statement appears on page 76 as part of the basic financial statements.

Factors Affecting Financial Condition

On August 29, 2005, the City of New Orleans was devastated by Hurricane Katrina. Operations of the Judicial Expense Fund were suspended for the month of September 2005 and resumed in October 2005. Although the population of New Orleans is less than it was prior to the storm, the level of legal cases and real estate filings has remained high.

Act 621 of the Louisiana Legislature was signed by the Governor on June 23, 2006. One major impact of this act is the creation of the Clerk's Salary Fund which is funded by 60% of filing fees collected by the Clerk of Civil District Court. As a result of this unexpected expenditure, the Judicial Expense Fund has had a sharp reduction in net assets.

Capital Improvement Projects

The Judicial Expense Fund has completed its capital improvement project to convert from the obsolete mainframe computer. The proposed construction of a new courthouse building has been abandoned.

Investments

Currently, idle funds are invested only in two money market accounts. Note 2 describes the risks associated with these invested funds.

Risk Management

The Judges *En Banc* manage the Judicial Expense Fund's risks by purchasing commercial insurance policies, including coverage for general liability, property, crime, errors and omissions, professional liability, and workers compensation. Please see Note 9 for information on when liabilities are recorded in the financial statements.

Pensions

As is described in detail in Note 3, employees of the Judicial Expense Fund participate in one of four multiple-employer defined benefit retirement plans, depending on the employee's job. The Judicial Expense Fund does not guarantee the benefits issued by any of these four pension plans. The employer contribution rates for all four pensions increased in 2007. Note 3 contains additional pension information, including employer and employee contribution rates for 2007 and 2006.

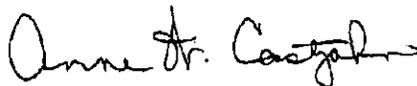
Postemployment Benefits

In June, 2004 the GASB issued Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Judicial Expense Fund implemented this Statement in 2004, four years earlier than the required implementation date. The most recent actuarial evaluation resulted in a reduced annual required contribution of \$83,524. This is significantly lower than the \$855,035, which had been posted in 2004, 2005, and 2006, therefore a prior period adjustment has been made. The total actuarial accrued liability at 1/1/07 is \$5,898,082. Note 11 provides greater detail about postemployment benefits and the actuary's report.

Acknowledgments

I express my appreciation to the Elaine Spiess, Interim Judicial Administrator, the Judges *En Banc*, Parochial Officials and their respective staff members for their support in preparing this CAFR. I would also like to thank the staff of the Judicial Expense Fund for their hard work and contributions.

Sincerely,



Anne W. Castjohn, CPA
Chief Accountant

**JUDICIAL EXPENSE FUND
FOR THE CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

PRINCIPAL OFFICIALS

2007 JUDGES EN BANC

| <u>Judge's Name</u> | <u>Court</u> | <u>Division</u> |
|-----------------------|----------------------|-----------------|
| Tiffany Chase | Civil District Court | A |
| Rosemary Ledet | Civil District Court | B |
| Sidney H. Cates, IV | Civil District Court | C |
| Lloyd J. Medley, Jr. | Civil District Court | D |
| Madeleine M. Landrieu | Civil District Court | E |
| Yada T. Magee | Civil District Court | F |
| Robin M. Giarrusso | Civil District Court | G |
| Michael G. Bagneris | Civil District Court | H |
| Piper D. Griffin | Civil District Court | I |
| Nadine M. Ramsey | Civil District Court | J |
| Herbert A. Cade | Civil District Court | K |
| Kern A. Reese | Civil District Court | L |
| Paulette R. Irons | Civil District Court | M |
| Ethel Simms Julien | Civil District Court | N |

| | <u>Section</u> |
|----------------------|-------------------|
| Charles A. Imbornone | A |
| Angelique A. Reed | B |
| Sonja M. Spears | C |
| Mary "KK" Norman | Second City Court |

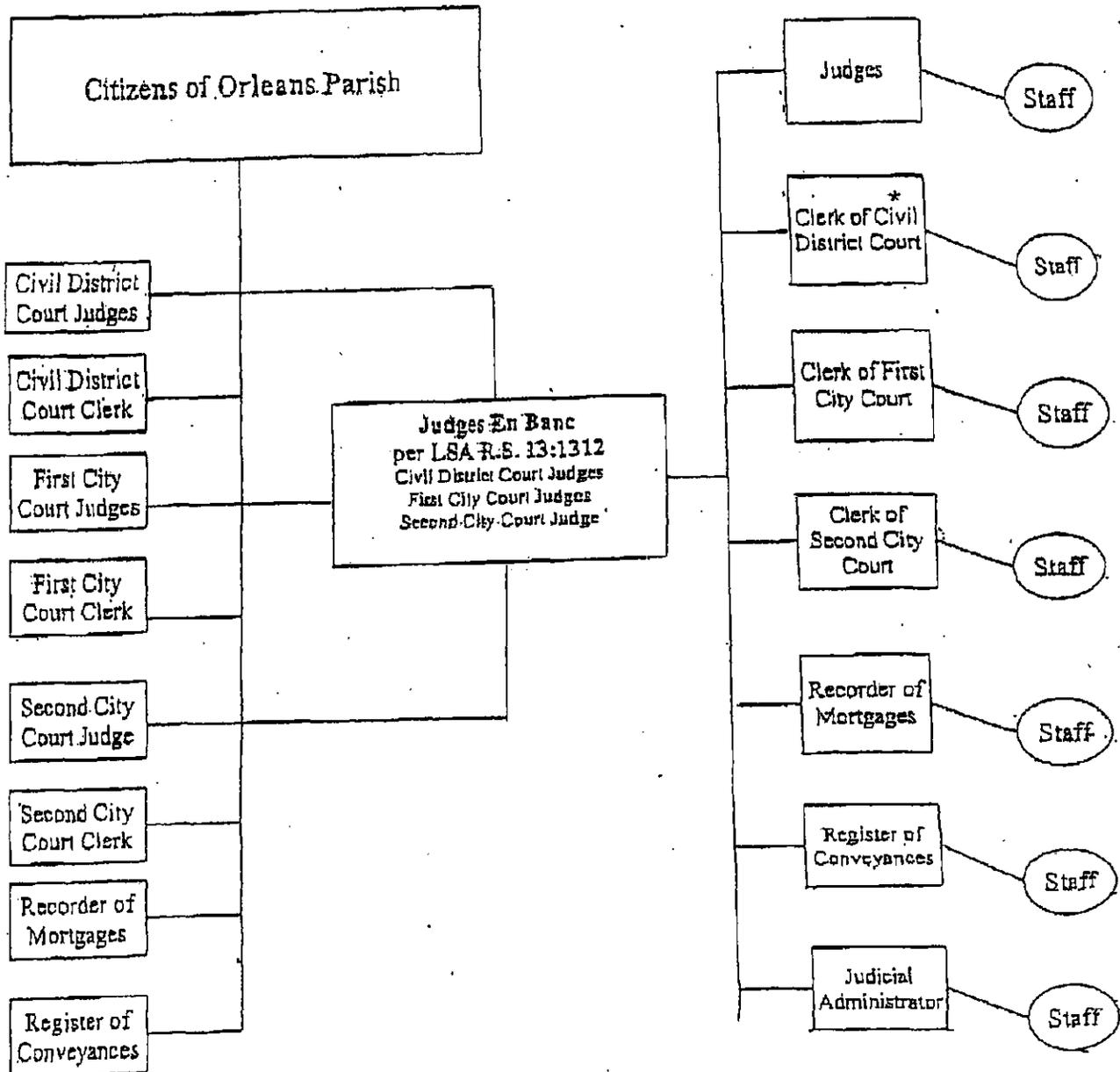
2007 PAROCHIAL OFFICIALS

| <u>Name</u> | <u>Office</u> |
|--------------------------|-------------------------------|
| Dale N. Atkins | Clerk of Civil District Court |
| Ellen M. Hazeur | Clerk of First City Court |
| Martin L. Broussard, Jr. | Clerk of Second City Court |
| Desiree M. Charbonnet* | Recorder of Mortgages |
| Carol Carter | Recorder of Mortgages |
| Gaspar J. Schiro | Register of Conveyances |

*Resigned effective 11/25/07

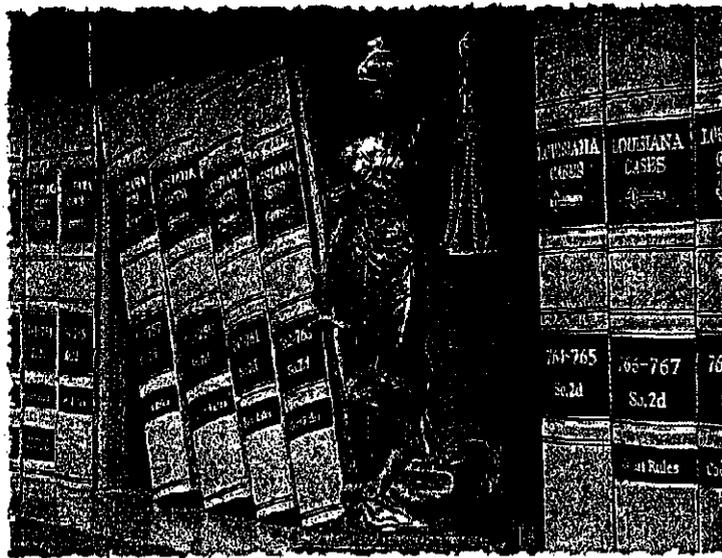
JUDICIAL EXPENSE FUND FOR THE CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

Organizational Chart



*Per Act 621
The Clerk of Civil District Court has separated her operations from the Judicial Expense Fund, effective August 1, 2007.

FINANCIAL SECTION



JUDICIAL EXPENSE FUND



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Morat, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT AUDITORS' REPORT

The Honorable Judges of the
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans**
also including **First and Second City Courts,**
Recorder of Mortgages and Register of Conveyances
for the **City of New Orleans**
New Orleans, Louisiana

We have audited the accompanying financial statements of the governmental activities and fund financial statements as listed in the Table of Contents of the **Judicial Expense Fund for the Civil District Court for the Parish of Orleans also including the First and Second City Courts, Recorder of Mortgages and Register of Conveyances for the City of New Orleans** (hereinafter collectively referred to as **the Judicial Expense Fund**) as of and for the years ended December 31, 2007, and 2006. The governmental activities and fund financial statements are the responsibility of **the Judicial Expense Fund's** management. Our responsibility is to express an opinion on the governmental activities and fund financial statements based on our audits.

We did not audit the financial statements of the Clerk of Civil District Court for the Parish of Orleans for 2007 and 2006, the First and Second City Courts of the City of New Orleans, for 2007 and 2006 whose fiscal operations pursuant to LSA-R.S. 13.1312, are managed by **the Judicial Expense Fund**. Those statements for the First and Second City Courts reflect total assets of \$781,465 (not including the Clerk of the Civil District Court salary fund for which revenues was \$4,746,054 for the year ended June 30, 2007) and \$751,173 as of December 31, 2007 and 2006, respectively.

The total assets for the Clerk of Civil District Court for the Parish of Orleans for 2006 was \$25,225,659.

These statements were audited by other auditors whose reports have been furnished to us, our opinion, insofar as it relates to the amounts included for the Clerk of Civil District Court for the Parish of Orleans, the First and Second City Courts of the City of New Orleans, is based solely on the report of the other auditors.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

The Honorable Judges of the
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans**
also including **First and Second City Courts,
Recorder of Mortgages and Register of Conveyances**
for the City of New Orleans
New Orleans, Louisiana

We conducted our audits 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 of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the governmental activities and fund financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **the Judicial Expense Fund's** internal control over reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the governmental activities and fund financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall governmental activities and fund financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in NOTE 6 to the financial statements, the financial statements for the Clerk of Civil District Court for the Parish of Orleans as of and for the year ended December 31, 2007 for the Registry, Garnishment and Appeals Funds, were not available at June 26, 2008 for inclusion in the accompanying financial statements. In our opinion, the financial statements should be included in the accompanying financial statements to conform with accounting principles generally accepted in the United States of America.

In our opinion, based on our audits and the reports of the other auditors, and except for the omission of the 2007 financial statements information previously described, and the effect of adjustments, if any, that may have resulted from the financial statements, the governmental activities and fund financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of **the Judicial Expense Fund** as of December 31, 2007, and 2006 and the changes in financial position of those activities and fund for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

The Honorable Judges of the
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans**
also including **First and Second City Courts,**
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2008 on our consideration of **the Judicial Expense Fund's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the governmental activities and fund financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the governmental activities and fund financial statements of **the Judicial Expense Fund** taken as a whole. The supplementary information identified as Exhibits E through K is presented for purposes of additional analysis and is not a required part of the accompanying governmental activities and fund financial statements.

Such information has not been subjected to the auditing procedures applied in the audits of the governmental activities and fund financial statements and, accordingly, we express no opinion on it.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

The Honorable Judges of the
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans**
also including **First and Second City Courts,**
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana

Also, the accompanying information identified as Schedules I, II, III and IV and Exhibits A, B, C, D and L is presented for purposes of additional analysis and is not a required part of the governmental activities and fund financial statements of **the Judicial Expense Fund**. Such information has been subjected to the auditing procedures applied in the audits of the governmental activities and fund financial statements and, in our opinion, except for the financial statements information previously stated, is fairly stated, in all material respects, in relation to the governmental activities and fund financial statements taken as a whole.

Bruno & Tervalon LLP

BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

June 26, 2008

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Introduction to the Two Types of Financial Statements

The **Judicial Expense Fund** has only one fund, the General Fund, and engages in only one type of activity, a governmental activity of a specific-purpose government. The fund financial statements (Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance, shown on pages 21 through 26) show the results of operations and financial position using the *current financial resources* measurement focus and the *modified accrual* basis of accounting, emphasizing the change in fund balance as a result of the current year's operations as well as the amount of resources available to spend. The government-wide financial statements (Statement of Net Assets and Statement of Activities, shown on pages 22 and 23) show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual* basis of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private-sector for-profit enterprises.

The difference in *measurement focus* affects the types of transactions and events that are reported in the operating statement. Specifically, since *fund* statements are concerned with only *current* financial resources, noncurrent assets and liabilities are not shown on the Balance Sheet, and their related expenses are not reflected in the operating statements; *government-wide* financial statements *include* noncurrent assets and liabilities and their related expenses. For the **Judicial Expense Fund** at the *fund level*, the full purchase price of capital assets, net of retirements (\$33,385 in 2007 and \$508,683 in 2006) has been recorded as *expenditures* on the operating statement in the year of purchase, since available *financial resources* have been decreased (cash has been spent to purchase the asset). In contrast, since the *government-wide* statements focus on *total* economic resources, capital assets are shown as noncurrent assets on the Statement of Net Assets (with their related accumulated depreciation), and a portion of their purchase price has been allocated as depreciation expense on the Statement of Activities, as is the practice in private-sector enterprises. On the liability side, the fund Balance Sheet excludes noncurrent liabilities (\$367,864 in 2007 and \$301,291 in 2006), but the government-wide Statement of Net Assets includes these liabilities, as they will be paid sometime in the future and thus affect *total* economic resources, although not *current* financial resources.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Introduction to the Two Types of Financial Statements, Continued

The second difference between fund and government-wide financial statements is the basis of accounting, or the timing of the recognition of transactions and events. *Fund* statements use the *modified accrual* basis of accounting, which recognizes revenues when they are earned, only so long as they are collectible within the fiscal period, and expenditures when they are due (hence the elimination of long-term liabilities from the Balance Sheet). The government-wide financial statements use the *full accrual* basis of accounting: revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the receipt or disbursement. In layman's terms, fund financial statements focus on the current fiscal year, and the resources that are available and spendable, and government-wide statements focus on the overall economic position, both short and long term. Chart 1 summarizes these differences.

CHART 1:

Overview of Difference in Fund and Government-Wide Financial Statements

| | <u>Fund</u> | <u>Government-Wide</u> |
|-------------------------|--|--------------------------|
| Statement of Position | Balance Sheet | Statement of Net Assets |
| Statement of Operations | Statement of Revenues, Expenditures, and Changes in Fund Balance | Statement of Activities |
| Measurement focus | Current financial resources | Total economic resources |
| Basis of accounting | Modified accrual | Accrual |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

CHART 1:

**Overview of Difference in Fund and Government-Wide Financial Statements,
Continued**

| | <u>Fund</u> | <u>Government-Wide</u> |
|--------------------------|---|--|
| Capital Assets | Full purchase price is expensed in the year of purchase in the operating statement; not recorded on the Balance Sheet | Full purchase price is recorded as a capital asset on the Statement of Net Assets; depreciation expense for the current fiscal year is recorded on the Statement of Activities; total accumulated depreciation expense is shown on the Statement of Net Assets |
| Noncurrent liabilities | Not shown on the Balance Sheet; the related expenditure is not recorded in the operating statement until the expenditure has occurred | Shown on the Statement of Net Assets; the related expense is recorded in the Statement of Activities |
| Depreciation expense | Not recorded | Recorded in the Statement of Activities |
| Accumulated depreciation | Not recorded | Shown on the Statement of Net Assets |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

**Overview of Difference in Fund and Government-Wide Financial Statements,
Continued**

The presentation of the two sets of financial statements is also different. On the fund level, the Balance Sheet shows Assets, Liabilities, and *Fund Balance*, with a reconciliation to the net assets figure which appears at the bottom of the government-wide Statement of Net Assets. All assets and liabilities on the Balance Sheet are current. The government-wide Statement of Net Assets shows Assets and Liabilities, separated into current and noncurrent, and *Net Assets* (the difference between the two). All of the **Judicial Expense Fund's** net assets are unrestricted, although some have been internally designated for capital projects, as explained in detail in NOTE 7.

A significant difference lies in the presentation of the operating statement. The fund Statement of Revenues, Expenditures, and Fund Balance lists revenues followed by the detailed list of expenditures (separated into direct and indirect) and ends with the *fund balance reconciliation*. This familiar statement answers the question, "Did this year's operations increase or decrease fund balance?" (available financial resources). The L-shaped government-wide Statement of Activities, which is read across then down, answers the question "How much did it cost to provide this service?" so it begins with the expenses of each function, followed by *program revenues* (the specific revenues provided by users of the services), to derive *at net program revenue* (the difference between program revenues and expenses). Reading down the net column, general revenues are added to calculate the change in net assets, which is reconciled to net assets at the end of the year. The five functions of the **Judicial Expense Fund** are (1) the fourteen divisions of Civil District Court; (2) three sections of First City Court; (3) Second City Court; (4) the Office of the Recorder of Mortgages; and (5) the Office of the Register of Conveyances. General and administrative costs are allocated to the five functions based on that function's percent of total revenues derived from filing fees.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2007 Compares with 2006 - Statement of Net Assets

Chart 2 provides condensed information from the Statement of Net Assets for 2007 and 2006.

**CHART 2:
Statement of Net Assets Comparative Data**

| | <u>2007</u> | <u>2006</u> | Variance Increase (Decrease) <u>Amounts</u> | Variance Increase (Decrease) <u>Percent (%)</u> |
|------------------------|--------------------|--------------------|--|--|
| Capital assets, net | \$ 801,044 | \$1,137,537 | \$ (336,493) | (29.6) |
| Other assets | <u>8,508,317</u> | <u>8,490,234</u> | <u>18,083</u> | .21 |
| Total assets | <u>9,309,361</u> | <u>9,627,771</u> | <u>(318,410)</u> | (3.3) |
| Noncurrent liabilities | 367,864 | 301,290 | 66,574 | 22.1 |
| Other liabilities | <u>944,318</u> | <u>1,810,515</u> | <u>(866,197)</u> | (47.8) |
| Total liabilities | <u>1,312,182</u> | <u>2,111,805</u> | <u>(799,623)</u> | (37.9) |
| Total net assets | <u>\$7,997,179</u> | <u>\$7,515,966</u> | <u>\$ 481,213</u> | 6.4 |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2007 Compares with 2006 - Statement of Net Assets, Continued

Capital assets decreased from 2006 to 2007 because purchases net of depreciation expense (\$369,878) was greater than the \$33,385 increase in purchases of capital assets in 2007. The conversion from the **obsolete 1987 WANG mainframe computer** system to an Internet-based custom-written software application which operates on Windows 2000 Dell servers, allowing for faster file retrieval times and data expansion as court filings increase began in 2001. The conversion project was to be completed in 2006. Notes 1 and 4 include details on all of the **Judicial Expense Fund's** capital assets.

The main components of Other Assets are Cash and Accounts Receivable. **Cash** decreased by \$291,951, primarily due to, lower interest income and reduction in Accounts Receivable. **Current Liabilities** decreased significantly due to reduction in accounts payable and changes in connection with the Clerk of Civil District Court's office.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2007 compares with 2006 - Statement of Activities

Chart 3 below gives comparative data from the Statement of Activities for the fiscal years ended December 31, 2007 and 2006:

**CHART 3:
Statement of Activities Comparative Data**

| | <u>2007</u> | <u>2006</u> | Variance Increase (Decrease) <u>Amounts</u> | Variance Increase (Decrease) <u>Percent (%)</u> |
|--------------------------------------|---------------------|---------------------|--|--|
| Program revenues | \$15,779,146 | \$13,679,273 | \$2,099,873 | 15.4 |
| General revenues | <u>950,563</u> | <u>1,052,323</u> | <u>(101,760)</u> | (9.7) |
| Total revenues | <u>16,729,709</u> | <u>14,731,596</u> | <u>1,998,113</u> | 13.6 |
| Expenses: | | | | |
| Civil District Court | 10,456,143 | 9,406,547 | 1,049,596 | 11.2 |
| First City Court | 2,017,101 | 1,926,615 | 90,486 | 4.7 |
| Second City Court | 498,623 | 408,912 | 89,711 | 21.9 |
| Recorder of Mortgages | 1,965,717 | 1,986,012 | (20,295) | (1.0) |
| Register of Conveyances | <u>1,310,912</u> | <u>1,176,083</u> | <u>134,829</u> | 11.5 |
| Total expenses | 16,248,496 | 14,904,169 | 1,344,327 | 9.0 |
| Change in net assets | 481,213 | (172,573) | 653,786 | (378.8) |
| Beginning net assets, as restated | <u>7,515,966</u> | <u>7,688,539</u> | <u>(172,573)</u> | (2.2) |
| Ending net assets | <u>\$ 7,997,179</u> | <u>\$ 7,515,966</u> | <u>\$ 481,213</u> | 6.4 |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

How 2007 compares with 2006 - Statement of Activities, Continued

Program revenues were higher in 2007 than 2006 because operations are beginning to return to a more normal state after Hurricane Katrina. The hurricane on August 29, 2005 resulted in the closing of the office of the courts for more than a full month with filing fees increasing gradually as the population of the city has returned. Although the population is only approximately 52% of pre-storm levels, lawsuits and mortgage and conveyance activities take place in the parish where property is located. The program revenues of the **Judicial Expense Fund** are approximately 88% of pre-storm levels.

The largest component of general revenues is **Interest Income**, which decreased by 7.6% from 2006 to 2007 due to declining interest rates and level of funds available for investment.

On June 23, 2006 Act 621 of the Louisiana Legislature was signed by the Governor. This event has resulted in the largest increase in expenses for both 2006 and 2007. To comply with the provisions of this legislation the **Judicial Expense Fund** remitted 60% of filing fees net of expenses to the Clerk of Civil District Court for the period of June 23, 2006 through July 31, 2007. On August 1, 2007 the Clerk of Civil District Court separated the operations of her office from the **Judicial Expense Fund** and began remitting 40% of filing fees to the fund on a monthly basis.

In 2006 and 2007 the largest increase in expenses was due to Act 621 and the distributions to the Clerk's Salary Fund.

Facilities costs of recent years have increased due to activity associated with the New Orleans Justice Center, the name of the proposed new court house building. Prior to Hurricane Katrina \$255,829 was spent on planning for this building project. In 2006 the project was abandoned and no additional money was spent in either 2006 or 2007.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Budgetary Comparison

Chart 4 below shows the amounts for the original budget, final budget, and actual results for 2007 and 2006.

**CHART 4:
2007 and 2006 Budgetary Comparison Data**

| | <u>2007</u> | | |
|---------------------------------|----------------------------|-------------------------|---------------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
| Revenues | \$11,766,913 | \$15,470,650 | \$16,729,709 |
| Other financing sources (uses): | | | |
| Fund balance | <u>1,650,000</u> | <u>764,014</u> | <u>-0-</u> |
| Total revenues | <u>13,416,913</u> | <u>16,234,664</u> | <u>16,729,709</u> |
| Operating expenditures | 13,393,689 | 16,234,664 | 15,812,043 |
| Capital expenditures | <u>-0-</u> | <u>-0-</u> | <u>33,385</u> |
| Total expenditures | <u>13,393,689</u> | <u>16,234,664</u> | <u>15,845,428</u> |
| Change in net assets | 23,224 | -0- | 884,281 |
| Beginning net assets | <u>6,679,719</u> | <u>6,679,719</u> | <u>6,679,719</u> |
| Change in fund balance | <u>\$ 6,702,943</u> | <u>\$ 6,679,719</u> | <u>\$ 7,564,000</u> |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Budgetary Comparison, Continued

**CHART 4:
2007 and 2006 Budgetary Comparison Data, Continued**

| | <u>2006</u> | | |
|--------------------------|---------------------------|------------------------|---------------------|
| | Original <u>Budget</u> | Final <u>Budget</u> | <u>Actual</u> |
| Revenues | \$ 17,795,942 | \$ 13,713,240 | \$14,731,597 |
| Other Financial Sources: | | | |
| Fund balance | <u>1,600,000</u> | <u>-0-</u> | <u>-0-</u> |
| Total revenues | <u>19,395,942</u> | <u>13,713,240</u> | <u>14,731,597</u> |
| Operating expenditures | 18,581,469 | 12,739,924 | 14,359,193 |
| Capital expenditures | <u>810,000</u> | <u>-0-</u> | <u>508,683</u> |
| Total expenditures | <u>19,391,469</u> | <u>12,739,924</u> | <u>14,867,876</u> |
| Change in net assets | 4,473 | 973,316 | (136,279) |
| Beginning net assets | <u>6,815,998</u> | <u>6,815,998</u> | <u>6,815,998</u> |
| Ending net assets | <u>\$ 6,820,471</u> | <u>\$ 7,789,314</u> | <u>\$ 6,679,719</u> |

The original 2007 budget was amended once, because it became apparent that the initial estimates were too low. At the time of the amendment it was estimated that although the population of the city is less than pre-Katrina levels, the volume of activity has substantially recovered.

Actual results exceeded the final budget: actual revenues were higher than budgeted, and operating expenditures were lower than budgeted. A major factor is that at the time the budget was prepared, the latest actuarial report for post employment benefits, required by GASB 45 was not available. The report indicated a required annual contribution that was \$429,000 less than had been expected. Actual capital expenditures were more than budgeted because no capital expenditures had been expected, but some assets needed to be replaced.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

Overall Analysis

Operations in 2007 increased net assets by \$481,213. Revenue has returned to near pre-Katrina levels while, with the exception of the Clerk's Salary Fund expense, expenses have remained low. Post employment benefit expense and other employee benefits expenses have gone down due to the fact that there are less employees than in prior years and the Office of Group Benefits now offers Medicare Supplement Insurance. The completion of the computer system has also improved operations and raised remote access revenue.

Significant Events

Act 621 of the Louisiana Legislative has been the focus of the **Judicial Expense Fund** since it was enacted. This act which is intended to changed the make up of the **Judicial Expense Fund** and to cause a consolidation of the Civil District Court, the Criminal District Court and the Juvenile District Court for the Parish of Orleans into the 41st Judicial District. Although certain provisions about the Act have been amended, the composition of the **Judicial Expense Fund** is expected to change in January 2009. It has had a significant impact on the fund since it was enacted.

The **Judicial Expense Fund** does not have any infrastructure assets, nor does it have any long-term debt other than compensated absences and a retirement escrow which are discussed in NOTE 1. Since the **Judicial Expense Fund** has only one fund, the General Fund, no fund analysis is necessary as this entire discussion pertains to this single general fund.

Requests For Information

This financial report is designated to provide a general overview of the finances of the **Judicial Expense Fund** for all of those with an interest in the finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the **Judicial Expense Fund** 321 Civil Courts Building 421 Loyola Avenue - New Orleans, LA 70112.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF NET ASSETS
DECEMBER 31, 2007 AND 2006

ASSETS

GOVERNMENTAL ACTIVITIES

| | <u>2007</u> | <u>2006</u> |
|--|------------------|------------------|
| Current Assets: | | |
| Cash and temporary cash investments (NOTE 2) | \$7,255,933 | \$7,366,322 |
| Accounts receivable | 559,231 | 418,756 |
| Interest receivable (NOTE 6) | 562,970 | 615,772 |
| Prepaid items | <u>130,183</u> | <u>89,384</u> |
| Total current assets | <u>8,508,317</u> | <u>8,490,234</u> |
| Noncurrent Assets: | | |
| Capital assets, net of accumulated depreciation (NOTE 4) | <u>801,044</u> | <u>1,137,537</u> |
| Total noncurrent assets | <u>801,044</u> | <u>1,137,537</u> |
| Total assets | <u>9,309,361</u> | <u>9,627,771</u> |

LIABILITIES

| | | |
|--|------------------|------------------|
| Current Liabilities: | | |
| Accounts payable and accrued expenses | 923,001 | 1,346,658 |
| Supreme Court funds payable | 21,317 | 34,687 |
| Accrued salaries and benefits payable | -0- | 308,254 |
| Clerk of Civil District Court operational fund payable (NOTE 14) | <u>-0-</u> | <u>120,916</u> |
| Total current liabilities | <u>944,318</u> | <u>1,810,515</u> |
| Noncurrent liabilities: | | |
| Compensated absences payable (NOTE 12) | 55,459 | 50,449 |
| Other liabilities (NOTE 12) | 1,300 | 269 |
| Unfunded post employment benefits (NOTE 11) | <u>311,105</u> | <u>250,572</u> |
| Total noncurrent liabilities | <u>367,864</u> | <u>301,290</u> |
| Total liabilities | <u>1,312,182</u> | <u>2,111,805</u> |

NET ASSETS

| | | |
|-------------------------------------|--------------------|--------------------|
| Invested in capital assets (NOTE 4) | 801,044 | 1,137,537 |
| Unrestricted (NOTE 7) | <u>7,196,135</u> | <u>6,378,429</u> |
| Total net assets | <u>\$7,997,179</u> | <u>\$7,515,966</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

| Functions | 2007 | | 2006 | | Net (Expenses) Revenues and Changes in Net Assets |
|---|---------------------|---|---------------------|---|---|
| | Expenses | Program Revenues Charges for Services | Expenses | Program Revenues Charges for Services | |
| Civil District Court | \$10,456,143 | \$ 7,995,893 | \$ 9,406,547 | \$ 7,855,956 | \$ (1,470,347) |
| First City Court | 2,017,101 | 945,740 | 1,926,615 | 975,486 | (951,129) |
| Second City Court | 498,623 | 113,700 | 408,912 | 119,734 | (289,178) |
| Recorder of Mortgages | 1,965,717 | 3,546,662 | 1,986,012 | 3,045,910 | 1,256,731 |
| Register of Conveyances | 1,310,912 | 3,130,738 | 1,176,083 | 1,279,272 | 229,027 |
| Total | \$16,248,496 | \$15,732,733 | \$14,904,169 | \$13,276,358 | (1,224,896) |
| General Revenues: | | | | | |
| Interest income | | | 885,953 | | 959,191 |
| Other income | | | 64,610 | | 93,132 |
| Total general revenues | | | 950,563 | | 1,052,323 |
| Change in net assets | | | 481,213 | | (172,573) |
| Net assets, beginning of the year as restated (NOTE 15) | | | 7,515,966 | | 7,688,539 |
| Net assets, end of the year | | | \$ 7,997,179 | | \$7,515,966 |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
BALANCE SHEET- GOVERNMENTAL FUND
DECEMBER 31, 2007 AND 2006**

ASSETS

| | <u>2007</u> | <u>2006</u> |
|-------------------------------------|------------------|------------------|
| Cash and temporary cash investments | \$7,255,933 | \$7,366,322 |
| Accounts receivable | 559,231 | 418,756 |
| Interest receivable | 562,970 | 615,772 |
| Prepaid items | <u>130,183</u> | <u>89,384</u> |
| Total assets | <u>8,508,317</u> | <u>8,490,234</u> |

LIABILITIES

| | | |
|--|----------------|------------------|
| Accounts payable | 916,673 | 1,346,658 |
| Supreme Court funds payable | 21,317 | 34,687 |
| Salaries and benefits payable | 6,327 | 308,254 |
| Clerk of Civil District Court Operational Fund payable | <u>-0-</u> | <u>120,916</u> |
| Total liabilities | <u>944,317</u> | <u>1,810,515</u> |

FUND BALANCE

| | | |
|---|------------------|------------|
| Unreserved fund balance designated for subsequent years' special projects | 3,760,000 | 6,679,719 |
| Unreserved | <u>3,804,000</u> | <u>-0-</u> |
| Total fund balance | 7,564,000 | 6,679,719 |

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 governmental fund at the fund level. | 801,044 | 1,137,537 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund at the fund level. | <u>(367,865)</u> | <u>(301,290)</u> |
| Net assets | <u>\$7,997,179</u> | <u>\$7,515,966</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE—GOVERNMENTAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

| | <u>2007</u> | <u>2006</u> |
|--|-------------------|-------------------|
| REVENUES | | |
| Filing fees | \$15,564,093 | \$13,149,060 |
| Interest income | 885,954 | 959,190 |
| Remote access fees | 168,639 | 127,300 |
| Grants | 46,413 | 402,915 |
| Other income | <u>64,610</u> | <u>93,132</u> |
| Total revenues | <u>16,729,709</u> | <u>14,731,597</u> |
| EXPENDITURES | | |
| Direct: | | |
| Salaries | 8,105,576 | 7,515,582 |
| Employee benefits | 2,570,792 | 2,536,973 |
| Court stenographer and interpreter fees | 16,402 | 27,303 |
| Juror meals and transportation | 40,639 | 34,162 |
| UCC filing fees | <u>39,377</u> | <u>37,100</u> |
| Total direct expenditures | <u>10,772,786</u> | <u>10,151,120</u> |
| Indirect: | | |
| Clerk of Civil District Court Operational Fund | 3,167,916 | 1,526,784 |
| Books, printing and copying | 308,226 | 290,921 |
| Building and personnel security | 105,992 | 121,327 |
| Furniture, equipment and maintenance | 211,711 | 206,403 |
| Facilities | 297,737 | 469,828 |
| Insurance | 127,056 | 115,027 |
| Office supplies and expenditures | 157,310 | 206,709 |
| Postage and courier | 42,297 | 55,566 |
| Professional services | 214,561 | 230,801 |
| Communication | 233,775 | 243,307 |
| Other expenditures | <u>34,520</u> | <u>652,340</u> |
| Page total | <u>4,901,101</u> | <u>4,119,013</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE--GOVERNMENTAL FUND, CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

| | <u>2007</u> | <u>2006</u> |
|-------------------------------------|---------------------|--------------------|
| EXPENDITURES, CONTINUED | | |
| Indirect: | | |
| Professional education and dues | \$ 138,156 | \$ 89,060 |
| Capital expenditures | <u>33,385</u> | <u>508,683</u> |
| Total indirect expenditures | <u>5,072,642</u> | <u>4,716,756</u> |
| Total expenditures | <u>15,845,428</u> | <u>14,867,876</u> |
| Change in fund balance | 884,281 | (136,279) |
| Fund balance, beginning of the year | <u>6,679,719</u> | <u>6,815,998</u> |
| Fund balance, end of year | <u>\$ 7,564,000</u> | <u>\$6,679,719</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

| | <u>2007</u> | <u>2006</u> |
|---|------------------|--------------------|
| Net change in fund balance | \$884,281 | \$(136,279) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays, net of retirements exceed accumulated depreciation in the current period. | (336,493) | 49,252 |
| Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. | (6,043) | (2,022) |
| Postemployment benefits not funded in the current year do not require the use of current financial resources and therefore not reported as expenditures in the governmental fund. | (60,532) | (83,524) |
| Change in net assets | <u>\$481,213</u> | <u>\$(172,573)</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2007**

ASSETS

**CLERK, CIVIL DISTRICT COURT
FOR THE
PARISH OF ORLEANS - SALARY FUND**

| | |
|---------------------------|--------------------|
| Cash and cash equivalents | \$1,995,243 |
| Receivables | <u>19,374</u> |
| Total assets | <u>\$2,014,617</u> |

LIABILITIES

| | |
|------------------------------|----------------|
| Accounts payable | \$ 3,680 |
| Accrued payroll liabilities | 75,245 |
| Due to Judicial Expense Fund | <u>58,024</u> |
| Total liabilities | <u>136,949</u> |

FUND EQUITY

| | |
|--|--------------------|
| Fund balance - unreserved and undesignated | <u>1,877,668</u> |
| Total liabilities and fund equity | <u>\$2,014,617</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE-GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2007**

REVENUES

**CLERK, CIVIL DISTRICT COURT
FOR THE
PARISH OF ORLEANS - SALARY FUND**

| | |
|--|------------------|
| Fees, charges, and commissions for services: | |
| Fees for filing legal documents | \$3,986,266 |
| Fees for copies of documents and facsimiles | 372,442 |
| Insurance arbitration fees | 198,175 |
| Miscellaneous | 147,186 |
| Interest earnings | <u>41,985</u> |
| Total revenues | <u>4,746,054</u> |

Expenditures

| | |
|---|--------------------|
| General government: | |
| Personnel services and related benefits | 2,113,832 |
| Operating services | 534,022 |
| Disaster losses, recovery and remediation costs | <u>247,346</u> |
| Total expenditures | <u>2,895,200</u> |
| Excess of revenues over expenditures | 1,850,854 |
| Fund balance, beginning of year | <u>26,814</u> |
| Fund balance, end of year | <u>\$1,877,668</u> |

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

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2007

| | <u>CLERK OF THE SECOND CITY COURT OF THE CITY OF NEW ORLEANS</u> | <u>CLERK OF THE FIRST CITY COURT OF THE CITY OF NEW ORLEANS</u> |
|------------------------------------|--|---|
| | <u>REGISTRY OF COURT FUND</u> | <u>REGISTRY OF COURT FUND</u> |
| Assets: | | |
| Cash | \$37,527 | \$288,365 |
| Due from Registry of Court Fund | <u>-0-</u> | <u>-0-</u> |
| Total assets | <u>37,527</u> | <u>422,482</u> |
| | | |
| | <u>GARNISHMENT DEPOSIT FUND</u> | <u>GARNISHMENT DEPOSIT FUND</u> |
| | \$32,536 | \$422,482 |
| | <u>555</u> | <u>-0-</u> |
| | <u>33,091</u> | <u>422,482</u> |
| Liabilities and Net Assets: | | |
| Liabilities: | | |
| Due to Judicial Expense Fund | 14,232 | -0- |
| Due to Garnishment Deposit Fund | 555 | -0- |
| Due to Capital Improvement Fund | 173 | -0- |
| Unsettled deposits | 22,567 | -0- |
| Due to litigants | -0- | 298,197 |
| Undistributed interest | <u>-0-</u> | <u>124,285</u> |
| Total liabilities | <u>37,527</u> | <u>422,482</u> |
| Net assets | <u>\$ -0-</u> | <u>\$ -0-</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2006**

| | <u>CLERK OF THE SECOND CITY COURT OF THE CITY OF NEW ORLEANS</u> | <u>CLERK OF THE FIRST CITY COURT OF THE CITY OF NEW ORLEANS</u> | |
|------------------------------------|--|---|-------------------------------------|
| | <u>REGISTRY OF COURT FUND</u> | <u>GARNISHMENT DEPOSIT FUND</u> | <u>REGISTRY OF COURT FUND</u> |
| | | | <u>GARNISHMENT DEPOSIT FUND</u> |
| Assets: | | | |
| Cash | \$ 37,305 | \$ 31,680 | \$ 414,891 |
| Due from Registry of Court Fund | <u>-0-</u> | <u>450</u> | <u>-0-</u> |
| Total assets | <u>37,305</u> | <u>32,130</u> | <u>414,891</u> |
| Liabilities and Net Assets: | | | |
| Liabilities: | | | |
| Due to Judicial Expense Fund | 9,663 | \$ -0- | \$ -0- |
| Due to Garnishment Deposit Fund | 450 | -0- | -0- |
| Due to Capital Improvement Fund | 210 | 980 | -0- |
| Unsettled deposits | 27,382 | 31,150 | -0- |
| Due to litigants | -0- | -0- | 290,680 |
| Undistributed interest | <u>-0-</u> | <u>-0-</u> | <u>124,211</u> |
| Total liabilities | <u>37,705</u> | <u>32,130</u> | <u>\$ 414,891</u> |
| Net assets | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2006**

| | <u>GARNISHMENT FUND</u> | <u>REGISTRY/ APPEALS FUND</u> | <u>TOTAL</u> |
|---|-----------------------------|---------------------------------------|----------------------|
| Assets: | | | |
| Cash | \$ <u>24,672,219</u> | \$ <u>553,440</u> | \$ <u>25,225,659</u> |
| Total assets | <u>24,672,219</u> | <u>553,440</u> | <u>25,225,659</u> |
| Liabilities and Net Assets: | | | |
| Liabilities: | | | |
| Deposits by litigants and interest credited | 24,432,221 | 553,440 | 24,985,661 |
| Due to Judicial Expense Fund | <u>615,772</u> | <u>-0-</u> | <u>615,772</u> |
| Total liabilities | <u>25,047,993</u> | <u>553,440</u> | <u>25,601,433</u> |
| Net assets (deficit): | | | |
| Pending litigation | (386,350) | -0- | (386,350) |
| Undistributed funds | <u>10,576</u> | <u>-0-</u> | <u>10,576</u> |
| Net assets (deficit): | <u>\$ (375,774)</u> | <u>\$ -0-</u> | <u>\$ (375,774)</u> |

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

JUDICIAL EXPENSE FUND
FOR THE

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

CLERK OF THE SECOND CITY COURT
OF THE CITY OF NEW ORLEANS

REGISTRY OF COURT FUND \$ 37,705

REGISTRY OF COURT FUND \$ 253,479

GARNISHMENT DEPOSIT FUND \$ 32,130

GARNISHMENT DEPOSIT FUND \$ 290,680

Liabilities at Beginning of Year

Additions
Court Costs, charges and fees collected 162,747
Less: Court costs, charges and fees refunded (1,429)
Constable and transcript fees collected 365
Garnishment Deposits 705
Interest earnings 173
Collections on behalf of litigants or upon court order 1,351

4,265

Total additions

166,826

Reductions

Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund 156,749
Constable and transcript fees paid 365
Garnishment Deposits distributed to the Garnishment Deposit Fund 600
Payments to litigations or per court order 8,990
Interest earnings distributed to the Capital Improvements Fund -0-
Garnishment deposits, distributions to respondents and refunds 115
Bank Charges -0-
Transfers to Capital Improvement Fund 210
Other reductions 90

Total reductions

167,004

Liabilities at the end of the year

\$ 37,527

\$ 33,091

\$ 274,948

\$ 298,197

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

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

| | <u>CLERK OF THE SECOND CITY COURT</u> <u>OF THE CITY OF NEW ORLEANS</u> | <u>CLERK OF THE FIRST CITY COURT</u> <u>OF THE CITY OF NEW ORLEANS</u> | |
|--|--|---|---|
| | <u>REGISTRY OF</u> <u>COURT FUND</u> \$ 37,710 | <u>REGISTRY OF</u> <u>COURT FUND</u> \$ 265,915 | <u>GARNISHMENT</u> <u>DEPOSIT FUND</u> \$ 285,390 |
| Liabilities at Beginning of Year | | | |
| | <u>\$ 37,710</u> | <u>\$ 31,550</u> | <u>\$ 285,390</u> |
| Additions | | | |
| Court Costs, charges and fees collected | 167,370 | -0- | -0- |
| Less: Court costs, charges and fees refunded | (2,589) | -0- | -0- |
| Constable and transcript fees collected | 759 | -0- | -0- |
| Garnishment Deposits | 585 | 615 | -0- |
| Interest earnings | 210 | 1,293 | 2,955 |
| Collections on behalf of litigants or upon court order | <u>7,268</u> | <u>-0-</u> | <u>6,385</u> |
| Total additions | <u>173,603</u> | <u>1,908</u> | <u>9,340</u> |
| Reductions | | | |
| Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund | 170,420 | -0- | -0- |
| Constable and transcript fees paid | 759 | -0- | -0- |
| Garnishment Deposits distributed to the Garnishment Deposit Fund | 510 | -0- | -0- |
| Payments to litigations or per court order | 1,811 | 1,243 | 885 |
| Interest earnings distributed to the Capital Improvements Fund | -0- | 85 | -0- |
| Garnishment deposits, distributions to respondents and refunds | -0- | -0- | -0- |
| Bank Charges | -0- | 26 | 79 |
| Transfers to Capital Improvement Fund | <u>108</u> | <u>-0-</u> | <u>3,086</u> |
| Total reductions | <u>173,608</u> | <u>1,328</u> | <u>4,050</u> |
| Liabilities at the end of the year | <u>\$ 37,705</u> | <u>\$ 32,130</u> | <u>\$ 290,680</u> |

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

**JUDICIAL EXPENSE FUND FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
STATEMENT OF FIDUCIARY LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | <u>REGISTRY/ GARNISHMENT FUNDS</u> | <u>APPEAL FUND</u> | <u>TOTAL</u> |
|--|--|------------------------|------------------|
| Liabilities at Beginning of Year | \$ (375,774) | \$ -0- | \$ (375,774) |
| Additions | | | |
| Court Costs, charges and fees collected | -0- | -0- | -0- |
| Less: Court costs, charges and fees refunded | -0- | -0- | -0- |
| Constable and transcript fees collected | -0- | -0- | -0- |
| Garnishment Deposits | -0- | -0- | -0- |
| Interest earnings | 1,231,544 | - | 1,231,544 |
| Collections on behalf of litigants or upon court order | -0- | -0- | -0- |
| Total additions | <u>1,231,544</u> | <u>-0-</u> | <u>1,231,544</u> |
| Reductions | | | |
| Fees, court costs, charges and interest earnings distributed to Judicial Expense Fund | 615,772 | -0- | 615,772 |
| Constable and transcript fees paid | -0- | -0- | -0- |
| Garnishment Deposits distributed to the Garnishment Deposit Fund | -0- | -0- | -0- |
| Payments to litigations or per court order | -0- | -0- | -0- |
| Interest earnings distributed to the Capital Improvements Fund | -0- | -0- | -0- |
| Garnishment deposits, distributions to respondents and refunds | -0- | -0- | -0- |
| Bank Charges | -0- | -0- | -0- |
| Transfers to Capital Improvement Fund | -0- | -0- | -0- |
| Transfers to Registry Fund | <u>615,772</u> | <u>-0-</u> | <u>615,772</u> |
| Total reductions | <u>1,231,544</u> | <u>-0-</u> | <u>1,231,544</u> |
| Liabilities at the end of the year | \$ (375,774) | \$ -0- | \$ (375,774) |

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

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**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

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**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - Summary of Significant Accounting Policies :

Background

The Judicial Expense Fund for the Civil District Court for the Parish of Orleans (the Judicial Expense Fund) is designated by LSA-R.S. 13:1312 as the managing entity for fiscal operations of the Clerks of the Civil District Court for the Parish of Orleans, the First and Second City Courts of the City of New Orleans, and the offices of the Recorder of Mortgages and the Register of Conveyances for the City of New Orleans.

The judges of the Civil District Court for the Parish of Orleans and the judges of the First and Second City Courts of the City of New Orleans, sitting *En Banc* as set forth in LSA-R.S. 13:1312, have sole responsibility and oversight for **the Judicial Expense Fund**. This responsibility and oversight includes control over all revenues deposited into **the Judicial Expense Fund** by the aforementioned courts and offices, all disbursements made by **the Judicial Expense Fund**, the setting of all fees charged by the courts and offices comprising **the Judicial Expense Fund**, and the determination of expenses related to the operations of such courts and offices.

The accounting policies of **the Judicial Expense Fund** conform to accounting principles generally accepted in the United States of America as applicable to governmental agencies. The following is a summary of the more significant accounting policies:

The Financial Reporting Entity

Governmental Accounting Standards Board Statement No. 14, as subsequently amended by (GASB 39) *The Financial Reporting Entity*, (GASB 14) established standards for defining and reporting on the financial entity. GASB 14 indicates the *focal point for identifying the financial reporting entity is the primary government*, which is considered to be any state government or general purpose local government or a special purpose government that meets all of the following criteria: a) has a separately elected governing body; b) is legally separate; and c) is fiscally independent of other state and local governments.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

The Financial Reporting Entity, Continued

On June 23, 2006, the Louisiana State Legislature enacted Act 621 of the Louisiana 2006 regular session to create the 41st **Judicial District Court**. Included in the provisions for the Act was the collection and allocation of fees to the **Judicial Expense Fund** and the Clerk of the Civil District Court's operational funds. Specifically, the Act provides for the collection of fees and the deposit of a minimum of sixty percent of those funds in the Clerk of the Civil District Court and the **Judicial Expense Fund**.

As previously discussed, state statute established the **Judicial Expense Fund** as the managing entity for fiscal operations of the Clerks of the Civil District Court for the Parish of Orleans, the First and Second City Courts of the City of New Orleans, and the Recorder of Mortgages and the Register of Conveyances for the City of New Orleans which are separate and independent of any other governmental "reporting entity" as defined by GASB's 14 and 39. In addition, the **Judicial Expense Fund** is financially independent of other governments. Although the **Judicial Expense Fund** conducts its business from a building provided by the City of New Orleans as discussed in NOTE 4, this support is considered incidental in relation to the **Judicial Expense Fund's** total revenues and expenditures and in view of the additions and improvements made to this building by the **Judicial Expense Fund** from its operating revenues over the term of its occupancy which total in excess of \$3,477,966 for 2007 and \$3,180,229 for 2006.

Accordingly, management has concluded that the **Judicial Expense Fund** is the financial reporting entity within the meaning of the provisions of GASB's 14 and 39.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all activities of the **Judicial Expense Fund**. The **Judicial Expense Fund** is considered to be a governmental activity of a special purpose government.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

Government-Wide and Fund Financial Statements, Continued

The Judicial Expense Fund's Statement of Activities demonstrates the degree to which the expenses of a given function are offset by function revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in expenses reported by function. Program revenues include filing and remote access fees and operating grants.

Separate financial statements are provided for **the Judicial Expense Fund's** governmental fund. **The Judicial Expense Fund's** government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, **the Judicial Expense Fund** considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Judicial Expense Fund reports its governmental fund as follows:

General Fund

The General Fund is used to account for all financial resources of **the Judicial Expense Fund**.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

General Fund, Continued

The operations of the General Fund are comprised of the General Fund's assets, liabilities, fund balance, revenues and expenditures, as related to the fiscal operations of the Clerks of the Civil District Court, First City Court, Second City Court, and the offices of the Recorder of Mortgages and the Register of Conveyances.

Salaries of the judges of the Civil District Court, which are paid directly by the Supreme Court of Louisiana, are not included in the financial statements presented herein since such salaries are earned by the respective judges for serving in their capacities as state judges and not for compensation in their roles as management of the **Judicial Expense Fund**.

The judges receive no compensation for serving in their capacity as Judges *En Banc* of the **Judicial Expense Fund for the Parish of Orleans**.

Additionally, the **Judicial Expense Fund** has no authority in the determination of these salary amounts or the duties of these individuals in their capacities as state judges. For the same reasons, certain expenditures incurred by these judges and paid directly by the Supreme Court of Louisiana are likewise excluded from these financial statements. Also, salaries of the judges of the *First and Second City Courts* are paid jointly by the Supreme Court of Louisiana and the **Judicial Expense Fund** (pursuant to LSA-R.S. 13:2152). For the years ended December 31, 2007, and 2006, the **Judicial Expense Fund** paid \$78,925 and \$74,345, respectively for each of the four (4) city court judges for a total of \$311,119 and \$297,379, respectively in salaries to these judges.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

Capital Assets

The **Judicial Expense Fund**'s capitalization policy requires that all single assets costing \$1,500 or more be capitalized and depreciated over their useful lives. Single assets costing less than \$1,500 are expensed. All assets regardless of cost, are tracked. The straight-line method of depreciation is used for all classes of capital assets, and the allocation of depreciation expense begins on the first day of the quarter in which the capital asset is purchased. Leasehold improvements are amortized over the lesser of their useful lives or lease period. Based on its own experience, the **Judicial Expense Fund** established the following estimated useful lives for each asset class:

| <u>Asset Class</u> | <u>Estimated Useful Lives in Years</u> |
|------------------------|--|
| Computer Equipment | 5 |
| Computer Software | 5 |
| Office Equipment | 5 |
| Furniture and Fixtures | 10 |
| Leasehold Improvements | 3 |

All capital assets acquired or donated are valued at historical cost or estimated historical cost if actual historical cost is not available.

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

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies , Continued:

Budgets and Budgetary Accounting

The Judges *En Banc* at a public meeting on December 4, 2007, adopted a budget for the fiscal year ending December 31, 2008. Furthermore, the Judges *En Banc* held a meeting to amend the previously adopted budget for the fiscal year ended December 31, 2007.

Compensated Absences

Employees who work in the offices of the Clerk of First City Court and the Register of Conveyances are permitted to accumulate a limited amount of earned but unused leave (annual vacation and sick leave). The unused leave may be carried forward from year to year and is payable upon separation from service. Accrued leave earned but unused by those employees at December 31, 2007 and 2006, respectively, has been included in the accompanying financial statements.

Professional Education and Dues

It is **the Judicial Expense Fund's** policy to limit expenses by each division of the Court for additional operating expenses. Such expenses may be made at the discretion of each presiding divisional judge in accordance with specific guidelines established by **the Judicial Expense Fund** as to the purpose for which these expenses may be used and only for such expenses supported by proper documentation.

The specific guidelines established by **the Judicial Expense Fund** permit use of such amounts for expenses directly associated with or incidental to legal or judicial matters and functions. These expenses are included in the General Fund of the accompanying financial statements of **the Judicial Expense Fund**.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 1 - Summary of Significant Accounting Policies, Continued:

Use of 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 disclosures 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.

Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Governmental Accounting Standards Board (GASB) Numbers 25 and 27

In November, 1994 the GASB issued Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. As such, **the Judicial Expense Fund's** financial statements reflect the disclosure requirements of GASB Numbers 25 and 27.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Reclassifications

Certain amounts have been reclassified to conform to current year's presentation.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 2 - Cash and Temporary Cash Investments:

Cash and temporary cash investments include amounts in demand deposit accounts as well as short-term cash investments with maturities of three months or less.

At December 31, 2007, and 2006, the carrying amounts of the **Judicial Expense Fund's** deposits were \$7,255,933 and \$7,366,322, respectively and the bank balances were \$6,946,848 and \$7,540,690, respectively. Of these amounts, \$100,000 was covered by federal depository insurance and the remainder collateralized by a pledge of securities in the joint name of the **Judicial Expense Fund** and the financial institution and held in safekeeping by the Federal Reserve Bank of Boston and JP Morgan Chase.

Custodial credit risk is the risk that, in the event of a failure by the financial institution, the **Judicial Expense Fund's** deposits may not be returned to it. **The Judicial Expense Fund** has a deposit policy for custodial credit risk. Nevertheless, none of the **Judicial Expense Fund's** bank balances were exposed to custodial credit risk, since the pledged securities were in the joint name of the **Judicial Expense Fund** and the financial institution and were held in safekeeping by the Federal Reserve Bank of Boston.

Louisiana state law allows for the investment of excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana, or any other federally insured investment.

State law also requires that all deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the entity or with an unaffiliated bank or trust company for the account of the entity.

Deposits in excess of FDIC insurance were collateralized by the securities previously described.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans:

Plan Description

The **Judicial Expense Fund** does not maintain a separate pension plan for its employees. However, its employees are eligible to participate in various multiple-employer (cost-sharing) defined benefit plans provided by the state or city governments and substantially all of the **Judicial Expense Fund's** employees are covered by one of the available plans.

The respective plan benefits provisions are established and amended under the following statutes:

| <u>Plan</u> | <u>Louisiana Revised Statute</u> |
|--|--|
| Louisiana State Employees' Retirement System-Employees | 11:401-542 |
| Louisiana State Employees' Retirement - Judges | 11:401-571 |
| Louisiana Clerks' of Court Retirement and Relief Fund | 11:1501-1578 |
| Louisiana Sheriff's Pension and Relief Fund | 11:2171-2184 |
| Employees' Retirement System of the City of New Orleans | City of New Orleans Code Chapter 114 |

Generally, eligibility to participate in one of the plans commences with full-time permanent employment and, in some instances, is subject to certain age and earning requirements.

Vesting of full benefits is subject to various years of required service, generally ranging from twelve to thirty years and, in some instances, may require attainment of a minimum age.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Annual retirement benefits under the plans are generally stipulated as a percentage of a participant's defined annual compensation for each year of service. In certain instances, the resulting amount may be increased by a fixed amount. In most cases, annual retirement benefits may not exceed 100% of the participant's defined annual compensation. The plans issue publicly available reports that include financial statements and required supplementary information. The reports may be obtained via contact as follows:

Louisiana State Employees' Retirement System

8401 United Plaza Blvd.
Baton Rouge, LA 70804-4213
Telephone: (800) 256-3000
Fax: (225) 922-0614
Website: lasers.state.la.us

Louisiana Clerks' of Court Retirement and Relief Fund.

11745 Bricksome Avenue -- Suite B-1
Baton Rouge, LA 70816
Telephone: (800) 256-6660
Fax: (225) 291-7424
Website: laclerksofcourt.org

Louisiana Sheriffs' Pension and Relief Fund

1225 Nicholson Drive
Baton Rouge, LA 70802-7537
Telephone: (225) 219-0500
Fax: (225) 219-0521
Website: www.lsprf.com

**City of New Orleans
Employees' Retirement System**
1300 Perdido Street -- Room 1E12
New Orleans, LA 70112
Telephone: (504) 658-1850
Fax: (504) 658-1602

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy

Under the terms of the various plans, employees contribute a specified percentage of their gross earnings and the **Judicial Expense Fund** also contributes a specified percentage.

Those plans in which the employees of the **Judicial Expense Fund** participate and the specified contribution percentages at December 31, 2007 and 2006 are as follows:

| -----2007----- | | | |
|--|---------------|--------------------------|------------------------|
| | <u>Period</u> | Contribution Percentages | |
| | | <u>Employee</u> (%) | <u>Employer</u> (%) |
| Louisiana State Employees' Retirement System (LASERS)-Employees | 01/01-06/30 | 7.50 | 19.10 |
| Employees hired after 7/1/06 | 07/01-12/31 | 7.50 | 20.40 |
| | 07/01-12/31 | 8.00 | 19.10 |
| Louisiana State Employees' Retirement System (LASERS) - Judges | 01/01-06/30 | 11.50 | 19.10 |
| | 07/01-12/31 | 11.50 | 20.40 |
| Louisiana Clerks' Retirement and Relief Fund (LCRRF) | 01/01-06/30 | 8.25 | 16.75 |
| | 07/01-12/31 | 8.25 | 11.75 |
| Louisiana Sheriffs' Pension and Relief Fund (LSPRF) | 01/01-12/31 | 10.00 | 11.00 |
| Employees' Retirement System of the City of New Orleans (ERSCNO) | 01/01-12/31 | 4.00 | 8.00 |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy, Continued

| | -----2006----- | | |
|--|----------------|---|------------------------|
| | <u>Period</u> | <u>Contribution Percentages</u> <u>Employee</u> (%) | <u>Employer</u> (%) |
| Louisiana State Employees' Retirement System (LASERS)-Employees | 01/01-06/30 | 7.50 | 19.10 |
| employees hired after 7/1/06 | 07/01-12/31 | 7.50 | 19.10 |
| | 07/01-12/31 | 8.00 | 19.10 |
| Louisiana State Employees' Retirement System (LASERS) - Judges | 01/01-06/30 | 11.50 | 19.10 |
| | 07/01-12/31 | 11.50 | 19.10 |
| Louisiana Clerks' Retirement and Relief Fund (LCRRF) | 01/01-06/30 | 8.25 | 15.75 |
| | 07/01-12/31 | 8.25 | 16.75 |
| Louisiana Sheriffs' Pension and Relief Fund (LSPRF) | 01/01-06/30 | 9.70 | 10.75 |
| | 07/01-09/30 | 9.80 | 11.00 |
| Employees' Retirement System of the City of New Orleans (ERSCNO) | 01/01-12/31 | 4.00 | 9.250 |

The amounts of the most recently actuarially determined employer contribution as a percentage of covered compensation for each plan for the years ended 2006 and 2005 amounted to:

| | <u>2007</u> (%) | <u>2006</u> (%) |
|----------|--------------------|--------------------|
| LASERS | 19.10 | 19.10 |
| Clerks | 16.75 | 16.75 |
| Sheriffs | 11.00 | 11.00 |
| ERSCNO | 9.25 | 9.25 |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy, Continued

Benefits granted by the retirement systems are guaranteed by the State of Louisiana or the City of New Orleans, as applicable. **The Judicial Expense Fund** does not guarantee the benefits granted by the retirement systems.

The total payroll of **the Judicial Expense Fund** for 2007 and 2006 amounted to \$8,105,576 and \$7,515,582, respectively. **The Judicial Expense Fund's** contributions to the retirement system and the total covered payrolls by each retirement system by year are as follows:

| | -----2007----- | | | | |
|------------------------|--------------------|--------------------|------------------|--------------------|--------------------|
| | <u>LASERS</u> | <u>Clerks</u> | <u>Sheriffs</u> | <u>ERSCNO</u> | <u>Total</u> |
| Total covered payroll | <u>\$1,658,620</u> | <u>\$3,416,371</u> | <u>\$662,106</u> | <u>\$1,288,175</u> | <u>\$7,025,272</u> |
| Employer contribution | <u>\$ 328,342</u> | <u>\$ 496,937</u> | <u>\$72,832</u> | <u>\$ 103,054</u> | <u>\$1,001,165</u> |
| Aggregate pension cost | <u>\$ 466,871</u> | <u>\$ 764,049</u> | <u>\$139,043</u> | <u>\$ 154,557</u> | <u>\$1,524,520</u> |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 3 - Pension Plans, Continued:

Funding Policy, Continued

| | -----2006----- | | | | |
|------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| | <u>LASERS</u> | <u>Clerks</u> | <u>Sheriffs</u> | <u>ERSCNO</u> | <u>Total</u> |
| Total covered payroll | \$ <u>1,399,972</u> | \$ <u>3,262,823</u> | \$ <u>501,748</u> | \$ <u>961,624</u> | \$ <u>6,126,167</u> |
| Employer contribution | \$ <u>264,810</u> | \$ <u>530,814</u> | \$ <u>54,741</u> | \$ <u>88,996</u> | \$ <u>939,361</u> |
| Aggregate pension cost | \$ <u>381,889</u> | \$ <u>785,900</u> | \$ <u>104,806</u> | \$ <u>127,481</u> | \$ <u>1,400,076</u> |

Aggregate pension costs for the respective years ended December 31, 2007, and 2006, and 2005 were \$1,524,520, \$1,400,076, and \$1,788,305, respectively. For 2007 and 2006 actual contributions from **the Judicial Expense Fund** to each of the four pension plans were 100% of the required contributions.

In accordance with LSA-R.S. 11:1563, if at any time monies in the state fund are not sufficient to pay each retiree and beneficiary the full amount to which he/she is entitled, equal percentages of the full amount shall be paid to each retiree and beneficiary until the fund is replenished so as to warrant resumption of the payment of the full amount to each retiree and beneficiary.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net:

The following is a summary of capital assets for the years ended December 31, 2007 and 2006:

| | Balance January 1, <u>2007</u> | <u>Addition</u> | Balance December 31, <u>2007</u> |
|--|--------------------------------------|--------------------|--|
| Computer equipment | \$ 1,139,726 | \$ 20,827 | \$ 1,160,553 |
| Computer software | 1,599,220 | 10,484 | 1,609,704 |
| Office equipment | 119,950 | 2,074 | 122,024 |
| Furniture and fixtures | 129,414 | -0- | 129,414 |
| Leasehold improvements | <u>19,685</u> | <u>-0-</u> | <u>19,685</u> |
| Sub-total | 3,007,995 | 33,385 | 3,041,380 |
| Less accumulated depreciation and amortization | <u>(1,870,458)</u> | <u>(369,878)</u> | <u>(2,240,336)</u> |
| Net | <u>\$ 1,137,537</u> | <u>\$(336,493)</u> | <u>\$ 801,044</u> |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net, Continued:

| | Balance January 1, <u>2006</u> | <u>Additions</u> | <u>Retirements</u> | Balance December 31, <u>2006</u> |
|--|--------------------------------------|------------------|--------------------|--|
| Computer equipment | \$ 1,057,271 | \$ 82,455 | \$ -0- | \$ 1,139,726 |
| Computer software | 1,259,872 | 339,348 | -0- | 1,599,220 |
| Office equipment | 98,389 | 23,234 | (1,673) | 119,950 |
| Furniture and fixtures | 64,096 | 65,318 | -0- | 129,414 |
| Leasehold improvements | <u>19,685</u> | <u>-0-</u> | <u>-0-</u> | <u>19,685</u> |
| Sub-total | 2,499,313 | 510,355 | (1,673) | 3,007,995 |
| Less accumulated depreciation and amortization | <u>(1,411,697)</u> | <u>(459,431)</u> | <u>670</u> | <u>(1,870,458)</u> |
| Net | <u>\$ 1,087,616</u> | <u>\$ 50,924</u> | <u>\$(1,003)</u> | <u>\$ 1,137,537</u> |

Depreciation and amortization expense charged to each function for the years ended December 31, 2007, and 2006, are as follows:

| | <u>2007</u> | <u>2006</u> |
|-------------------------|------------------|------------------|
| Civil District Court | \$197,691 | \$ 274,321 |
| First City Court | 22,956 | 36,892 |
| Second City Court | 3,485 | 5,546 |
| Recorder of Mortgages | 79,504 | 99,941 |
| Register of Conveyances | <u>66,242</u> | <u>42,731</u> |
| | <u>\$369,878</u> | <u>\$459,431</u> |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net., Continued:

An analysis of changes in accumulated depreciation by asset classification for the years ended December 31, 2007 and 2006 follows:

| | Balance January 1, 2007 | Additions | Balance December 31, 2007 |
|------------------------|----------------------------|------------------|------------------------------|
| Computer equipment | \$ 845,063 | \$110,169 | \$ 955,232 |
| Computer software | 867,020 | 238,281 | 1,105,301 |
| Office equipment | 92,715 | 11,065 | 103,780 |
| Furniture and fixtures | 45,975 | 10,363 | 56,338 |
| Leasehold improvements | <u>19,685</u> | <u>-0-</u> | <u>19,685</u> |
| | <u>\$1,870,458</u> | <u>\$369,878</u> | <u>\$2,240,336</u> |

| | Balance January 1, 2006 | Additions | Retirements | Balance December 31, 2006 |
|---------------------------|-------------------------------|------------------|----------------|---------------------------------|
| Computer equipment | \$ 673,655 | \$171,408 | \$ -0- | \$ 845,063 |
| Computer software | 600,075 | 266,945 | -0- | 867,020 |
| Office equipment | 82,670 | 10,715 | (670) | 92,715 |
| Furniture and fixtures | 35,612 | 10,363 | -0- | 45,975 |
| Leasehold improvements | <u>19,685</u> | <u>-0-</u> | <u>-0-</u> | <u>19,685</u> |
| | <u>\$1,411,697</u> | <u>\$459,431</u> | <u>\$(670)</u> | <u>\$1,870,458</u> |

The building, which the **Judicial Expense Fund** occupies and uses to conduct its operations is owned by the City of New Orleans. Although the **Judicial Expense Fund** does not pay rent to the City, the **Judicial Expense Fund** has made additions and improvements to the building during its term of occupancy.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 4 - Capital Assets, Net., Continued:

These additions and improvements are not included in the capital assets since **the Judicial Expense Fund** does not own the building. Such building additions and improvements funded from operations of **the Judicial Expense Fund** over its term of occupancy amount to \$3,477,966 and \$3,180,229 through December 31, 2007 and 2006, respectively. Building additions and improvements made for the years ended December 31, 2007 and 2006 amounted to \$297,737 and \$469,828, respectively, and are included in the accompanying financial statements of **the Judicial Expense Fund**.

NOTE 5 - Commitments:

Pursuant to LSA-R.S. 11:1371 **the Judicial Expense Fund** is required to make monthly payments to the widow of a former Civil Court judge who served from 1949 until his death in 1970 and was not a member of the judges' retirement system. The payments are to continue for the remaining life of the widow. The annual amount of the payments totaled \$7,200 for 2007 and 2006, respectively, and are reflected as an expense in the accompanying financial statements of **the Judicial Expense Fund**.

NOTE 6 - Registry of Court Funds:

The Clerks of Civil District Court, First City Court and Second City Court each maintain a Registry of Court fund.

Parties to litigation in these courts may deposit, or be ordered to deposit, cash or property into these funds in connection with the related litigation. Cash or property so deposited is the property of the litigants and is to be returned or disbursed to them or such other parties as the court may direct upon the conclusion of the litigation.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 6 - Registry of Court Funds, Continued:

The Clerk of Civil District Court, the Clerk of First City Court and the Clerk of Second City Court are the custodians of the Registry of Court fund for each respective court. The Clerks generally may only accept deposits into or disburse funds from the Registry of Court fund by order of the respective court.

These funds are subject to an annual audit by independent auditors who issue a separate report thereon.

The financial statements for the Registry of Court and Garnishment Funds except that maintained by the Clerk of Civil District Court for 2007 have been included in the accompanying financial statements for the years ended December 31, 2007 and 2006. However, audited financial statements for the Clerk of Court for 2007 to include the Appeals Fund and disbursements made pursuant to Act 621, were not available for inclusion in the accompanying financial statements.

With respect to the Registry of Court funds of the Civil District Court, LSA-R.S. 13:1305 authorizes the investment of these funds into interest-bearing accounts. The statute also provides that one-half of the interest earned shall be credited to the litigants' deposits and one-half shall be remitted to **the Judicial Expense Fund** as reimbursement for administrative costs associated with the Registry of Court funds.

Interest earned and due to **the Judicial Expense Fund** at December 31, 2007, and 2006, amounted to \$562,970 and \$615,772, respectively, and are included in the accompanying financial statements.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Designated Funds:

The Judges *En Banc* in 2002 directed the dedication of approximately \$5,600,000 from the unrestricted net assets for various special projects. At December 31, 2007 and 2006 the remaining balances, including any adjustments by project, are as follows:

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | |
|-----------------------------|--|---------------|-------------|
| | | <u>2007</u> | <u>2006</u> |
| WANG System Conversion | The Court is converting the old WANG system by replacing all hardware, software, and cables. | \$ -0- | \$ 685,064 |
| Upgrade Telephone System | Upgrade telephone system throughout the Civil Court Building. | 75,000 | 75,000 |
| Emergency Operating Reserve | Fund operations in the event of an emergency. | 3,500,000 | 3,500,000 |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 7 - Designated Funds, Continued:

| <u>PROJECT</u> | <u>DESCRIPTION</u> | <u>AMOUNT</u> | |
|------------------------------------|--|--------------------|--------------------|
| | | <u>2007</u> | <u>2006</u> |
| New Courthouse Acquisition Fund | The Judicial Expense Fund plans to purchase/build a new courthouse building since the 421 Loyola Avenue building is unable to provide the Judicial Expense Fund with the space needed to expand. Plans were abandoned in 2007. | \$ -0- | \$2,419,655 |
| IT Upgrade | The Court will need to Upgrade existing software and replace computers Over five (5) years old | <u>185.000</u> | <u>-0-</u> |
| | Total designated | <u>\$3,760,000</u> | <u>\$6,679,719</u> |

It is the intent of the **Judicial Expense Fund** to appropriate additional funds in the future.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 8 - Operating Leases:

The **Judicial Expense Fund** is committed under various leases for office equipment and storage which expire in varying periods through 2011. The leases are considered for accounting purposes to be operating leases. Lease expenses for the years ended December 31, 2007 and 2006 were \$169,529 and \$366,120, respectively.

Future lease payments for these leases are as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|--------------------|------------------|
| 2008 | \$ 48,309 |
| 2009 | 29,852 |
| 2010 | 28,275 |
| 2011 | <u>8,798</u> |
| Total | <u>\$115,234</u> |

NOTE 9 - Risk Management:

The **Judicial Expense Fund** is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets for which the **Judicial Expense Fund** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

For each of the years ended December 31, 2007 and 2006, no insurance settlements exceeded the amount of insurance coverage.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 10 - Concentration of Credit Risk:

The Judicial Expense Fund's principal source of revenues consist mainly of filing fees. If the amount of fees received falls below budgeted levels, **the Judicial Expense Fund's** operating results could be adversely affected.

NOTE 11 - Postemployment Retirement Benefits:

Plan Description

Employees of **the Judicial Expense Fund** may voluntarily participate in the state of Louisiana's health insurance plan as provided by LSA-R.S. 17:1223 which is administered by the Office of Group Benefits. Those employees of **the Judicial Expense Fund** who are plan members become eligible for postemployment medical and life insurance benefits if they reach normal retirement age while working for **the Judicial Expense Fund**; currently **the Judicial Expense Fund** provides postemployment benefits for seventy-three (73) retired employees. This postemployment benefits plan, an agent multiple-employer defined benefit plan, provides employees with a choice of participating in one of four medical insurance plans, each with varying benefits: preferred provider organization (PPO), exclusive provider organization (EPO), managed care option (MCO), or health maintenance organization (HMO). LSA-R.S. 42:801 - 859 assigns the authority to establish benefit plans and premium rates and negotiate contracts to the Office of Group Benefits under the direction of the Commissioner of Administration. The Office of Group Benefits issues a separate financial report which may be obtained by contacting them at:

Office of Group Benefits
State of Louisiana
P. O. Box 44036
Baton Rouge, Louisiana 70804
Phone: (800) 215-1093
Website: www.groupbenefits.org

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Funding Policy

Currently, there are no requirements for employers to contribute to their postemployment benefits plans. In 2003, the **Judicial Expense Fund** recognized the cost of providing these benefits (the **Judicial Expense Fund's** portion of premiums) as an expense when the benefit premiums were due and thus financed the cost of postemployment benefits on a pay-as-you-go basis. It implemented Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Statement 45), prospectively in 2004 and at that time began to record its portion of premiums as an expense during the period of active service by the employee (normal cost). In 2007 and 2006 the **Judicial Expense Fund's** portion of health care, dental and life insurance benefit premiums for both active and retired employees totaled \$1,131,513 and \$1,244,912, respectively. The Judges *En Banc* of the **Judicial Expense Fund** have begun the process of establishing a trust whose assets are dedicated to providing postemployment benefits to retired employees and their beneficiaries and which are legally protected from creditors. It is the intent of the Judges *En Banc*, once the trust is established, to contribute its portion of postemployment benefits to the trust on a monthly basis.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Required Contribution Rates

As determined by the Office of Group Benefits and approved by the Louisiana Legislature, in 2007 and 2006 the employer paid 75% of the premium cost for postemployment benefits for retired employees and their families, and the retirees paid 25% of the premium cost; monthly premium cost for retired employees ranged from \$126 for a single retiree in the HMO plan to \$502 for a family in the EPO plan. Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits.

The Judicial Expense Fund's annual medical and life postemployment benefits cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. **The Judicial Expense Fund's** annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize the unfunded actuarial liability (or funding excess) over a period of thirty (30) years for health and life insurance. The total annual required contributions for 2007 and 2006 were \$426,185 for each year, none of which was funded because the trust had not been established.

During 2007, an updated actuarial report prepared for the **Judicial Expense Fund**, resulted in significant adjustments to the amounts previously expensed based on the previous actuarial report. See NOTE 15 for additional discussion.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Annual Postemployment Benefits Cost and Net
Postemployment Benefits Liability

The following table shows the Judicial Expense Fund's annual postemployment benefits for 2007 and changes in the Unfunded Postemployment Benefits liability:

| | <u>2007</u> | <u>2006</u> |
|---|-------------------|-------------------|
| Normal cost | \$ 154,326 | \$ 154,326 |
| 30-year actuarial accrued liability amortization of medical and life insurance | <u>271,860</u> | <u>271,860</u> |
| Annual required contribution | 426,186 | 426,186 |
| Annual Postemployment Benefits expense | 426,186 | 426,186 |
| Payments of Retiree Premiums | (365,652) | (342,662) |
| Contributions made | <u>-0-</u> | <u>-0-</u> |
| Increase in Unfunded Postemployment Benefits liability | 60,534 | 83,524 |
| Unfunded Postemployment Benefits Liability-January 1, 2007 and 2006 | <u>250,571</u> | <u>167,047</u> |
| Unfunded Postemployment Benefits Liability-December 31, 2007 and 2006 | <u>\$ 311,105</u> | <u>\$ 250,571</u> |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Annual Postemployment Benefits Cost and Net
Postemployment Benefits Liability, Continued

The following table shows the **Judicial Expense Fund's** annual postemployment benefits cost, percentage of that cost contributed, and the net Unfunded Postemployment Benefits liability:

| <u>Fiscal Year Ended</u> | <u>Annual Postemployment Benefits Cost</u> | <u>Percentage of Annual Cost Contributed</u> | <u>Net Unfunded Postemployment Benefits Liability</u> |
|----------------------------------|--|--|---|
| 12/31/04 | \$426,186 | 80.4% | \$ 83,524 |
| 12/31/05 | \$426,186 | 80.4% | 83,524 |
| 12/31/06 | \$426,186 | 80.4% | 83,524 |
| 12/31/07 | \$426,186 | 85.5% | <u>60,532</u> |
| | | Total | <u>\$311,104</u> |

Funded Status and Funding Progress

In 2006 and 2005 the **Judicial Expense Fund** made no contributions to a postemployment benefits plan trust since such a trust had not been established; the plan was not funded at all, has no assets, and hence has a funded ration of zero. As of January 1, 2007, the most recent actuarial valuation, the actuarial accrued liability was \$5,745,955, which is defined as that portion, as determined by a particular actuarial cost method (**the Judicial Expense Fund** uses the Unit Credit Cost method), of the actuarial present value of postemployment plan benefits and expenses which is not provided by normal cost (i.e., the cost of the actuarial present value of postemployment benefits for *active* employees from their hire date through December 31, 2007, and for *retired* employees from their hire date through their date of retirement). Since the plan was not funded in 2007, the entire actuarial accrued liability of \$5,745,955 was unfunded.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Post Employment Retirement Benefits, Continued:

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for postemployment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) healthcare cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Schedule III in the Required Supplementary Information section immediately following the notes to the financial statements presents information about the actuarial value of plan assets relative to the actuarial accrued liability as well as the funding progress.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by **the Judicial Expense Fund** and its employee plan members) at the time of the valuation and on the pattern of sharing costs between **the Judicial Expense Fund** and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between **the Judicial Expense Fund** and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Actuarial Methods and Assumptions, Continued

The amount of the current employer portion of the healthcare premiums for retiree coverage has been used as the basis for calculating the actuarial present value of benefits to be paid. The Office of Group Benefits' "Official Schedule of Rates" effective July 1, 2006 has been used for this purpose. It has been assumed that enrollees will retain the same coverage levels after retirement as before.

Actuarial Cost Method

The annual required contributions is determined using the *Unit Credit Cost* method, a method under which the benefits of each individual in an actuarial valuation are allocated by a consistent formula to valuation years, and actuarial gains or losses reduce or increase the unfunded actuarial accrued liability as they occur. The employer portion of the premiums for retiree medical care in each future year is determined by projecting the current premium levels using the health care cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover rates.

Actuarial Value of Plan Assets

Since this is the first actuarial valuation, there are not any assets to be actuarially valued; however, it is anticipated that future valuations of actuarial assets will be based on Actuarial Standards Board Actuarial Standard of Practice Number 6, *Measuring Retiree Group Benefit Obligations*, which is applicable to postemployment benefits plans and generally requires valuing dedicated plan assets using a method that takes into account market value.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Turnover Rate

The following service related turnover scale is used;

| <u>Years of Service</u> | <u>Percent Turnover (%)</u> |
|-------------------------|-----------------------------|
| 0-5 | 30 |
| 5-6 | 20 |
| 7-8 | 16 |
| 8-9 | 13 |
| 9-10 | 10 |
| | 7 |
| 10 and over | 4 |

Retirement Rate

It is assumed that entitlement to benefits will commence at the expected retirement date (that is, the date at which the eligible employee will actually retire) under the pension plan which covers employees. It is assumed that this retirement date is three years later than the earliest date at which the employee is eligible for regular retirement benefits. That "regular retirement" date is defined as the earliest of the following:

- 30 years of service credit at any age; or
- 25 years of service credit at age 55; or
- 10 years of service credit at age 60.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Healthcare Cost Trend Rate

In the absence of readily available cost trend data from the Office of Group Benefits, the expected rate of increase in healthcare insurance premiums is based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services as published in *National Health Care Expenditures Projections: 2004 to 2013*, Table 3: National Health Expenditures Aggregate and Per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2005 by the Health Care Financing Administration. "State and Local" rates for 2006 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later, as set forth below:

| <u>Calendar Year</u> | <u>Increase from Previous Year</u> |
|----------------------|--|
| 2006 | 8.0% |
| 2007 | 8.2% |
| 2008 | 8.1% |
| 2009 | 8.0% |
| 2010 | 7.9% |
| 2011 | 7.8% |
| 2012 | 7.7% |
| 2013 | 7.6% |
| 2014 | 6.7% |
| 2015 | 6.0% |
| 2016 and later | 5.0% |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 11 - Postemployment Retirement Benefits, Continued:

Mortality Rate

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans.

Investment Return Assumption (Discount Rate) and Inflation Rate

GASB Statement Number 45 states that the investment return assumption should be the estimated long-term investment yield on investments that are expected to be used to finance the payment of benefits. Since it is anticipated that the annual required contribution will be funded, a 4% annual investment return is assumed in the actuarial valuation. This is a conservative estimate of the expected long-term return of a balanced and conservative investment portfolio. An explicit rate of inflation is not included in either the investment return or the healthcare cost trend, but, rather, is implicitly included and is presumed to be the same for each.

Amortization Method and Period

The level dollar closed amortization method has been used. An amortization period of 30 years has been used for the medical benefits and 10 years for the life insurance benefits. The valuation used the closed group method, under which future entrants are not considered.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 12 - Changes in Noncurrent Liabilities:

The following is a summary of changes in noncurrent liabilities for the years ended December 31, 2007, and 2006:

| | -----2007----- | | | -----2006----- | | |
|-------------------|---------------------------------|------------------------------|------------------|---------------------------------|------------------------------|------------------|
| | <u>Compensated Absences</u> | <u>Other Liabilities</u> | <u>Total</u> | <u>Compensated Absences</u> | <u>Other Liabilities</u> | <u>Total</u> |
| Beginning of year | \$ 50,449 | \$ 269 | \$ 50,718 | \$ 41,082 | \$ 6,944 | \$ 48,026 |
| Additions | 55,460 | 1,300 | 56,760 | 50,450 | 825 | 51,275 |
| Retirement | <u>(50,450)</u> | <u>(269)</u> | <u>(50,719)</u> | <u>(41,083)</u> | <u>(7,500)</u> | <u>(48,583)</u> |
| End of year | <u>\$55,459</u> | <u>\$1,300</u> | <u>\$ 56,759</u> | <u>\$50,449</u> | <u>\$ 269</u> | <u>\$ 50,718</u> |

Of the total noncurrent liabilities of \$56,759 and \$50,718 at December 31, 2007 and 2006, \$-0- are due within one year of December 31, 2007 and 2006.

NOTE 13 - Contingencies:

The Judicial Expense Fund is named in various suits. It is counsel's opinion at December 31, 2007 and June 26, 2008, of outcomes favorable to the **Judicial Expense Fund**.

NOTE 14 - Payments to the Clerk of Civil District Court Operational Fund:

Act 621 passed by the Legislature and signed by the Governor of the State of Louisiana on June 23, 2006 required the deposit of no less than sixty-percent of the filing fees collected pursuant to Louisiana revised statute 13:1213.1 in the Clerk's operational fund.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 15 - Changes in Noncurrent Liabilities:

As a result of changes in the number of employees and the effect of Medicare Supplement, the most recent actuarial report, reflects a significant decrease in the prior estimated post-employment benefit cost to the **Judicial Expense Fund**. The adjustments to net assets reflect the effect of the change. See NOTE 11 for additional discussion.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2007

| REVENUES | <u>Civil District Court</u> | <u>First City Court</u> | <u>Second City Court</u> | <u>Recorder of Mortgages</u> | <u>Register of Conveyances</u> | <u>Total</u> |
|----------------------------------|-----------------------------|-------------------------|--------------------------|------------------------------|--------------------------------|-------------------|
| Filing fees | \$ 7,904,940 | \$ 935,749 | \$ 112,494 | \$3,509,314 | \$3,097,836 | \$15,560,333 |
| Remote access fees | 90,953 | 9,991 | 1,206 | 37,348 | 32,902 | 172,400 |
| Interest income | 733,505 | 18,733 | 2,261 | 69,764 | 61,690 | 885,953 |
| Grants | 46,413 | - | - | - | - | 46,413 |
| Other income | <u>62,661</u> | <u>(259)</u> | <u>2</u> | <u>1,448</u> | <u>758</u> | <u>64,610</u> |
| Total revenues | <u>8,838,472</u> | <u>964,214</u> | <u>115,963</u> | <u>3,617,874</u> | <u>3,193,186</u> | <u>16,729,709</u> |
| DIRECT EXPENSES | | | | | | |
| Salaries | 4,411,601 | 1,375,210 | 302,156 | 1,218,703 | 797,906 | 8,105,576 |
| Employee benefits | 1,427,516 | 431,826 | 149,687 | 335,418 | 292,920 | 2,637,367 |
| Court reporters and interpreters | 15,012 | 1,193 | 197 | - | - | 16,402 |
| Juror meals and transportation | 40,639 | - | - | - | - | 40,639 |
| UCC filing fees | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>39,377</u> | <u>-0-</u> | <u>39,377</u> |
| Total direct expenses | <u>5,894,768</u> | <u>1,808,229</u> | <u>452,040</u> | <u>1,593,498</u> | <u>1,090,826</u> | <u>10,839,361</u> |

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007**

| INDIRECT EXPENSES | Civil District Court | First City Court | Second City Court | Recorder of Mortgages | Register of Conveances | Total |
|--|----------------------|----------------------|--------------------|--------------------------|---------------------------|-------------------|
| Books, printing and copying | \$ 183,914 | \$ 43,054 | \$ 9,757 | \$ 63,398 | \$ 8,103 | \$ 308,226 |
| Building and personnel security | 56,267 | 6,110 | 737 | 22,756 | 20,122 | 105,992 |
| Communication | 143,872 | 24,408 | 10,112 | 30,215 | 25,168 | 233,775 |
| Depreciation | 197,691 | 22,956 | 3,485 | 79,504 | 66,242 | 369,878 |
| Facilities | 201,227 | 29,133 | 3,151 | 46,255 | 17,971 | 297,737 |
| Furniture, equipment and maintenance | 136,626 | 12,256 | 4,193 | 39,172 | 19,464 | 211,711 |
| Insurance | 72,114 | 10,073 | 4,099 | 21,703 | 19,067 | 127,056 |
| Office supplies and expenses | 93,952 | 12,166 | 3,092 | 33,303 | 14,797 | 157,310 |
| Postage and couriers | 27,589 | 6,575 | 1,301 | 3,626 | 3,206 | 42,297 |
| Professional education and dues | 101,922 | 21,394 | 2,460 | 6,374 | 6,006 | 138,156 |
| Professional services | 163,792 | 9,756 | 4,134 | 19,572 | 17,307 | 214,561 |
| Other expenses | 14,493 | 10,991 | 60 | 6,343 | 2,633 | 34,520 |
| Clerk's Salary Fund Expense | <u>3,167,916</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>3,167,916</u> |
| Total indirect expenses | <u>4,561,375</u> | <u>208,872</u> | <u>46,581</u> | <u>372,221</u> | <u>220,086</u> | <u>5,409,135</u> |
| Total expenses | <u>10,456,143</u> | <u>2,017,101</u> | <u>498,621</u> | <u>1,965,719</u> | <u>1,310,912</u> | <u>16,248,496</u> |
| Excess revenues over (under) expenses | <u>\$(1,617,671)</u> | <u>\$(1,052,887)</u> | <u>\$(382,658)</u> | <u>\$1,652,155</u> | <u>\$1,882,274</u> | <u>\$ 481,213</u> |

See Independent Auditors' Report on Supplementary Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2006

| REVENUES | <u>Civil District Court</u> | <u>First City Court</u> | <u>Second City Court</u> | <u>Recorder of Mortgages</u> | <u>Register of Conveyances</u> | <u>Total</u> |
|----------------------------------|-----------------------------|-------------------------|--------------------------|------------------------------|--------------------------------|-------------------|
| Filing fees | \$7,780,596 | \$ 966,193 | \$ 118,588 | \$3,016,757 | \$1,266,924 | \$13,149,058 |
| Remote access fees | 75,362 | 9,293 | 1,146 | 29,152 | 12,347 | 127,300 |
| Interest income | 567,841 | 70,021 | 8,633 | 219,655 | 93,041 | 959,191 |
| Grants | 80,244 | -0- | -0- | 196,833 | 125,838 | 402,915 |
| Other income | <u>6,886</u> | <u>82,783</u> | <u>100</u> | <u>2,352</u> | <u>1,011</u> | <u>93,132</u> |
| Total revenues | <u>8,510,929</u> | <u>1,128,290</u> | <u>128,467</u> | <u>3,464,749</u> | <u>1,499,161</u> | <u>14,731,596</u> |
| DIRECT EXPENSES | | | | | | |
| Salaries | 4,508,686 | 1,237,608 | 262,692 | 884,205 | 622,391 | 7,515,582 |
| Employee benefits | 1,529,021 | 392,954 | 101,745 | 368,979 | 229,819 | 2,622,518 |
| Court reporters and interpreters | 27,303 | -0- | -0- | -0- | -0- | 27,303 |
| Juror meals and transportation | 34,162 | -0- | -0- | -0- | -0- | 34,162 |
| UCC filing fees | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>37,100</u> | <u>-0-</u> | <u>37,100</u> |
| Total direct expenses | <u>6,099,172</u> | <u>1,630,562</u> | <u>364,437</u> | <u>1,290,284</u> | <u>852,210</u> | <u>10,236,665</u> |

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES AND EXPENSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2006**

| INDIRECT EXPENSES | Civil District Court | First City Court | Second City Court | Recorder of Mortgages | Register of Conveyances | Total |
|--|----------------------|---------------------|---------------------|--------------------------|----------------------------|---------------------|
| Books, printing and copying | \$ 226,264 | \$ 29,260 | \$ 6,851 | \$ 19,025 | \$ 9,521 | \$ 290,921 |
| Building and personnel security | 74,255 | 8,422 | 1,038 | 26,421 | 11,191 | 121,327 |
| Communication | 148,092 | 26,034 | 10,299 | 35,849 | 23,033 | 243,307 |
| Depreciation | 274,320 | 36,892 | 5,546 | 99,941 | 42,731 | 459,430 |
| Facilities | 349,902 | 27,316 | 2,009 | 55,721 | 34,880 | 469,828 |
| Furniture, equipment and maintenance | 133,524 | 21,441 | 2,118 | 31,801 | 17,519 | 206,403 |
| Insurance | 73,948 | 10,824 | 806 | 20,658 | 8,791 | 115,027 |
| Office supplies and expenses | 148,830 | 14,086 | 2,759 | 29,508 | 11,526 | 206,709 |
| Postage and couriers | 38,555 | 8,901 | 1,090 | 5,058 | 1,962 | 55,566 |
| Professional education and dues | 61,844 | 9,360 | 6,102 | 8,713 | 3,041 | 89,060 |
| Professional services | 139,766 | 18,086 | 4,944 | 33,604 | 34,400 | 230,800 |
| Other expenses | 94,776 | 95,092 | 5,806 | 331,390 | 125,278 | 652,342 |
| Clerk's salary fund expense | <u>1,526,784</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>1,526,784</u> |
| Total indirect expenses | <u>3,290,860</u> | <u>305,714</u> | <u>49,368</u> | <u>697,689</u> | <u>323,873</u> | <u>4,667,504</u> |
| Total expenses | <u>9,390,032</u> | <u>1,936,276</u> | <u>413,805</u> | <u>1,987,973</u> | <u>1,176,083</u> | <u>14,904,169</u> |
| Excess revenues over (under) expenses | <u>\$ (879,103)</u> | <u>\$ (807,986)</u> | <u>\$ (285,338)</u> | <u>\$ 1,476,776</u> | <u>\$ 323,078</u> | <u>\$ (172,573)</u> |

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006
(UNAUDITED)**

-----2007-----

REVENUES

| | -----BUDGETED----- | | ACTUAL | VARIANCES |
|--------------------|--------------------|-------------------|-------------------|----------------------------|
| | ORIGINAL | FINAL | | (FAVORABLE) UNFAVORABLE |
| Filing fees | \$ 8,798,000 | \$14,206,000 | \$15,560,334 | \$(1,354,334) |
| Remote access fees | 114,000 | 201,650 | 172,400 | 29,250 |
| Interest revenue | 312,000 | 960,000 | 885,954 | 74,046 |
| Other revenue | <u>2,542,913</u> | <u>103,000</u> | <u>111,021</u> | <u>(8,021)</u> |
| Total revenues | <u>11,766,913</u> | <u>15,470,650</u> | <u>16,729,709</u> | <u>(1,259,059)</u> |

DIRECT EXPENDITURES

| | | | | |
|-------------------------------------|------------------|-------------------|-------------------|------------------|
| Salaries | 6,556,000 | 8,088,500 | 8,105,576 | 17,076 |
| Employee benefits | 2,193,656 | 3,324,729 | 2,570,792 | (753,937) |
| Court reporters and interpreters | 24,400 | 17,600 | 16,402 | (1,198) |
| Juror meals and transportation | 24,608 | 20,300 | 40,639 | 20,339 |
| UCC filing fees | <u>40,000</u> | <u>35,000</u> | <u>39,377</u> | <u>4,377</u> |
| Total direct expenditures | <u>8,838,664</u> | <u>11,486,129</u> | <u>10,772,786</u> | <u>(713,343)</u> |

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS), CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006
(UNAUDITED)**

-----2007-----

INDIRECT EXPENDITURES

| | -----BUDGETED----- | | <u>ACTUAL</u> | VARIANCES |
|--|---------------------|---------------------|--------------------|-----------------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | (FAVORABLE) <u>UNFAVORABLE</u> |
| Books, printing and copying | \$ 188,254 | \$ 282,000 | \$ 308,226 | \$26,226 |
| Building and personnel security | 125,300 | 113,700 | 105,992 | (7,708) |
| Capital expenditures | -0- | -0- | 33,385 | 33,385 |
| Communication | 221,792 | 208,320 | 233,775 | 25,455 |
| Facilities | 177,200 | 250,600 | 297,737 | 47,137 |
| Furniture, equipment and maintenance | 132,590 | 685,900 | 211,711 | (474,189) |
| Insurance | 114,100 | 126,365 | 127,056 | 691 |
| Office supplies and expenditures | 113,440 | 155,000 | 157,310 | 2,310 |
| Postage and couriers | 32,715 | 44,200 | 42,297 | (1,903) |
| Professional education and dues | 136,797 | 94,500 | 138,156 | 43,656 |
| Professional services | 224,729 | 159,750 | 214,561 | 54,811 |
| Other expenditures | 480,934 | 28,200 | 34,520 | 6,320 |
| Clerk's salary fund expense | <u>2,607,174</u> | <u>2,600,000</u> | <u>3,167,916</u> | <u>567,916</u> |
| Total indirect expenditures | <u>4,555,025</u> | <u>4,748,535</u> | <u>5,072,642</u> | <u>324,107</u> |
| Total expenditures | <u>13,393,689</u> | <u>16,234,664</u> | <u>15,845,428</u> | <u>(389,236)</u> |
| Excess (deficiency) of revenues over expenditures | (1,626,776) | (764,014) | 884,281 | <u>\$1,648,295</u> |
| Other financing sources (uses) | <u>1,650,000</u> | <u>764,014</u> | <u>-0-</u> | <u>(764,014)</u> |
| Net excess (deficit) of revenues over (under) expenditures | 23,224 | -0- | 884,281 | <u>\$ 884,281</u> |
| Fund balance, beginning of year | <u>6,679,719</u> | <u>6,679,719</u> | <u>6,679,719</u> | |
| Fund balance, end of year | <u>\$ 6,702,943</u> | <u>\$ 6,679,719</u> | <u>\$7,564,000</u> | |

See Independent Auditors' Report on Supplementary Information.

SCHEDULE III

Page 3 of 4

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006
(UNAUDITED)**

-----2006-----

REVENUES

| | -----BUDGETED----- | | <u>ACTUAL</u> | VARIANCES |
|--------------------|--------------------|-------------------|-------------------|-----------------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | (FAVORABLE) <u>UNFAVORABLE</u> |
| Filing fees | \$17,250,000 | \$13,193,700 | \$13,149,060 | \$ 44,640 |
| Remote access fees | 80,000 | 101,000 | 127,300 | (26,300) |
| Interest revenue | 380,000 | 253,000 | 959,190 | (706,190) |
| Other revenue | <u>85,942</u> | <u>165,540</u> | <u>496,047</u> | <u>(330,507)</u> |
| Total revenues | <u>17,795,942</u> | <u>13,713,240</u> | <u>14,731,597</u> | <u>(1,018,357)</u> |

DIRECT EXPENDITURES

| | | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-----------------|
| Salaries | 11,554,102 | 7,422,000 | 7,515,582 | 93,582 |
| Employee benefits | 4,171,355 | 2,615,288 | 2,536,973 | (78,315) |
| Court reporters and interpreters | 31,200 | 25,150 | 27,303 | 2,153 |
| Juror meals and transportation | 83,000 | 24,200 | 34,162 | 9,962 |
| UCC filing fees | <u>60,000</u> | <u>50,000</u> | <u>37,100</u> | <u>(12,900)</u> |
| Total direct expenditures | <u>15,899,657</u> | <u>10,136,638</u> | <u>10,151,120</u> | <u>14,482</u> |

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
(NON-GAAP BUDGETARY BASIS), CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006
(UNAUDITED)**

-----2006-----

| | -----BUDGETED----- | | | VARIANCES (FAVORABLE) UNFAVORABLE |
|---|---------------------|---------------------|---------------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| | | | | |
| Books, printing and copying | \$ 457,810 | \$ 306,350 | \$ 290,921 | \$ (15,429) |
| Building and personnel security | 150,520 | 126,400 | 121,327 | (5,073) |
| Capital expenditures | 810,000 | -0- | 508,683 | 508,683 |
| Communication | 287,189 | 245,632 | 243,307 | (2,325) |
| Facilities | 614,750 | 403,410 | 469,828 | 66,418 |
| Furniture, equipment and maintenance | 254,602 | 173,196 | 206,403 | 33,207 |
| Insurance | 135,521 | 116,752 | 115,027 | (1,725) |
| Office supplies and expenditures | 236,200 | 195,910 | 206,709 | 10,799 |
| Postage and couriers | 103,930 | 60,029 | 55,566 | (4,463) |
| Professional education and dues | 235,200 | 69,894 | 89,060 | 19,166 |
| Professional services | 181,970 | 207,051 | 230,801 | 23,750 |
| Other expenditures | 24,120 | 698,662 | 652,340 | (46,322) |
| Clerk's salary fund expense | <u>-0-</u> | <u>-0-</u> | <u>1,526,784</u> | <u>1,526,784</u> |
| Total indirect expenditures | <u>3,491,812</u> | <u>2,603,286</u> | <u>4,716,756</u> | <u>2,113,470</u> |
| Total expenditures | <u>19,391,469</u> | <u>12,739,924</u> | <u>14,867,876</u> | <u>2,127,952</u> |
| Excess (deficiency) of revenues over expenditures before other financing sources (uses) | (1,595,527) | 973,316 | (136,279) | 1,109,595 |
| Other financing sources (uses) | <u>1,600,000</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Net Excess (deficiency) of revenues and other financing sources (uses) over expenditures | 4,473 | 973,316 | (136,279) | <u>\$ 1,109,595</u> |
| Fund balance, beginning of year | <u>6,815,998</u> | <u>6,815,998</u> | <u>6,815,998</u> | |
| Fund balance, end of year | <u>\$ 6,820,471</u> | <u>\$ 7,789,314</u> | <u>\$ 6,679,719</u> | |

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SCHEDULE OF BUDGETARY TO GAAP RECONCILIATION
FOR THE YEAR ENDED DECEMBER 31, 2007 and 2006
(UNAUDITED)**

The Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgeted and Actual presents comparison of the **Judicial Expense Fund's** legally adopted original budget and final (non-GAAP basis) with actual data on a budgetary basis. The accounting principles applied by the **Judicial Expense Fund** for the purposes of developing data for its budget differs from those used to present the basic financial statements (GAAP Basis).

A reconciliation of the previously described basis follows:

| | <u>2007</u> | <u>2006</u> |
|--|-------------------|---------------------|
| Excess of revenues and other financing sources (uses) over expenditures (budgetary basis) | \$ 884,281 | \$(136,279) |
| Adjustments: | | |
| Capital additions, net of depreciation | (336,493) | 49,252 |
| Compensated absences | (6,043) | (2,022) |
| Postemployment benefits | <u>(60,532)</u> | <u>(83,524)</u> |
| Change in net assets | \$ <u>481,213</u> | \$ <u>(172,573)</u> |

See Independent Auditors' Report on Supplementary Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NOTES TO BUDGETARY DATA INFORMATION**

Preparation of the budget begins in the Fiscal Administration office of the Judicial Administrator. The Chief Accountant compiles actual historical financial information for the completed year(s) for each of the eleven departments comprising **the Judicial Expense Fund**. The Chief Judge writes a letter to the five parochial officials presenting this compiled information and asking for their input for an upcoming budget within four weeks.

The Chief Accountant and Judicial Administrator then prepare budgets for the remaining eight departments, as well as the budget for **the Judicial Expense Fund** as a whole.

In accordance with **the Judicial Expense Fund** and Performance Accountability Act of 1999, each year the Judges *En Banc* submit their strategic plan to improve performance to the Louisiana Supreme Court. **The Judicial Expense Fund** has actively participated in the Strategic Plan of the Trial Courts since 2000, and aspects of this plan are incorporated into the budget.

Upon completion, the entity-wide budget is presented to the Finance Committee of the Judges *En Banc*, for their review. Once the Finance Committee approves both an operating budget and capital expenditure budget they present their recommendation to the Judges *En Banc*. According to section LSA-R.S.39:1309 the budget is adopted at an open meeting during which the public is invited to comment.

The Fiscal Administration office monitors revenues and controls expenditures according to section 1311. If it becomes necessary to amend the budget, the Chief Accountant and the Judicial Administrator will prepare an amended budget and present it to the Finance Committee for approval. The Finance Committee will recommend an amended budget to the Judges *En Banc*, who will formally adopt the amended budget at an open meeting according to section LSA-R.S.39:1310.

STATISTICAL SECTION



JUDICIAL EXPENSE FUND

EXHIBIT A

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NET ASSETS
LAST SEVEN FISCAL YEARS

| <u>YEAR</u> | <u>INVESTED IN CAPITAL ASSETS</u> | <u>UNRESTRICTED</u> | <u>RESTRICTED</u> | <u>TOTAL NET ASSETS</u> |
|-------------|---------------------------------------|---------------------|-------------------|-----------------------------|
| 2001 | \$ 400,452 | \$6,500,663 | \$-0- | \$6,901,115 |
| 2002 | 1,019,431 | 5,975,843 | -0- | 6,995,274 |
| 2003 | 970,548 | 5,938,830 | -0- | 6,909,378 |
| 2004 | 890,203 | 7,367,743 | -0- | 8,257,946 |
| 2005 | 1,087,616 | 5,057,901 | -0- | 6,145,517 |
| 2006 | 1,137,537 | 6,378,429 | -0- | 7,515,966 |
| 2007 | 801,044 | 7,196,135 | -0- | 7,997,179 |

Full accrual basis of accounting
Invested in Capital Assets are net of related debt
GASB 34 was implemented in 2001

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CHANGE IN NET ASSETS
LAST SEVEN YEARS**

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | | | | |
| Civil District Court | \$ 8,959,980 | \$ 9,696,449 | \$ 10,148,615 | \$ 9,600,111 | \$ 9,044,879 | \$ 9,406,547 | \$ 10,456,143 |
| First City Court | 2,344,138 | 2,457,749 | 2,402,188 | 2,406,050 | 2,394,747 | 1,926,615 | 2,017,101 |
| Second City Court | 467,352 | 479,180 | 522,841 | 527,016 | 499,699 | 408,912 | 498,623 |
| Recorder of Mortgages | 1,760,655 | 1,908,478 | 2,016,521 | 1,980,198 | 2,221,027 | 1,986,012 | 1,965,717 |
| Register of Conveyances | <u>1,379,061</u> | <u>1,346,911</u> | <u>1,395,715</u> | <u>1,472,888</u> | <u>1,777,812</u> | <u>1,176,083</u> | <u>1,310,912</u> |
| Total expenses | 14,911,186 | 15,888,767 | 16,485,880 | 15,986,263 | 15,938,164 | 14,904,169 | 16,248,496 |
| Program Revenues: Charges of Services | | | | | | | |
| Civil District Court | 8,163,918 | 8,386,991 | 8,353,628 | 9,644,040 | 6,894,879 | 7,855,956 | 7,995,893 |
| First City Court | 2,215,496 | 2,151,160 | 2,053,891 | 2,180,858 | 1,627,451 | 975,486 | 945,740 |
| Second City Court | 210,591 | 192,976 | 200,144 | 192,916 | 169,181 | 119,734 | 113,700 |
| Recorder of Mortgages | 3,190,362 | 3,482,960 | 4,098,939 | 4,112,471 | 2,989,505 | 3,045,910 | 3,546,662 |
| Register of Conveyances | <u>1,213,193</u> | <u>1,293,788</u> | <u>1,462,205</u> | <u>1,658,526</u> | <u>1,244,321</u> | <u>1,279,272</u> | <u>3,130,738</u> |
| | 14,993,560 | 15,507,875 | 16,168,807 | 17,788,811 | 12,925,337 | 13,276,358 | 15,732,733 |
| Program Revenues: Operating Grants | | | | | | | |
| Civil District Court | -0- | -0- | 30,050 | 39,557 | 130,663 | 80,244 | 46,413 |
| First City Court | -0- | -0- | -0- | -0- | 14,652 | -0- | -0- |
| Second City Court | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Recorder of Mortgages | -0- | -0- | -0- | -0- | 21,540 | 196,833 | -0- |
| Register of Conveyances | -0- | -0- | -0- | -0- | <u>21,540</u> | <u>125,838</u> | <u>-0-</u> |
| Total program revenues | 14,993,560 | 15,507,875 | 16,198,857 | 17,828,368 | 13,113,732 | 13,679,273 | 15,779,146 |

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CHANGE IN NET ASSETS
LAST SEVEN YEARS**

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--------------------------------------|-------------------|---------------------|--------------------|---------------------|-----------------------|---------------------|-------------------|
| Net Revenues (Expenses) | | | | | | | |
| Civil District Court | \$ (796,062) | \$ (1,309,458) | \$ (1,764,937) | \$ 83,486 | \$ (2,019,337) | \$ (1,470,347) | \$ (2,413,837) |
| First City Court | (128,642) | (306,589) | (348,297) | (225,192) | (752,644) | (951,129) | (1,071,361) |
| Second City Court | (256,761) | (286,204) | (322,697) | (334,100) | (330,518) | (289,178) | (384,923) |
| Recorder of Mortgages | 1,429,707 | 1,574,482 | 2,082,418 | 2,132,273 | 790,018 | 1,256,731 | 1,580,945 |
| Register of Conveyances | (165,868) | (53,123) | 66,490 | 185,638 | (511,951) | 229,027 | 1,819,826 |
| Total net revenues (expenses) | <u>82,374</u> | <u>(380,892)</u> | <u>(287,023)</u> | <u>1,842,105</u> | <u>(2,824,432)</u> | <u>(1,224,896)</u> | <u>(469,350)</u> |
| General Revenues | | | | | | | |
| Interest | 475,638 | 256,016 | 194,713 | 272,244 | 676,073 | 959,191 | 885,953 |
| Other | 8,386 | 12,860 | 6,414 | 5,730 | 807,441 | 93,132 | 64,610 |
| Total general revenues | <u>484,024</u> | <u>268,876</u> | <u>201,127</u> | <u>277,974</u> | <u>1,483,514</u> | <u>1,052,323</u> | <u>950,563</u> |
| Change in net assets | <u>\$ 566,398</u> | <u>\$ (112,016)</u> | <u>\$ (85,896)</u> | <u>\$ 2,120,079</u> | <u>\$ (1,340,918)</u> | <u>\$ (172,573)</u> | <u>\$ 481,213</u> |

Full accrual basis of accounting
GASB 34 was implemented in 2001

See Independent Auditors' Report on Statistical Information.

EXHIBIT C

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
GOVERNMENTAL FUND BALANCE
LAST TEN FISCAL YEARS

| <u>YEAR</u> | <u>RESERVED FUND BALANCE</u> | <u>UNRESERVED FUND BALANCE</u> |
|-------------|----------------------------------|------------------------------------|
| 1998 | \$-0- | \$3,144,802 |
| 1999 | -0- | 4,701,121 |
| 2000 | -0- | 6,273,727 |
| 2001 | -0- | 6,747,012 |
| 2002 | -0- | 6,032,363 |
| 2003 | -0- | 5,994,547 |
| 2004 | -0- | 7,416,933 |
| 2005 | -0- | 6,815,998 |
| 2006 | -0- | 6,697,551 |
| 2007 | -0- | 7,564,000 |

Modified accrual basis

See Independent Auditors' Report on Statistical Information.

EXHIBIT D

JUDICIAL EXPENSE FUND
 FOR THE
 CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
 CHANGES IN GOVERNMENTAL FUND BALANCE
 LAST TEN FISCAL YEARS

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Filing fees | \$14,283,360 | \$14,334,911 | \$14,722,820 | \$14,964,684 | \$15,455,440 | \$16,120,382 | \$17,716,511 | \$12,841,037 | \$13,276,359 | \$15,732,733 |
| Interest | 368,247 | 446,166 | 668,569 | 475,638 | 256,016 | 194,713 | 272,244 | 676,073 | 959,191 | 885,954 |
| Grants | -0- | -0- | -0- | -0- | -0- | -0- | -0- | 188,396 | 402,915 | 46,412 |
| Other | 86,442 | 285,046 | 381,103 | 37,262 | 65,295 | 84,889 | 117,587 | 891,741 | 93,132 | 64,610 |
| Total revenues | 14,738,049 | 15,066,123 | 15,772,492 | 15,477,584 | 15,776,751 | 16,399,984 | 18,106,342 | 14,597,247 | 14,731,597 | 16,729,709 |
| Expenditures | | | | | | | | | | |
| Civil District Court | 7,114,792 | 8,175,500 | 8,643,838 | 9,219,855 | 10,012,193 | 10,108,088 | 9,097,808 | 8,620,498 | 9,356,571 | 10,265,012 |
| First City Court | 1,854,586 | 2,025,964 | 2,239,086 | 2,248,376 | 2,567,342 | 2,389,308 | 2,313,351 | 2,305,670 | 1,900,722 | 1,983,147 |
| Second City Court | 377,282 | 432,152 | 411,090 | 441,541 | 490,878 | 520,046 | 506,989 | 468,485 | 433,395 | 490,189 |
| Recorder of Mortgages | 1,792,702 | 1,616,353 | 1,621,870 | 1,738,581 | 2,024,759 | 2,021,730 | 1,875,218 | 2,139,172 | 2,042,946 | 1,878,720 |
| Register of Conveyances | 1,149,486 | 1,259,835 | 1,284,002 | 1,355,946 | 1,396,228 | 1,398,628 | 1,347,567 | 1,647,083 | 1,116,409 | 1,228,360 |
| Total expenditures | 12,288,848 | 13,509,804 | 14,199,886 | 15,004,299 | 16,491,400 | 16,437,800 | 15,140,933 | 15,180,908 | 14,850,043 | 15,865,428 |
| Increase (decrease) in fund balance | \$2,449,201 | \$1,556,319 | \$1,572,606 | \$473,285 | \$714,649 | \$(37,816) | \$2,965,409 | \$(583,661) | \$(118,446) | \$884,281 |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
REVENUE RATES AND BASE
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Function</u> | <u>Year</u> | <u>New Suits Filed</u> | <u>Filing Fees Revenue</u> | <u>Average Revenue Per New Suit</u> | <u>Average Cost Per New Suit</u> |
|----------------------|-------------|------------------------|----------------------------|-------------------------------------|----------------------------------|
| Civil District Court | 1998 | 22,438 | \$7,821,976 | 349 | 317 |
| | 1999 | 21,341 | 7,348,701 | 344 | 383 |
| | 2000 | 20,365 | 8,050,486 | 395 | 424 |
| | 2001 | 21,587 | 8,148,254 | 377 | 427 |
| | 2002 | 20,257 | 8,358,140 | 413 | 494 |
| | 2003 | 19,149 | 8,328,592 | 435 | 528 |
| | 2004 | 18,763 | 9,605,853 | 512 | 534 |
| | 2005 | 13,821 | 6,849,947 | 497 | 688 |
| | 2006 | 14,174 | 6,253,813 | 441 | 685 |
| | 2007 | 16,106 | 7,904,940 | 491 | 649 |
| First City Court | 1998 | 19,788 | 2,239,458 | 113 | 94 |
| | 1999 | 19,625 | 2,318,512 | 118 | 103 |
| | 2000 | 19,573 | 2,228,845 | 114 | 114 |
| | 2001 | 19,752 | 2,210,689 | 112 | 114 |
| | 2002 | 18,804 | 2,143,334 | 114 | 137 |
| | 2003 | 16,725 | 2,047,741 | 122 | 143 |
| | 2004 | 15,236 | 2,171,965 | 143 | 162 |
| | 2005 | 12,397 | 1,616,829 | 130 | 199 |
| | 2006 | 6,195 | 966,193 | 156 | 323 |
| | 2007 | 5,879 | 935,749 | 159 | 343 |
| Second City Court | 1998 | 2,056 | 173,166 | 84 | 184 |
| | 1999 | 2,095 | 188,247 | 90 | 206 |
| | 2000 | 2,511 | 199,745 | 80 | 164 |
| | 2001 | 2,671 | 210,237 | 79 | 165 |
| | 2002 | 2,372 | 192,777 | 81 | 207 |
| | 2003 | 2,078 | 199,121 | 108 | 310 |
| | 2004 | 1,774 | 192,121 | 108 | 310 |
| | 2005 | 1,778 | 168,085 | 95 | 293 |
| | 2006 | 1,248 | 118,588 | 95 | 345 |
| | 2007 | 1,231 | 112,494 | 91 | 405 |

Filing fees are paid by litigants to the suites.

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
REVENUE RATES AND BASE
LAST TEN FISCAL YEARS
(UNAUDITED)**

| <u>Function</u> | <u>Year</u> | <u>New Suits Filed</u> | <u>Filing Fees Revenue</u> | <u>Average Revenue Per New Suit</u> | <u>Average Cost Per New Suit</u> |
|-------------------------|-------------|------------------------|----------------------------|-------------------------------------|----------------------------------|
| Recorder of Mortgages | 1998 | 61,083 | \$2,863,860 | 47 | 29 |
| | 1999 | 58,037 | 3,183,661 | 55 | 28 |
| | 2000 | 55,286 | 2,967,080 | 54 | 29 |
| | 2001 | 55,508 | 3,184,732 | 57 | 31 |
| | 2002 | 62,277 | 3,471,687 | 56 | 33 |
| | 2003 | 59,611 | 4,086,639 | 69 | 34 |
| | 2004 | 52,567 | 4,095,770 | 78 | 39 |
| | 2005 | 39,648 | 2,970,032 | 75 | 58 |
| | 2006 | 42,615 | 3,016,758 | 71 | 47 |
| | 2007 | 42,422 | 3,509,314 | 83 | 46 |
| Register of Conveyances | 1998 | 19,742 | 1,184,900 | 60 | 58 |
| | 1999 | 20,062 | 1,295,790 | 65 | 63 |
| | 2000 | 19,476 | 1,276,664 | 66 | 66 |
| | 2001 | 19,097 | 1,210,772 | 63 | 71 |
| | 2002 | 21,553 | 1,289,502 | 60 | 65 |
| | 2003 | 23,086 | 1,457,847 | 63 | 61 |
| | 2004 | 39,382 | 1,651,802 | 42 | 40 |
| | 2005 | 18,234 | 1,236,144 | 68 | 104 |
| | 2006 | 19,501 | 1,266,924 | 63 | 60 |
| | 2007 | 48,867 | 3,097,837 | 65 | 27 |

See Independent Auditors' Report on Statistical Information.

EXHIBIT F

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
DEMOGRAPHIC AND ECONOMIC INDICATORS
ORLEANS PARISH
LAST TEN YEARS
(UNAUDITED)

| <u>Year</u> | <u>Population</u> | <u>Total Personal Income</u> | <u>Per Capital Personal Income</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|--------------------------------------|--|------------------------------|
| 1998 | 485,801 | \$12,125,252 | \$24,959 | 6.1% |
| 1999 | 485,511 | 12,140,253 | 25,005 | 5.1% |
| 2000 | 483,667 | 12,689,000 | 26,235 | 5.4% |
| 2001 | 478,427 | 13,313,564 | 27,828 | 5.8% |
| 2002 | 473,089 | 13,766,830 | 29,100 | 6.2% |
| 2003 | 467,934 | 14,109,070 | 30,152 | 6.5% |
| 2004 | 458,393 | 14,031,868 | 30,611 | 5.5% |
| 2005 | 452,170 | 9,138,355 | 20,210 | 6.2% |
| 2006 | 239,115 | 9,168,386 | 38,343 | 4.0% |
| 2007 | Not Available | | | |

Source for unemployment rates: Louisiana Department of Labor

Source for all other statistics: Bureau of Economic Analysis, U.S. Department of Commerce

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
PRINCIPAL EMPLOYERS IN ORLEANS PARISH
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

| <u>YEAR</u> | <u>TOTAL EMPLOYMENT</u> | <u>PRINCIPAL EMPLOYERS (Largest to Smallest)</u> | <u>NUMBER OF EMPLOYEES</u> |
|-------------|-------------------------------|---|--|
| 1995 | 1986,900 | Orleans Parish School Board City of New Orleans Tulane University The Medical Center of Louisiana LSU Medical Center New Orleans (self support) United States Postal Service Martin-Marietta Corporation Mercy+Baptist Medical Center LSU Medical Center New Orleans (general support) Tulane Medical Center Hospital Clinic | 1,000 or more 1,000 or more |
| 2004 | 251,498 | LSU Health Tulane University LSU Medical Center of Louisiana Medical Center of Louisiana University Hospital United States Postal Service University of New Orleans Memorial Medical Center Lockheed Martin Michoud Operations New Orleans Police Department | 5,000 - 9,999 5,000- 9 999 5,000 - 9,999 5,000 - 9,999 5,000 - 9,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999 1,000 - 4,999 |
| 2006 | Not available | | |
| Source: | Louisiana Department of Labor | | |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
PRINCIPAL EMPLOYERS IN ORLEANS PARISH
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

| <u>YEAR</u> | <u>TOTAL EMPLOYMENT</u> | <u>PRINCIPAL EMPLOYERS (Largest to Smallest)</u> | <u>NUMBER OF EMPLOYEES</u> |
|-------------|-----------------------------|--|--------------------------------|
| 2007 | 99,144 | LSU Medical Center | 5,000 - 9,999 |
| | | University Hospital | 5,000 - 9,999 |
| | | Tulane University | 5,000 - 9,999 |
| | | Harrah's New Orleans Casino | 5,000 - 9,999 |
| | | United States Postal Service | 1,000 - 4,999 |
| | | JCC Holding Co II, LLC | 1,000 - 4,999 |
| | | East Jefferson Hospital | 1,000 - 4,999 |

Source: Louisiana Department of Labor

See Independent Auditors' Report on Statistical Information.

EXHIBIT H

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
NUMBER OF EMPLOYEES
LAST TEN YEAR
(UNAUDITED)

| <u>YEAR</u> | <u>CIVIL DISTRICT COURT</u> | <u>FIRST COURT COURT</u> | <u>SECOND CITY COURT</u> | <u>RECORDER OF MORTGAGES</u> | <u>REGISTER OF CONVEYANCES</u> | <u>ADMINISTRATION</u> | <u>TOTAL</u> |
|-------------|-----------------------------|--------------------------|--------------------------|------------------------------|--------------------------------|-----------------------|--------------|
| 1998 | 219 | 49 | 7 | 61 | 47 | 28 | 411 |
| 1999 | 209 | 59 | 12 | 61 | 48 | 28 | 417 |
| 2000 | 233 | 69 | 12 | 57 | 44 | 32 | 447 |
| 2001 | 266 | 62 | 14 | 56 | 44 | 22 | 464 |
| 2002 | 270 | 68 | 12 | 53 | 43 | 21 | 467 |
| 2003 | 256 | 64 | 10 | 53 | 44 | 19 | 446 |
| 2004 | 251 | 63 | 15 | 49 | 38 | 16 | 432 |
| 2005 | 67 | 18 | 4 | 18 | 14 | 9 | 130 |
| 2006 | 116 | 28 | 5 | 28 | 20 | 13 | 210 |
| 2007 | 191 | 14 | 8 | 45 | 22 | 15 | 325 |

In 1998 nine positions were reclassified from Civil District Court to Administration. In 2001 these nine positions, plus one more, were reclassified back to Civil District Court from Administration.

In 2004 Second City Court used 4 part-time employees instead of replacing the one full-time employee who had retired.

NOTE: This table represents the number of employees, those who received a Form W-2, and not the number of positions. For example, if an employee retired in mid-year and was replaced with a newly hired employee, this table counts two employees while there was only one position.

See Independent Auditors' Report on Statistical Information.

EXHIBIT I

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
CIVIL DISTRICT COURT
CASES FILED AND JURY TRIALS
LAST EN YEARS
(UNAUDITED)

| <u>YEAR</u> | <u>CIVIL CASES FILED</u> | <u>JURY TRIALS</u> |
|-------------|------------------------------|------------------------|
| 1998 | 22,438 | 77 |
| 1999 | 21,341 | 64 |
| 2000 | 20,365 | 62 |
| 2001 | 21,587 | 66 |
| 2002 | 20,257 | 81 |
| 2003 | 19,149 | 56 |
| 2004 | 18,763 | 70 |
| 2005 | 13,821 | 41 |
| 2006 | 14,174 | 41 |
| 2007 | 16,106 | 38 |

See Independent Auditors' Report on Statistical Information.

EXHIBIT J

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
FIRST AND SECOND CITY COURTS
CASES FILED AND TERMINATED
LAST TEN YEARS
(UNAUDITED)

| <u>COURT</u> | <u>YEAR</u> | <u>CIVIL CASES FILED</u> | <u>CIVIL CASES TERMINATED</u> |
|-------------------|-------------|------------------------------|-----------------------------------|
| First City Court | 1998 | 19,788 | 15,227 |
| | 1999 | 19,625 | 13,994 |
| | 2000 | 19,573 | 13,509 |
| | 2001 | 19,752 | 14,246 |
| | 2002 | 18,804 | 14,181 |
| | 2003 | 16,725 | 12,652 |
| | 2004 | 15,236 | 11,403 |
| | 2005 | 12,397 | 8,392 |
| | 2006 | 6,325 | 5,133 |
| | 2007 | 5,879 | 3,484 |
| Second City Court | 1998 | 1,892 | 1,083 |
| | 1999 | 2,056 | 1,224 |
| | 2000 | 2,511 | 1,305 |
| | 2001 | 2,671 | 1,444 |
| | 2002 | 2,372 | 1,203 |
| | 2003 | 2,078 | 1,882 |
| | 2004 | 1,774 | 1,576 |
| | 2005 | 1,778 | 1,556 |
| | 2006 | 1,428 | 1,295 |
| | 2007 | 1,231 | 1,001 |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
DOCUMENTS RECORDED AND COMPLETED
LAST TEN YEARS
(UNAUDITED)

| <u>Function</u> | <u>Year</u> | <u>New Instrument Numbers Issued</u> | <u>Mortgage Certificates Completed</u> | <u>Releases Completed</u> |
|-----------------------|-------------|--|--|-------------------------------|
| Recorder of Mortgages | 1998 | 61,083 | Not available | Not available |
| | 1999 | 58,037 | Not available | Not available |
| | 2000 | 55,286 | Not available | Not available |
| | 2001 | 55,508 | Not available | Not available |
| | 2002 | 62,277 | Not available | Not available |
| | 2003 | 59,611 | 9,792 | 37,311 |
| | 2004 | 52,567 | 8,115 | 39,749 |
| | 2005 | 39,648 | 7,372 | 23,410 |
| | 2006 | 42,615 | 7,247 | Not available |
| | 2007 | 42,422 | 7,860 | Not available |

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
DOCUMENTS RECORDED AND COMPLETED
LAST TEN YEARS
(UNAUDITED)**

| <u>FUNCTION</u> | <u>YEAR</u> | <u>NEW INSTRUMENT NUMBERS ISSUED</u> | <u>CONVEYANCE CERTIFICATES COMPLETED</u> |
|-------------------------|-------------|--|--|
| Register of Conveyances | 1998 | 19742 | Not available |
| | 1999 | 20,062 | Not available |
| | 2000 | 19,476 | Not available |
| | 2001 | 19,097 | Not available |
| | 2002 | 21,553 | Not available |
| | 2003 | 23,086 | 7,321 |
| | 2004 | 39,382 | 6,975 |
| | 2005 | 18,234 | 5,222 |
| | 2006 | 19,501 | 5,225 |
| | 2007 | 48,867 | 5,538 |

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

| <u>FUNCTION</u> | <u>YEAR</u> | <u>COMPUTER EQUIPMENT</u> | <u>COMPUTER SOFTWARE</u> | <u>OFFICE EQUIPMENT</u> | <u>FURNITURE AND FIXTURE</u> | <u>CONSTRUCTION IN PROGRESS</u> | <u>LEASEHOLD IMPROVEMENTS</u> | <u>TOTAL</u> |
|----------------------|-------------|---------------------------|--------------------------|-------------------------|------------------------------|---------------------------------|-------------------------------|----------------|
| Civil District Court | 1998 | \$ 6,583 | \$ 3,495 | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ 10,078 |
| | 1999 | 34,487 | 32,225 | -0- | -0- | -0- | -0- | 66,712 |
| | 2000 | 9,664 | -0- | 16,850 | 13,627 | -0- | -0- | 40,141 |
| | 2001 | 12,719 | 4,984 | 3,200 | 22,122 | -0- | -0- | 43,025 |
| | 2002 | 27,719 | 4,984 | 3,200 | 22,122 | -0- | -0- | 56,193 |
| | 2003 | 15,050 | 9,311 | -0- | 2,849 | -0- | -0- | 27,210 |
| | 2004 | 7,356 | 9,840 | (10,680) | -0- | -0- | -0- | 6,516 |
| | 2005 | 7,019 | 5,925 | 10,680 | -0- | -0- | -0- | 23,624 |
| | 2006 | 14,673 | 4,461 | 9,423 | -0- | -0- | -0- | 28,557 |
| | 2007 | 14,199 | 10,485 | 2,074 | -0- | -0- | -0- | 26,758 |
| Total | | 143,021 | 90,606 | 35,642 | 49,468 | -0- | -0- | 318,737 |
| # of items | | 63 | 13 | 12 | 16 | -0- | -0- | 104 |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS

| FUNCTION | YEAR | COMPUTER EQUIPMENT | COMPUTER SOFTWARE | OFFICE EQUIPMENT | FURNITURE AND FIXTURE | CONSTRUCTION IN PROGRESS | LEASEHOLD IMPROVEMENTS | TOTAL |
|------------------|------|--------------------|-------------------|------------------|-----------------------|--------------------------|------------------------|--------|
| First City Court | 1998 | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| | 1999 | -0- | -0- | -0- | 4,224 | -0- | -0- | 4,224 |
| | 2000 | 5,548 | -0- | 8,077 | 4,527 | -0- | -0- | 18,152 |
| | 2001 | 2,000 | -0- | -0- | 2,233 | -0- | -0- | 4,233 |
| | 2002 | 2,390 | 21,560 | -0- | -0- | -0- | 19,685 | 43,635 |
| | 2003 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2004 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2005 | 3,437 | -0- | -0- | -0- | -0- | -0- | 3,437 |
| | 2006 | 1,616 | -0- | -0- | -0- | -0- | -0- | 1,616 |
| | 2007 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Total | | 14,991 | 21,560 | 8,077 | 10,984 | -0- | 19,685 | 75,297 |
| # of items | | 7 | 2 | 1 | 6 | 0 | 1 | 17 |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS

| FUNCTION | YEAR | COMPUTER EQUIPMENT | COMPUTER SOFTWARE | OFFICE EQUIPMENT | FURNITURE AND FIXTURE | CONSTRUCTION IN PROGRESS | LEASEHOLD IMPROVEMENTS | TOTAL |
|-------------------|------|--------------------|-------------------|------------------|-----------------------|--------------------------|------------------------|----------|
| Second City Court | 1998 | \$ 2,686 | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ 2,686 |
| | 1999 | 9,459 | -0- | -0- | -0- | -0- | -0- | 9,459 |
| | 2000 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2001 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2002 | 3,988 | -0- | -0- | -0- | -0- | -0- | 3,988 |
| | 2003 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2004 | 2,033 | -0- | 1,705 | -0- | -0- | -0- | 3,738 |
| | 2005 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2006 | -0- | 2,199 | -0- | -0- | -0- | -0- | 2,199 |
| | 2007 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Total | | 18,166 | 2,199 | 1,705 | -0- | -0- | -0- | 22,070 |
| # of items | | 7 | 1 | 1 | 0 | 0 | 0 | 9 |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS

| FUNCTION | YEAR | COMPUTER EQUIPMENT | COMPUTER SOFTWARE | OFFICE EQUIPMENT | FURNITURE AND FIXTURE | CONSTRUCTION IN PROGRESS | LEASEHOLD IMPROVEMENTS | TOTAL |
|-----------------------|------|--------------------|-------------------|------------------|-----------------------|--------------------------|------------------------|----------|
| Recorder of Mortgages | 1998 | \$ -0- | \$ -0- | \$ -0- | \$ 7,240 | \$-0- | \$ -0- | \$ 7,240 |
| | 1999 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2000 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2001 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2002 | 1,800 | -0- | -0- | -0- | -0- | -0- | 1,800 |
| | 2003 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2004 | -0- | -0- | 1,673 | -0- | -0- | -0- | 1,673 |
| | 2005 | 7,672 | -0- | (7,240) | -0- | -0- | -0- | 432 |
| | 2006 | 4,572 | -0- | 10,567 | 65,318 | -0- | -0- | 80,457 |
| | 2007 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Total | | 14,044 | -0- | 12,240 | 58,078 | -0- | -0- | 84,362 |
| # of items | | 3 | 0 | 3 | 0 | 0 | 0 | 6 |

See Independent Auditors' Report on Statistical Information.

JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS

| FUNCTION | YEAR | COMPUTER EQUIPMENT | COMPUTER SOFTWARE | OFFICE EQUIPMENT | FURNITURE AND FIXTURE | CONSTRUCTION IN PROGRESS | LEASEHOLD IMPROVEMENTS | TOTAL |
|-------------------------|------|--------------------|-------------------|------------------|-----------------------|--------------------------|------------------------|----------|
| Register of Conveyances | 1998 | \$ 1,665 | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ 1,665 |
| | 1999 | -0- | -0- | -0- | 2,772 | -0- | -0- | 2,772 |
| | 2000 | -0- | -0- | 1,545 | -0- | -0- | -0- | 1,545 |
| | 2001 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2002 | -0- | -0- | -0- | 12,685 | -0- | -0- | 12,685 |
| | 2003 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2004 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2005 | 9,575 | -0- | (1,545) | (15,457) | -0- | -0- | (7,427) |
| | 2006 | 4,571 | -0- | 1,571 | -0- | -0- | -0- | 6,142 |
| | 2007 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Total | | 15,811 | -0- | 1,571 | -0- | -0- | -0- | 17,382 |
| # of items | | 4 | 0 | 0 | 0 | 0 | 0 | 4 |

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
INVESTMENTS IN CAPITAL ASSETS
LAST TEN YEARS**

| FUNCTION | YEAR | COMPUTER EQUIPMENT | COMPUTER SOFTWARE | OFFICE EQUIPMENT | FURNITURE AND FIXTURE | CONSTRUCTION IN PROGRESS | LEASEHOLD IMPROVEMENTS | TOTAL |
|-------------------------|------|-----------------------|----------------------|---------------------|--------------------------|-----------------------------|---------------------------|--------------------|
| Administration | 1998 | \$ -0- | \$ 3,434 | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ 3,434 |
| | 1999 | 172,790 | 20,345 | -0- | -0- | -0- | -0- | 193,135 |
| | 2000 | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| | 2001 | 36,277 | 129,069 | -0- | -0- | -0- | -0- | 165,346 |
| | 2002 | 406,746 | 259,603 | 33,653 | -0- | 25,973 | -0- | 725,975 |
| | 2003 | 52,049 | 197,207 | -0- | -0- | (25,973) | -0- | 223,282 |
| | 2004 | 10,790 | 218,488 | -0- | -0- | -0- | -0- | 229,277 |
| | 2005 | 205,636 | 331,011 | -0- | -0- | -0- | -0- | 536,647 |
| | 2006 | 57,023 | 332,688 | -0- | -0- | -0- | -0- | 389,711 |
| | 2007 | 6,626 | -0- | -0- | -0- | -0- | -0- | 6,626 |
| Total | | <u>947,936</u> | <u>1,488,411</u> | <u>33,653</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>2,469,999</u> |
| # of items | | 37 | 10 | 2 | 0 | 0 | 0 | 49 |
| Grand total | | <u>\$1,153,968</u> | <u>\$1,602,776</u> | <u>\$92,888</u> | <u>\$118,530</u> | <u>\$ -0-</u> | <u>\$19,685</u> | <u>\$2,987,847</u> |
| Total # of items groups | | 121 | 26 | 19 | 22 | 0 | 1 | 189 |

See Independent Auditors' Report on Statistical Information.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

ACKNOWLEDGMENTS

REPORT PREPARED BY

| | |
|----------------|--------------------|
| Anne Castjohn | - Chief Accountant |
| Andrea Johnson | - Staff Accountant |

CHIEF JUDGE

| | |
|---------------|-------------|
| Nadine Ramsey | - 2007-2008 |
|---------------|-------------|

JUDICIAL ADMINISTRATOR

| | |
|------------------|--|
| Kenneth Burrell | - Judicial Administrator (2006 to 2/1/08) |
| Elaine W. Spiess | - Acting Judicial Administrator (2/1/08 to present) |

FINANCIAL REPORTING SECTION

| | |
|------------------|----------------------------|
| Trina R. Lewis | - Accounts Payable |
| Dwayne J. Mallet | - Purchasing Agent |
| Tymetrius Jones | - Administrative Assistant |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

EXIT CONFERENCE

An exit conference and other meetings were held with representatives of **the Judicial Expense Fund**. The contents of this report were discussed and management is in agreement. Those persons who participated in this and previous discussions are as follows:

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

| | |
|----------------|----------------------------------|
| Nadine Ramsey | -- Chief Judge |
| Yada Magee | -- Chairperson Finance Committee |
| Elaine Spiess | -- Acting Judicial Administrator |
| Andrea Johnson | -- Staff Accountant |
| Anne Castjohn | -- Chief Accountant |

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

| | |
|------------------------------------|------------|
| Paul K. Andoh, Sr., CPA, MBA, CGFM | -- Partner |
|------------------------------------|------------|

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA**

**REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS**

FOR THE YEAR ENDED DECEMBER 31, 2007

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Society of Louisiana
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Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

INDEPENDENT AUDITORS' 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

**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including First and Second City Courts,
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans
New Orleans, Louisiana**

We have audited the financial statements of **Judicial Expense Fund for the Civil District Court for the Parish of Orleans also including First and Second City Courts, Recorder of Mortgages and Register of Conveyances for the City of New Orleans** (hereinafter collectively referred to as the **Judicial Expense Fund**) as of and for the years ended **December 31, 2007 and 2006**, and have issued our report thereon dated **June 26, 2008**. We conducted our audits 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 of America.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 opinion on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of the **Judicial Expense Fund's** internal control over financial reporting. Accordingly, we do not express any opinions on the effectiveness of **Judicial Expense Fund'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.

INDEPENDENT AUDITORS' 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
(CONTINUED)

Internal Control Over Financial Reporting, Continued

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 accounting principles generally accepted in the United States of America 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.

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 the 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 over financial reporting that we consider to 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. However, we noted certain matters involving the internal control over financial reporting which we have reported to management of **the Judicial Expense Fund** in a separate letter dated June 26, 2008.

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 grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

INDEPENDENT AUDITORS' 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
(CONTINUED)

Compliance and Other Matters, Continued

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 that are required to be reported under *Government Auditing Standards*.

The **Judicial Expense Fund's** response to the findings identified in our audit, where applicable, is described in the accompanying Summary Schedule of Findings and Responses under the caption "Management's Response" and "Current Status". We did not audit **Judicial Expense Fund's** response and, accordingly, we express no opinion on it.

This report is solely intended for the information and use of the Honorable Judges, the **Judicial Expense Fund's** management, and the Legislative Auditor for the State of Louisiana 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.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

June 26, 2008

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2007**

Section I - Summary of Auditors' Results

Financial Statement

| | |
|---|---------------|
| Type of auditor's report issued: | Qualified |
| Internal control over financial reporting: | |
| o Material weakness(es) identified: | No |
| o Control deficiency(ies) identified that are not considered to be material weakness(es)? | None Reported |
| Noncompliance material to financial statements noted: | No |

Federal Awards

| | |
|--|----------------|
| Internal control over financial reporting: | |
| o Material weakness(es) identified: | Not Applicable |
| o Control deficiency(ies) identified that are not considered to be material weakness(es)? | |
| Type of auditor's report issued on compliance for major programs. | Not Applicable |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Not Applicable |

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007**

Section I - Summary of Auditors' Results, Continued

Federal Awards, Continued

Identified of Major Programs: Not Applicable

Dollar threshold used to distinguish
between type A and B programs Not Applicable

Auditee qualified as low risk auditee? Not Applicable

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007**

Section II - Financial Statement Findings and Responses

No financial statement findings were reported for the year ended December 31, 2007.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007**

Section III - Federal Award Findings and Questioned Costs

No federal award findings and questioned costs were reported for the year ended December 31, 2007.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007**

**Section IV - Status of Prior Year's Findings and Responses
2006 and Prior**

Reference Numbers

2006-01 and 2005-01

Condition

The Louisiana Revised Statute 39:1311 states that, "The chief executive officer or equivalent notify in writing the governing authority during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (LSA-RS 36:1311)."

Recommendation

We recommend that management of the **Judicial Expense Fund** ensure continued compliance with the requirements of the Budget Act.

Current Status

Resolved.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2007.**

**Section IV - Status of Prior Year's Findings and Responses, Continued
2006 and Prior**

Reference Number

2006-02

Condition

The **Judicial Expense Fund** in August 2006 initiated monthly payments of sixty (60) percent of filing fees collected, net of certain applicable costs to the Clerk of Civil District Court starting with the month of June 2006.

It is our understanding through discussion with management, that the disbursements for the 2006 year were the results of management's understanding that Act 621 was effective on June 23, 2006.

As part of our audit, we reviewed the supporting documents provided to us by management of the **Judicial Expense Fund**, noting that the payments made through December 31, 2006 are overstated. In addition, the disbursements were incorrectly charged to fund balance.

Furthermore, we are unable to determine if the funds have been subjected to an audit for the year ended December 31, 2006.

Recommendation

We recommend that management revisit with the requirements of Act 621 to include the complete components to support the monthly disbursement. Also, the review should include legal and accounting consultation to ensure the effective date as well as the completeness of all transactions affecting the monthly disbursement amount. Finally, management should ensure compliance with the performance of an audit of all funds disbursed.

Current Status

Resolved.

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

EXIT CONFERENCE

An exit conference was held with representatives of the **Judicial Expense Fund**. The contents of this report were discussed and management is in agreement. Those persons who participated in this and previous discussions are as follows:

**JUDICIAL EXPENSE FUND
FOR THE
CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS**

| | | |
|----------------|----|-------------------------------|
| Nadine Ramsey | -- | Chief Judge |
| Yada Magee | -- | Chairperson Finance Committee |
| Elaine Speiss | -- | Acting Judicial Administrator |
| Andrea Johnson | -- | Staff Accountant |
| Anne Castjohn | -- | Chief Accountant |

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

| | | |
|------------------------------------|----|---------|
| Paul K. Andoh, Sr., CPA, MBA, CGFM | -- | Partner |
|------------------------------------|----|---------|



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Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

To the Judges *En Banc*
**Judicial Expense Fund for the
Civil District Court for the Parish of Orleans
also including First and Second City Courts,
Recorder of Mortgages and Register of Conveyances
for the City of New Orleans**
New Orleans, Louisiana

In planning and performing our audit of the financial statements of **the Judicial Expense Fund for the Civil District Court for the Parish of Orleans also including First and Second City Courts, Recorder of Mortgages and Register of Conveyances for the City of New Orleans** (hereinafter collectively referred to as **the Judicial Expense Fund**) as of and for the year ended December 31, 2007, we considered **the Judicial Expense Fund's** internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **the Judicial Expense Fund's** internal control. Accordingly, we do not express an opinion on the effectiveness of **the Judicial Expense Fund's** internal control.

During our audit, we became aware of matters that provide an opportunity for **the Judicial Expense Fund** to strengthen its internal control and operating efficiency. Also, we discussed with management, the current status of prior year's matters. We previously reported on **the Judicial Expense Fund's** internal control in our report dated June 26, 2008. This letter does not affect our report dated June 26, 2008 on the financial statements of **the Judicial Expense Fund**.

We will review the status of these matters during our next engagement. We have already discussed these matters with **the Judicial Expense Fund's** personnel, and we will be pleased to discuss these matters in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

Current Year's Other Matters

2007

Our discussion of current year's other matters follows:

Condition

Our review of the **Judicial Expense Fund's** internal control over financial reporting revealed the following conditions:

- Based on our review of selected journal entries prepared for the months of September and December 2007, we noted that monthly journal entries prepared and posted to the general ledger, were in several instances without the benefit of supporting documents. Also, we noted that review and approval of journal entries prepared beyond the level of the preparer, were in most instances non-existent prior and subsequent to the input of the entries into the general ledger system;
- The current accounting policies and procedural manual used by the **Judicial Expense Fund** staff does not reflect current practices and/or revised policies; and
- Selected personnel files reviewed, lacked certain documents such as pay rates authorization, completed Forms I-9 etc. in the respective files.

Recommendation

We recommend that all journal entries prepared should have the necessary and required supporting document's attached. Also, the entries should be reviewed and approved at a level above the preparer prior to input.

The current accounting policies and procedural manual should be updated to accommodate current practices. Finally, all required personnel documents should be filed in the respective personnel file.

Management's Response

Management will review and update current accounting policies and procedures to ensure proper documentation and supervision. Journal entries and personnel files will be specifically addressed.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

*Status of Prior Year's Other Matters
2006 and Prior*

The following summarizes the status of prior year's matters:

Condition

Our review of internal control over financial reporting for **the Judicial Expense Fund** in connection with our audit revealed the following conditions:

- Noted several stale dated checks which have been outstanding over six months at December 31, 2006;
- The accounts receivable - NSF check listing provided to us totaling approximately \$13,900 at December 31, 2006, included returned checks dating as far back as July 2005;
- The current amount charged for estimated post employment benefits pursuant to the requirements of GASB 45, needs to be reviewed for changes to the variables used in the determination of benefit amount;
- Noted several immaterial unreconciled differences between the general ledger control accounts and their related subsidiary ledger accounts; and
- Monthly journal entries prepared in connection with the monthly financial transactions processing lacked supervisory review beyond the preparer's level.

Recommendation

We recommend that management evaluate the previously described conditions with an aim towards resolution.

Current Status

Partially resolved. See the current year's section of this report.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**

(CONTINUED)

*Status of Prior Year's Other Matters, Continued
2006 and Prior*

Condition

Currently, the **Judicial Expense Fund** does not have a formal written policy to address its custodial credit risk that results from deposits of funds held by others on its behalf in excess of \$100,000 (Federal Deposit Corporation limit) with its financial institutions.

However, the **Judicial Expense Fund** maintains a collateral agreement with other institutions and reviews its adequacy on a periodic basis.

Recommendation

We recommend the establishment of a deposit policy to address all deposits of funds with others in excess of the Federal Deposit Insurance Corporation (FDIC) limit.

Current Status

Resolved.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS
RELATED TO INTERNAL CONTROL**
(CONTINUED)

The **Judicial Expense Fund's** response to the other matters identified in our audit is described in the accompanying report on other matters related to internal control under the caption "Management's Response" and "Current Status". We did not audit the **Judicial Expense Fund's** response and, accordingly, we express no opinion on it.

As always, we appreciate the courtesies extended to us by you and your staff during our audit. Should you have any questions or require further details, please do not hesitate to call.

This report is intended solely for the information of the management of the **Judicial Expense Fund**, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Bruno & Tervalon LLP

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

June 26, 2008