

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

Special Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 2003  
With Supplemental Information Schedules

January 7, 2004



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**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

Special Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 2003  
With Supplemental Information Schedules

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor.

January 7, 2004

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
New Orleans, Louisiana**

Special Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 2003  
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December 10, 2003

Independent Auditor's Report  
on the Financial Statements

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the accompanying special purpose (legal basis) financial statements of the Supreme Court of Louisiana, a court within Louisiana state government, as of and for the year ended June 30, 2003. These financial statements are the responsibility of management of the Supreme Court of Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in note 1-B to the financial statements, Act 53 of the 2002 Regular Session of the Louisiana Legislature provided various state appropriations to units of the judicial branch of government. The accompanying special purpose financial statements include these state appropriations, except for those appropriations that are not under the control of the Supreme Court of Louisiana as provided in note 1, which are subject to separate audits. As such, they present the appropriated and non-appropriated activity of the court that are part of the accounts and fund structure of the State of Louisiana. The appropriated funds reflect appropriated activity of the court that are part of the General Fund and special revenue funds of the State of Louisiana. The non-appropriated funds are individual funds of the State of Louisiana not subject to budgetary control. Furthermore, the special purpose financial statements have been prepared on a legal basis of accounting, the purpose of which is to reflect compliance with the annual appropriation act for the appropriated funds and the financial position of the non-appropriated funds. These procedures differ from accounting principles generally accepted in the United States of America as described in the notes to the financial statements. Accordingly, the accompanying special purpose financial statements are not intended to and do not present fairly the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

LEGISLATIVE AUDITOR

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Audit Report, June 30, 2003

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the balances within the appropriated and non-appropriated funds of the Supreme Court of Louisiana at June 30, 2003, and the transactions of such funds for the year then ended, on the basis of accounting described in note 1-D.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2003, on our consideration of the Supreme Court's internal control over financial reporting and on our tests of its compliance with certain laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the accompanying special purpose financial statements of the Supreme Court of Louisiana taken as a whole. The accompanying supplemental information schedules are presented for the purpose of additional analysis and have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are stated fairly in all material respects in relation to the special purpose financial statements taken as a whole.

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

Respectfully submitted,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

GL:ES:PEP:ss

[SUPCRT03]

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

**Combined Balance Sheet (Legal Basis), June 30, 2003**

	APPROPRIATED FUNDS				TOTAL (MEMORANDUM ONLY)
	GENERAL APPROPRIATION	JUDGES' SUPPLEMENTAL COMPENSATION FUND	TRIAL COURT CASE MANAGEMENT INFORMATION FUND	NON- APPROPRIATED FUNDS	
<b>ASSETS</b>					
Cash and cash equivalents (note 2)	\$10,875,523	\$107,174		\$1,308,106	\$12,290,803
Receivables	117,240			45,212	162,452
Due from other state agencies (note 3)	3,263,285				3,263,285
Due from other funds (note 5)	35,899	168,307	\$265,832		470,038
Prepayments	56,721				56,721
<b>TOTAL ASSETS</b>	<b>\$14,348,668</b>	<b>\$275,481</b>	<b>\$265,832</b>	<b>\$1,353,318</b>	<b>\$16,243,299</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts payable	\$1,230,974		\$468	\$31,202	\$1,262,644
Payroll deductions payable	99,893				99,893
Due to other funds (note 5)	434,139			35,899	470,038
Total Liabilities	1,765,006	NONE	468	67,101	1,832,575
Fund Equity - fund balance - reserved (note 12)	12,583,662	\$275,481	265,364	1,286,217	14,410,724
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$14,348,668</b>	<b>\$275,481</b>	<b>\$265,832</b>	<b>\$1,353,318</b>	<b>\$16,243,299</b>

The accompanying notes are an integral part of this statement.

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

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis)  
For the Year Ended June 30, 2003**

	APPROPRIATED		
	GENERAL APPROPRIATION FUND	PATIENTS' COMPENSATION FUND	JUDGES' SUPPLEMENTAL COMPENSATION FUND
<b>REVENUES</b>			
Appropriated by legislature:			
State General Fund	\$93,254,280		
State General Fund by interagency transfers	11,811,945		
State General Fund by statutory dedications	686,044	\$10,000	\$3,909,001
Fees and self-generated revenues	115,984		93
Non-appropriated revenues			
Total revenues	<u>105,868,253</u>	<u>10,000</u>	<u>3,909,094</u>
<b>EXPENDITURES</b>			
Personal services	51,757,171		3,642,452
Travel	1,316,988		
Operating supplies and services	2,416,872		
Professional services	1,023,614		
Other charges	943,676		
Non-appropriated expenditures			
Total expenditures	<u>57,458,321</u>	<u>NONE</u>	<u>3,642,452</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>48,409,932</u>	<u>10,000</u>	<u>266,642</u>
<b>OTHER FINANCING SOURCES (Uses)</b>			
Operating transfers in (note 4)	17,206		
Operating transfers out (note 4)		(10,000)	
Transfers to the Office of Facility Planning (note 6)	(4,545,064)		
Transfers to other entities (note 7)	(45,860,531)		
Total other financing sources (uses)	<u>(50,388,389)</u>	<u>(10,000)</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(1,978,457)</u>	<u>NONE</u>	<u>266,642</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>14,562,119</u>	<u>NONE</u>	<u>8,839</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$12,583,662</u>	<u>NONE</u>	<u>\$275,481</u>

The accompanying notes are an integral part of this statement.

Statement B

<u>FUNDS</u>		
TRIAL COURT CASE MANAGEMENT INFORMATION FUND	NON - APPROPRIATED FUNDS	TOTAL (MEMORANDUM ONLY)
		\$93,254,280
		11,811,945
\$1,695,000		6,300,045
		116,077
	\$1,025,032	1,025,032
<u>1,695,000</u>	<u>1,025,032</u>	<u>112,507,379</u>
968,018		56,367,641
29,392		1,346,380
223,065		2,639,937
337,418		1,361,032
36,507		980,183
	947,858	947,858
<u>1,594,400</u>	<u>947,858</u>	<u>63,643,031</u>
<u>100,600</u>	<u>77,174</u>	<u>48,864,348</u>
	10,000	27,206
	(17,206)	(27,206)
		(4,545,064)
		(45,860,531)
<u>NONE</u>	<u>(7,206)</u>	<u>(50,405,595)</u>
100,600	69,968	(1,541,247)
<u>164,764</u>	<u>1,216,249</u>	<u>15,951,971</u>
<u>\$265,364</u>	<u>\$1,286,217</u>	<u>\$14,410,724</u>

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

**Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis)  
For the Year Ended June 30, 2003**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Appropriated by legislature:			
State General Fund:			
Supreme Court	\$25,504,977	\$25,504,977	
Courts of Appeal	30,037,301	30,037,301	
District courts	23,281,990	23,281,990	
Orleans Parish Criminal Court	4,007,197	4,007,197	
Other courts	10,422,815	10,422,815	
Total state General Fund	<u>93,254,280</u>	<u>93,254,280</u>	NONE
Statutory dedications:			
Patients' Compensation Fund	10,000	10,000	
Judges' Supplemental Compensation Fund	4,000,000	3,909,001	(\$90,999)
Trial Court Case Management Fund	1,731,949	1,695,000	(36,949)
Deficit Elimination - Medical Cost	686,044	686,044	
Total statutory dedications	<u>6,427,993</u>	<u>6,300,045</u>	(127,948)
Other - interest earnings	116,077	116,077	NONE
Interagency receipt:			
TANF drug court	5,000,000	4,659,032	(340,968)
TANF truancy assessment centers	2,430,192	2,635,480	205,288
TANF court appointed special advocates	4,830,000	4,517,433	(312,567)
Total interagency receipt	<u>12,260,192</u>	<u>11,811,945</u>	(448,247)
Total appropriated revenues	<u>112,058,542</u>	<u>111,482,347</u>	(576,195)
<b>EXPENDITURES</b>			
Supreme Court:			
Salaries - Chief Justice and associate justices	722,399	724,606	(2,207)
Supreme Court Proper - staff and other expenses and salary of court crier	6,278,815	6,206,254	72,561
Judicial Council	2,455,336	2,528,233	(72,897)
Judiciary Commission	726,931	688,045	38,886
Court reporters	241,148	189,942	51,206
Dues to the National Center for State Courts	126,236	123,207	3,029
Committee on Professional Ethics	3,000	3,000	

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
APPROPRIATED FUNDS  
Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis), 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (CONT.)</b>			
Supreme Court: (Cont.)			
Retired judges - salaries and expenditures	\$1,235,468	\$1,440,897	(\$205,429)
Law Library of Louisiana	1,376,515	1,853,154	(476,639)
Transferred judges - salaries and expenditures	120,000	333,452	(213,452)
Retirement benefits to justices and judges - all courts	2,308,997	2,135,481	173,516
Retirement benefits to widows of justices and judges - all courts	1,290,847	1,360,680	(69,833)
Judicial College	137,692	137,192	500
Employer contribution to retirement system	4,016,851	3,693,753	323,098
Civil commitment matters	143,424	91,730	51,694
Louisiana Protective Order Registry	594,447	563,075	31,372
Families in Need of Services	1,740,534	1,565,871	174,663
Administrative expenses of the Medical Review Panel	10,000	10,000	
Truancy Assessment Centers	1,926,337	1,247,402	678,935
Paul Hebert Law Center, payable from General Fund Direct	60,000	60,000	
Courts of Appeal:			
Salaries of judges	5,138,924	5,008,591	130,333
First Circuit operation and maintenance	6,784,264	6,784,264	
Second Circuit operation and maintenance	3,628,839	3,628,839	
Third Circuit operation and maintenance	5,369,672	5,369,672	
Fourth Circuit operation and maintenance	5,385,270	5,385,270	
Fifth Circuit operation and maintenance	3,730,332	3,730,332	
District Courts:			
Salaries of judges	16,614,606	16,353,948	260,658
District judges - office and travel expenses	1,239,400	1,222,711	16,689
Orleans Parish Civil District Courts - salaries of judges	1,267,606	1,267,606	
Stenographers' and clerks' and other judges' expenses	70,000	80,416	(10,416)
Twentieth Judicial District court reporters - salary and retirement contribution	83,699	82,330	1,369
Clerk of Orleans Parish Civil District Court	10,000	10,000	
Employer contribution to group, worker's compensation, general liability, and property insurance	3,872,508	3,038,348	834,160
Commissioners of Fifteenth and Nineteenth Judicial Districts - salaries			
Judicial Districts - salaries	296,132	298,977	(2,845)
Office expenses - Nineteenth Judicial District	293,868	299,868	(6,000)
Office expenses - Fifteenth Judicial District	194,415	168,843	25,572
Law clerk of the Twentieth Judicial District	25,800	23,018	2,782

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
APPROPRIATED FUNDS  
Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis), 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (CONT.)</b>			
Orleans Parish Criminal Court:			
Salaries of district judges	\$1,177,063	\$1,138,421	\$38,642
Office expenses and employer contribution to group insurance	286,855	286,008	847
Salaries of minute clerks	237,205	236,817	388
Salaries of court reporters	374,876	364,919	9,957
Salaries and related benefits of commissioners	242,153	233,678	8,475
Office expenses of commissioners	10,000	10,042	(42)
Salaries of commissioners' minute clerks	60,840	59,339	1,501
Salaries of commissioners' court reporters	45,865	43,851	2,014
Judicial Administrator and assistants - salaries and related benefits	532,175	495,015	37,160
Salaries of law clerks	426,118	417,887	8,231
Salaries of secretaries	123,147	121,862	1,285
Sanity Commissions	162,172	162,172	
Board of Jury Commissioners	261,528	261,528	
Office expenses of Criminal Court Judges Orleans	67,200	68,143	(943)
Other courts - salaries and related benefits:			
Salaries of city court judges	1,782,681	1,730,130	52,551
Juvenile Court - salaries of judges	1,267,606	1,267,607	(1)
Salaries of family court judges	362,173	366,052	(3,879)
Salaries of municipal judges, traffic court judges, and parish court judge	282,911	282,913	(2)
Juvenile and family courts - office expenses	100,800	110,015	(9,215)
Orleans Parish Juvenile Protective Care Monitoring Program	356,916	360,133	(3,217)
State Direct Drug Court Support	6,181,800	5,704,496	477,304
Orleans Parish Juvenile Court - court reporters	57,928	57,928	
Expenses of Judges Assistance Program	30,000	30,000	
Appropriated by legislature - statutory dedicated funds:			
Judges' Supplemental Compensation Fund	4,000,000	3,642,452	357,548
Trial Court Case Management Fund	1,731,949	1,594,400	137,549

(Continued)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
APPROPRIATED FUNDS  
Statement of Revenues, Expenditures,  
and Unexpended Appropriation -  
Budget Comparison of Current-Year  
Appropriation - Budget (Legal Basis), 2003**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>EXPENDITURES (CONT.)</b>			
Appropriated by legislature - by interagency receipt:			
TANF Drug Court	\$5,000,000	\$4,657,975	\$342,025
TANF Truancy Assessment Center	2,430,192	2,635,480	(205,288)
TANF Court Appointed Special Advocates	4,830,000	4,517,434	312,566
Total appropriated expenditures	<u>111,942,465</u>	<u>108,565,704</u>	<u>3,376,761</u>
<b>UNEXPENDED APPROPRIATION - CURRENT YEAR</b>	<u>\$116,077</u>	<u>\$2,916,643</u>	<u>\$2,800,566</u>

(Concluded)

The accompanying notes are an integral part of this statement.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of and for the Year Ended June 30, 2003

**INTRODUCTION**

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

The court's operations are funded through annual appropriations made by the Louisiana Legislature from the state's General Fund and from the state's Patients' Compensation Fund, Judges' Supplemental Compensation Fund, and Trial Court Case Management Information Special Revenue Funds. The court's operations are further funded through self-generated revenues authorized by R.S. 13:126, which include fees for appeals, applications for writs, motions filed on unlogged appeals, answers to appeals, and through fees for copies, seminars, and other services. The state's Judges' Supplemental Compensation Special Revenue Fund is funded by an additional fee of \$17 charged by the various courts in the state in compliance with Act 63 of the 1985 Session of the Louisiana Legislature. The state's Trial Court Case Management Information Special Revenue Fund is funded by a special court cost from \$1 to \$2 on all traffic and criminal convictions in the state as mandated by Act 152 of the 1993 Session of the Louisiana Legislature. The amounts collected in connection with these two funds are collected by the Clerk of the Supreme Court and various lower courts and remitted to the state treasurer through the Judicial Administrator's Office of the Supreme Court of Louisiana.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**B. REPORTING ENTITY**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The accompanying special purpose financial statements represent activity of the Supreme Court within the judicial branch of state government and, therefore, are a part of the fund and account group structure of the State of Louisiana and its basic financial statements. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the funds of the accompanying financial statements. The basic financial statements are audited by the Louisiana Legislative Auditor.

The financial activities of the court are organized on a fund basis whereby separate, self-balancing sets of accounts are maintained to account for authorized or appropriated activities. Therefore, although the accompanying special purpose financial statements of the court contain sub-account information of the various funds of the State of Louisiana, they only present information as to the transactions of the court as authorized by Louisiana statutes, administrative regulations, and rules of the Supreme Court of Louisiana and the Judicial Budgetary Control Board. As such, they are not intended to present financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

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

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

- The Louisiana Judicial College is responsible for collecting and accounting for seminar registration fees. These fees are used to conduct seminars for the education of Louisiana judges.

Certain appropriations made to units of the judicial branch under Act 53 of the Regular Session of 2002 of the Legislative - Special Acts Judiciary are not administered by the Supreme Court of Louisiana. Disbursements of annual appropriations to these units are accounted for as transfers (other financing uses) and are subject to separate audits. These units are listed as follows:

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

**C. FUND ACCOUNTING**

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

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

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

**APPROPRIATED FUNDS**

**General Appropriation Fund**

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

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

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

The TANF Drug Court Grant provides support for the improvement and enhancement of drug courts. The TANF Truancy Assessment Centers are designed to integrate community services for children at risk. Truancy intervention funds are designed to fill a gap in services to increase school attendance. The TANF Court Appointed Special Advocates (CASA) work for timely placement of children in permanent, safe, and stable homes. CASAs are appointed by the courts to represent abused and neglected children in the court system. The TANF funds are available through September 30, 2004.

**Patients' Compensation Fund**

The Patients' Compensation Fund, as provided in R.S. 40:1299.47, is used to pay the administrative expenses of the Office of the Clerk of the Louisiana Supreme Court attributable to the selection process of the attorney chairman of the Medical Review Panel. The fund is financed by a yearly appropriation of the state legislature from the state's Patients' Compensation Special Revenue Fund.

**Judges' Supplemental Compensation Fund**

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

**Trial Court Case Management  
Information System Fund**

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

**NON-APPROPRIATED FUNDS**

**Judicial College - Seminar Fund**

The Judicial College - Seminar Fund was established to account for transactions related to conducting seminars for the education of Louisiana judges. Funding is received from collected registration fees. The balance remaining in the program at June 30, 2003, will be used to sponsor seminars and special projects relative to judicial education for Louisiana judges during the fiscal year ending June 30, 2004.

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

The Clerk of the Supreme Court Fee Account Fund is used to account for filing fees, copies of court records, and other revenues received by the court, as provided by R.S. 13:126, and interest earned on time deposits. The fund is used to pay expenditures approved by the Supreme Court of Louisiana that are not paid by funds appropriated to the Clerk of the Supreme Court.

**Law Library Self-Generated Fees Fund**

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

**Louisiana Supreme Court Justices:  
Sourcebook of Biographical Information Fund**

Funds were made available from the Louisiana Bar Foundation to pay expenses related to the publication of *Supreme Court Justices: Sourcebook of Biographical Information*, a biography of Supreme Court Justices.

**Integrated Juvenile Justice Information  
System Project Fund**

Funding is provided by the Supreme Court for the creation and implementation of a computer software program designed to integrate the functions of the juvenile court system. This would include the integration of the court administration, case types, and coordination and exchange of information from outside agencies and organizations.

**Baptist Community Ministries Fund**

The Judicial Administrator's Office has been awarded a grant from the Baptist Community Ministries, a local philanthropic organization whose mission and purpose is to improve the quality of life for citizens of the greater New Orleans community. This 3-year award totaling \$700,000 will be used to fund a pilot program in Orleans Parish Juvenile Court and Jefferson Parish Juvenile Court to implement mediation in child in need of care cases. The overall purpose of the program is to reduce the amount of time abused and neglected children remain in foster care. The Judicial Administrator's Office serves as the recipient of the funds and oversees expenditures of the funds. The award began on January 1, 2002.

**Interest on Lawyer's Trust Accounts Grant Fund**

On January 1, 2003, the Louisiana Bar Foundation made funding available to the Supreme Court to continue to work on the Child Advocacy Mediation Project. Specifically, funding will be used to pay attorneys for mediations of child in need of care and termination of parental rights cases that are not being paid through the Office of Community Services. Funding for this grant runs through December 31, 2003.

**Louisiana Uniform Rules Project Fund**

The Louisiana Uniform Rules Project was created by the Supreme Court in 1998 for the purpose of developing uniform district court rules to be implemented by the Supreme Court. The main source of funding for the project is a grant from the State Justice Institute. On December 12, 2001, the Supreme Court adopted District Court Rules, including appendices, and Numbering Systems for Louisiana Family and Domestic Relations Court and Juvenile Courts. The Supreme Court also created a standing District Court Rules Committee, charged with receiving related comments and/or proposed additional rules or amendments to those rules.

**Families in Need of Services Software Grant Fund**

With a \$25,000 grant from the Louisiana Families in Need of Services Association, the Guidance database system is being developed to record, calculate, track, and report informal case information pertaining to the families in need of services process.

**Campaign for the Children Fund**

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

**State Court Improvement Grant Fund**

The State Court Improvement Grant is a four-year federal program established by the Omnibus Budget Reconciliation Act of 1993 (P. L. 103-66) to assist courts in the assessment and improvement of proceedings relating to foster care and adoption. The grant, awarded to the highest court in each state, will enable trial

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

courts to (1) identify barriers; (2) highlight practices that are not fully successful; and (3) measure areas in need of added attention. Reforms will then be implemented that address the state court's specific needs in foster care abuse and neglect proceedings. Funding was granted through April 10, 2003.

**Children's Advocacy Mediation Project Fund**

Funding passing through the State of Louisiana, Department of Social Services was made available by the U.S. Department of Health and Human Services through the Children's Justice Act Grants to States for this project. The court entered into an agreement with the State of Louisiana, Department of Social Services to develop programs for the investigation and judicial aspects of child abuse and neglect. Specifically, this agreement is to aid in the development of a mediation project to determine if this process is a good way to handle Children in Need of Care cases. The funding period began January 1, 2002, and ended December 31, 2002.

**Children's Justice Act Grant Fund**

Funding passing through the State of Louisiana, Department of Social Services was made available by the U.S. Department of Health and Human Services through the Children's Justice Act Grants to States for this project. The court entered into an agreement with the State of Louisiana, Department of Social Services to develop programs to aid investigation, mediation and judicial aspects of child abuse and neglect cases. The funding period began January 1, 2003, and continues through December 31, 2003.

**Victims of Crime Act Grant Fund**

This grant is made available through the U.S. Department of Justice via the Louisiana Commission on Law Enforcement (LCLE). The Victims of Crime Act of 1984 provides the source of the federal legislative funding. The National Center for State Courts identified a need for a Judiciary Network to track and to manage traffic, juvenile, domestic, civil, criminal, and appellate cases at the state level. This grant provides the court with additional funding to improve its level of disposition reporting. Equipment purchases and upgrades were required in order to implement a system of capturing and electronically reporting criminal disposition information.

**Criminal Information Technology Act Grant Fund**

This grant is made available through the U.S. Department of Justice via the LCLE. This grant enables the Supreme Court to continue its participation in the development of the Court Management Information System (CMIS) which will allow accurate and timely information on statewide criminal court dispositions to

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

be reported to the state Computerized Criminal History System (CCH). This funding enables the court to accomplish goals and objectives of the CMIS program thereby enhancing and improving local state criminal justice records. Additional funds were made available for this program, and the grant was extended until September 30, 2003.

**Protective Orders Grant Fund**

The Protective Orders Grant will enable the court to expand and enhance the participation in the National Instant Criminal Background Check System (NICS) and to develop model procedures for accessing records of persons other than felons who are ineligible to purchase firearms. Within this framework and with the use of federal funding, the Statewide Protective Order Grant Program (SPOP) enabled the Supreme Court to provide law enforcement officers with access to accurate, timely, and complete records in regard to protective orders, which are issued to prevent acts of domestic violence against a person or to prevent persons from stalking, intimidating, or harassing another person. On October 1, 2002, the Protective Order Grant was expanded to include funding for enhancement of project software, to provide training programs across the state, and to expand the registry's record storage. The Protective Orders Grant, under the cognizance of the LCLE, was extended to September 30, 2003.

**Violence Against Women Act III Grant (VAWA III) Fund**

In support of the Violent Crime Control and Law Enforcement Act, the National Crime Information Center - Protective Order File (NCIC-POF) was implemented in May 1997. Using funding available from the Violence Against Women Act grant (VAWA), the Louisiana Protective Order registry (LPOR), a database, was designed to collect information about all court orders issued for the purpose of preventing violent or threatening acts against another person; provide complete, accurate, and timely protective order records to the courts and law enforcement; and allow Louisiana to fully participate in the NCIC-POF. The VAWA III grant, under the cognizance of the LCLE, which began on March 31, 2002, provided funding to defray the cost of connecting the local area network to the wide area network of LPOR. This grant ended December 31, 2002.

**Statewide Driver History Initiative Grant Fund**

This is a grant made available through U.S. National Highway and Safety Administration, Federal Highway Administration, Department of Transportation via the state Department of Public Safety and Corrections. This sub-grant is part of the Louisiana Highway Safety Commission statewide fiscal year 2002 Fatal and Injury Crash Reduction Effort. The object of this statewide effort is to collect and compile timely and accurate traffic records data supporting implementation of a comprehensive traffic safety program and to pilot the automation of

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

reportable moving and alcohol-related traffic violations from approximately 37 Louisiana Trial Courts to the Supreme Court Case Management Information System and the Office of Motor Vehicle Driver History file. This grant expired on September 30, 2002.

**Statewide Driver History Initiative II Grant Fund**

This is a grant made available through U.S. National Highway and Safety Administration, Federal Highway Administration, Department of Transportation via the state Department of Public Safety and Corrections and is a continuation of the Statewide Driver History Initiative sub-grant made through the Louisiana Highway Safety Commission. This grant runs through September 30, 2003.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The funds in the accompanying financial statements measure the resources provided by the legislature to fund current-year expenditures and the use of those resources by the court.

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

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

**Revenues**

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

**Expenditures**

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**Other Financing Sources (Uses)**

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

**E. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, demand deposits, and investments of excess cash in direct security repurchase agreements. Under state law, the court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. In accordance with R.S. 79:327(C)(2), the court is authorized to invest funds in direct United States Treasury obligations, United States government agency obligations, direct security repurchase agreements, and reverse direct security repurchase agreements for federal obligations.

**F. LONG-TERM OBLIGATIONS**

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

**G. BUDGET PRACTICES**

By rule of the Supreme Court of Louisiana, the Judicial Budgetary Control Board was created with the authority to approve the transfer of funds within the court as needed. The appropriation made for the operations of the court is an annual lapsing appropriation and is recorded in the appropriated funds. As provided by Act 53 of 2002, any funds therein allocated to the judiciary, any portion of the funds previously appropriated to the judiciary, or interest earnings on such appropriations are thereby appropriated and may be used to defray expenses of the judiciary. All funds remaining unexpended and/or unencumbered must be returned to the state General Fund on or before September 1 of the succeeding fiscal year. However, Act 54 of 2003 reappropriated these funds to defray expenses of the judiciary for fiscal year 2003-2004, thereby eliminating the requirement to return the unexpended/unencumbered portion to the state General Fund on or before September 1.

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

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

Revenues per Statement B:	
General Appropriation	\$105,868,253
Patients' Compensation Fund	10,000
Judges' Supplemental Compensation Fund	3,909,094
Case Management Information System Fund	<u>1,695,000</u>
Revenues per Statement C	<u><u>\$111,482,347</u></u>
Expenditures per Statement B:	
General Appropriation	\$57,458,321
Judges' Supplemental Compensation Fund	3,642,452
Case Management Information System Fund	1,594,400
Plus - transfers to circuit courts, other entities, and other funds per Act 53 of 2002	<u>45,870,531</u>
Expenditures per Statement C	<u><u>\$108,565,704</u></u>

Budget revisions are granted by the Joint Legislative Committee on the Budget, the Judicial Budgetary Control Board, and the Supreme Court of Louisiana. The budget information included in the financial statements (Statement C) includes the original appropriations plus subsequent amendments as follows:

Original approved budget - Judiciary - Act 53 of 2002	\$110,426,421
Increase for Office of Family Support - TANF/CASA	830,000
Increase in Statutory Dedications for Deficit Eliminations	686,044
Net Increase in accordance with Act 53 of 2002	<u>116,077</u>
Total	<u><u>\$112,058,542</u></u>

**H. JUDGES' SALARIES**

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**I. COMPENSATED ABSENCES**

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

**J. TOTAL COLUMNS ON STATEMENTS**

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

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2003, the court has cash and cash equivalents (book balances) as follows:

Petty cash	\$550
Demand deposits	<u>12,290,253</u>
Total	<u><u>\$12,290,803</u></u>

At June 30, 2003, the court has \$1,814,529 in deposits (collected bank balances). These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These deposits are secured from risk by \$276,729 of federal deposit insurance (GASB Category 1) and \$1,537,800 of pledged securities held by the custodial bank in the name of the fiscal agent bank and in the name of the court (GASB Category 2).

In addition to the collected bank balances at June 30, 2003, the court has excess cash deposited in repurchase agreements composed of U.S. Treasury Notes with a market value of \$15,380,468. The credit risk of GASB Codification Section 150.125 was applied to the court's investments. The repurchase agreements are considered to be uninsured and unregistered and are held by the counterparty's trust department in the court's name (GASB Category 2).

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**3. DUE FROM OTHER STATE AGENCIES**

Due from other state agencies consists of amounts owed to the Supreme Court General Appropriation Fund of \$3,263,285 by the Louisiana Department of Social Services for the TANF programs operated by the court.

**4. INTERFUND TRANSFERS**

Interfund operating transfers consist of a transfer out of the Patients' Compensation Fund for \$10,000 to the Clerk of the Supreme Court Fee Account Fund and transfers out of the General Appropriation Fund for \$17,206 to the Law Library Self-Generated Fees Fund.

**5. DUE TO/DUE FROM OTHER FUNDS**

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

	<u>Due From</u>	<u>Due To</u>
General Appropriation Fund	\$35,899	
Judges Supplemental Compensation Fund	168,307	
Trial Case Management Information Fund	265,832	
General Appropriation Fund		\$434,139
State Court Improvement Grant Fund		10,300
Children's Justice Act Grant Fund		10,000
Criminal Information Technology Act Grant Fund		2,570
Protective Orders Grant Fund		5,169
Violence Against Women Act III Grant		5,360
Statewide Drivers History Initiative Fund		2,500
	<hr/>	<hr/>
Total	<u>\$470,038</u>	<u>\$470,038</u>

**6. TRANSFERS TO THE OFFICE OF FACILITY PLANNING**

In the fiscal year ending June 30, 2003, the Joint Legislative Committee on the Budget approved the Supreme Court's transfer of \$4,545,064 to the Office of Facility Planning and Control to provide funds for renovation and occupancy expenditures related to the Supreme Court's move to a building at 400 Royal Street, New Orleans.

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**7. TRANSFERS TO OTHER ENTITIES**

Transfers to other entities consist of the following:

Committee on Professional Ethics and Grievances	\$3,000
First Circuit Court of Appeal	7,212,197
Second Circuit Court of Appeal	3,628,839
Third Circuit Court of Appeal	5,369,672
Fourth Circuit Court of Appeal	5,385,270
Fifth Circuit Court of Appeal	3,730,332
Nineteenth Judicial District Court	643,560
Sanity Commissions	162,172
Board of Jury Commissioners	261,528
Judges Assistance Program	30,000
Other Judicial Entities	<u>19,433,961</u>
Total	<u><u>\$45,860,531</u></u>

**8. PENSION PLANS**

Substantially all employees of the court are members of two statewide, public employee retirement systems (cost-sharing, multiple-employer plans). The clerk of court and deputy clerks of the court are members of the Louisiana Clerks Retirement and Relief Fund (LCRRF). Substantially all other employees and justices are members of the Louisiana State Employees Retirement System (LASERS). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. The State of Louisiana guarantees benefits granted by the retirement systems by provisions of the Louisiana Constitution of 1974. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Louisiana Clerks Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 256-6660 and/or the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600.

The contribution requirements of plan members and the court are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution, as set forth in R.S. 11:102. Employees contribute 8.25% (LCRRF) and 7.5% (LASERS). The state is required to contribute 10% to the LCRRF and 14.1% of covered salaries to LASERS. Contributions to the systems are funded through employee contributions and employer contributions. The State of Louisiana funds the court's employer contributions through annual appropriations to the court. The court's employer contributions to LCRRF for the years ended June 30, 2003, 2002, and 2001, were \$124,294, \$113,982, and \$129,848, respectively, and to LASERS for the years ended June 30, 2003, 2002, and 2001, were \$5,243,447, \$4,446,269, and \$4,072,477, respectively, equal to the required contribution for each year for each retirement system.

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**9. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The court provides certain continuing health and life insurance benefits for its retired employees. Substantially all of the court's employees become eligible for these benefits if they reach normal retirement age while working for the court. These benefits for retirees and similar benefits for active employees are provided through insurance companies whose monthly premiums are paid jointly by the employee and the court. The court recognized the cost of providing these benefits for active employees (court's portion of premiums) as expenditures when paid during the year, which was \$2,164,141 for the year ended June 30, 2003. The court's cost of providing retiree health care and life insurance benefits is recognized as expenditures when the monthly premiums are paid. For the year ended June 30, 2003, the cost of retiree benefits totaled \$1,114,827.

**10. COMPENSATED ABSENCES**

The liability for unused annual leave payable at June 30, 2003, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards Section C60.105, is estimated at \$776,057 of unused annual leave and \$21,438 of unused compensatory leave. The leave payable is not recorded in the accompanying financial statements.

**11. LEASE COMMITMENTS**

The Supreme Court has entered into four rental lease agreements for office space. The court's lease agreements have non-appropriation exculpatory clauses that allow lease cancellations if the legislature does not make an appropriation for their continuation during future fiscal years. Total rental expenditures for these operating leases during the 2002-2003 fiscal year amounted to \$428,241. The anticipated annual rental payments for office space for the next three fiscal years are presented in the following schedule:

<u>Location</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>
1555 Poydras	\$160,882		
601 St. Charles	32,340	\$32,340	
Winnsboro, Louisiana	7,500	1,875	
Thibodaux, Louisiana	19,380	19,380	\$19,380

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Concluded)

**12. RESERVE FOR CONTINUING OPERATIONS**

As shown on Statement A, the Supreme Court of Louisiana has reserves for continuing operations totaling \$14,410,724 at June 30, 2003. These funds may be retained and used to defray the expenditures of the court, as prescribed by R.S. 13:10.3 for the Judges' Supplemental Compensation Fund, R.S. 13:124 for the Clerk of the Supreme Court Fee Account Fund, and Act 53 of 2002 for all other appropriated funds. The fund balances in the other non-appropriated funds are considered restricted or reserved for the purposes for which the funds were collected, granted, or donated. The reserves for continuing operations are detailed as follows:

Appropriated Funds:	
General Appropriation Fund:	
Operations and Maintenance	\$5,890,567
Truancy and Assessment	1,660,771
Drug Court	5,032,324
Judges' Supplemental Compensation Fund	275,481
Trial Court Case Management Information Fund	265,364
Non-Appropriated Funds:	
Judicial College - Seminar Fund	121,509
Clerk of the Supreme Court Fee Account Fund	981,157
Law Library Self-Generated Fees Fund	113,162
Supreme Court Justices: Sourcebook of Biographical Information	1,063
Integrated Juvenile Justice Information System Project	1,433
Louisiana Uniform Rules Project	38,873
Families in Need of Services Software Grant	25,000
Campaign for the Children	4,020
	<hr/>
Total	<u><u>\$14,410,724</u></u>

**13. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

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

**14. DEFERRED COMPENSATION PLAN**

Certain employees of the court participate in the Louisiana Public Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULES  
As of and for the Year Ended June 30, 2003**

**NON-APPROPRIATED FUNDS**

Schedule 1 presents a combining balance sheet for all non-appropriated funds as of June 30, 2003.

Schedule 2 presents a combining schedule of revenues, expenditures, and changes in fund balances for all non-appropriated funds for the year ended June 30, 2003.

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

**Combining Balance Sheet (Legal Basis), June 30, 2003**

	JUDICIAL COLLEGE - SEMINAR FUND	CLERK OF THE SUPREME COURT FEE ACCOUNT FUND	LAW LIBRARY SELF- GENERATED FEES FUND	LOUISIANA SUPREME COURT JUSTICES: SOURCEBOOK OF BIOGRAPHICAL INFORMATION FUND
<b>ASSETS</b>				
Cash and cash equivalents	\$121,509	\$976,202	\$113,510	\$1,063
Receivables		7,720		
<b>TOTAL ASSETS</b>	<b>\$121,509</b>	<b>\$983,922</b>	<b>\$113,510</b>	<b>\$1,063</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable		\$2,765	\$348	
Due to other funds				
<b>Total Liabilities</b>	<b>NONE</b>	<b>2,765</b>	<b>348</b>	<b>NONE</b>
Fund Equity - fund balances - reserved for continuing operations	\$121,509	981,157	113,162	\$1,063
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$121,509</b>	<b>\$983,922</b>	<b>\$113,510</b>	<b>\$1,063</b>

(Continued)

Schedule 1

INTEGRATED JUVENILE JUSTICE INFORMATION SYSTEM PROJECT FUND	BAPTIST COMMUNITY MINISTRIES FUND	INTEREST ON LAWYER'S TRUST ACCOUNTS FUND	LOUISIANA UNIFORM RULES PROJECT FUND	FAMILIES IN NEED OF SERVICES SOFTWARE GRANT FUND	CAMPAIGN FOR THE CHILDREN FUND	STATE COURT IMPROVEMENT GRANT FUND
\$1,433	\$25,731	\$765	\$38,873	\$25,000	\$4,020	\$10,680
\$1,433	\$25,731	\$765	\$38,873	\$25,000	\$4,020	\$10,680
	\$25,731	\$765				\$380
NONE	25,731	765	NONE	NONE	NONE	10,300
\$1,433	NONE	NONE	\$38,873	\$25,000	\$4,020	10,680
\$1,433	\$25,731	\$765	\$38,873	\$25,000	\$4,020	NONE
\$1,433	\$25,731	\$765	\$38,873	\$25,000	\$4,020	\$10,680

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS  
Combining Balance Sheet (Legal Basis), June 30, 2003**

	CHILDREN'S JUSTICE ACT GRANT FUND	CRIMINAL INFORMATION TECHNOLOGY ACT GRANT FUND	PROTECTIVE ORDERS GRANT FUND	VIOLENCE AGAINST WOMEN ACT III GRANT FUND
<b>ASSETS</b>				
Cash and cash equivalents				
Receivables	\$10,000	\$2,570	\$6,382	\$5,360
<b>TOTAL ASSETS</b>	<u>\$10,000</u>	<u>\$2,570</u>	<u>\$6,382</u>	<u>\$5,360</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable			\$1,213	
Due to other funds	\$10,000	\$2,570	5,169	\$5,360
Total Liabilities	10,000	2,570	6,382	5,360
Fund Equity - fund balances - reserved for continuing operations	NONE	NONE	NONE	NONE
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$10,000</u>	<u>\$2,570</u>	<u>\$6,382</u>	<u>\$5,360</u>

(Concluded)

STATEWIDE DRIVERS HISTORY INITIATIVE FUND	TOTAL
	\$1,308,106
<u>\$2,500</u>	<u>45,212</u>
<u>\$2,500</u>	<u>\$1,353,318</u>
	\$31,202
<u>\$2,500</u>	<u>35,899</u>
<u>2,500</u>	<u>67,101</u>
<u>NONE</u>	<u>1,286,217</u>
<u>\$2,500</u>	<u>\$1,353,318</u>

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

**Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis), June 30, 2003**

	JUDICIAL COLLEGE - SEMINAR FUND	CLERK OF THE SUPREME COURT FEE ACCOUNT FUND	LAW LIBRARY SELF- GENERATED FEES FUND	LOUISIANA SUPREME COURT JUSTICES: SOURCEBOOK OF BIOGRAPHICAL INFORMATION FUND
<b>REVENUES</b>				
Grants - federal				
Fees and self-generated revenues:				
Court fees		\$239,786		
Copy fees		23,490	\$9,947	
Bar admissions		14,000		
Seminar fees	\$267,062			
Sales of acts of the legislature			3,513	
Computer-assisted research fees			5,911	
Facsimile fees			3,709	
Use of money and property - interest earnings	710	10,693		
Total revenues	<u>267,772</u>	<u>287,969</u>	<u>23,080</u>	<u>NONE</u>
<b>EXPENDITURES</b>				
Personal services				\$1,437
Travel	8,548	16,534		
Operating supplies and services	4,764	143,441	9,596	
Professional services	215,196	83,664	4,812	
Other charges		27,956	(81)	
Total expenditures	<u>228,508</u>	<u>271,595</u>	<u>14,327</u>	<u>1,437</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	39,264	16,374	8,753	(1,437)
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in		10,000		
Operating transfers out			(17,206)	
Total other financing sources/uses	<u>NONE</u>	<u>10,000</u>	<u>(17,206)</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	39,264	26,374	(8,453)	(1,437)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>82,245</u>	<u>954,783</u>	<u>121,615</u>	<u>2,500</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$121,509</u>	<u>\$981,157</u>	<u>\$113,162</u>	<u>\$1,063</u>

(Continued)

Schedule 2

INTEGRATED JUVENILE JUSTICE INFORMATION SYSTEM PROJECT FUND	BAPTIST COMMUNITY MINISTRIES FUND	INTEREST ON LAWYER'S TRUST ACCOUNT FUND	LOUISIANA UNIFORM RULES PROJECT FUND	FAMILIES IN NEED OF SERVICES SOFTWARE GRANT FUND	CAMPAIGN FOR THE CHILDREN FUND	STATE COURT IMPROVEMENT GRANT FUND
	\$116,932	\$3,985	\$20,000			\$109,102
<u>NONE</u>	<u>116,932</u>	<u>3,985</u>	<u>20,000</u>	<u>NONE</u>	<u>NONE</u>	<u>109,102</u>
	5,550		235			4,748
	649		93			7,640
	110,733	3,985	5,452			96,714
<u>NONE</u>	<u>116,932</u>	<u>3,985</u>	<u>5,780</u>	<u>NONE</u>	<u>NONE</u>	<u>109,102</u>
NONE	NONE	NONE	14,220	NONE	NONE	NONE
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
NONE	NONE	NONE	14,220	NONE	NONE	NONE
<u>\$1,433</u>	<u>NONE</u>	<u>NONE</u>	<u>24,653</u>	<u>\$25,000</u>	<u>\$4,020</u>	<u>NONE</u>
<u>\$1,433</u>	<u>NONE</u>	<u>NONE</u>	<u>\$38,873</u>	<u>\$25,000</u>	<u>\$4,020</u>	<u>NONE</u>

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA  
NON-APPROPRIATED FUNDS  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances (Legal Basis), June 30, 2003**

	CHILDREN'S ADVOCACY MEDIATION PROJECT FUND	CHILDREN'S JUSTICE ACT GRANT FUND	VICTIMS OF CRIME ACT GRANT FUND	CRIMINAL INFORMATION TECHNOLOGY ACT GRANT FUND
<b>REVENUES</b>				
Grants - federal	\$6,226	\$22,500	\$21,809	\$51,943
Fees and self-generated revenues:				
Court fees				
Copy fees				
Bar admissions				
Seminar fees				
Sales of acts of the legislature				
Computer-assisted research fees				
Facsimile fees				
Use of money and property - interest earnings				
Total revenues	<u>6,226</u>	<u>22,500</u>	<u>21,809</u>	<u>51,943</u>
<b>EXPENDITURES</b>				
Personal services				
Travel				
Operating supplies and services				
Professional services	6,226	22,500	21,809	26,642
Other charges				25,301
Total expenditures	<u>6,226</u>	<u>22,500</u>	<u>21,809</u>	<u>51,943</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	NONE	NONE	NONE	NONE
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in				
Operating transfers out				
Total other financing sources/uses	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	NONE	NONE	NONE	NONE
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

(Concluded)

Schedule 2

PROTECTIVE ORDERS GRANT FUND	VIOLENCE AGAINST WOMEN ACT III GRANT FUND	STATEWIDE DRIVER HISTORY INITIATIVE GRANT FUND	STATEWIDE DRIVERS HISTORY INITIATIVE II GRANT FUND	TOTAL
\$38,454	\$5,360	\$44,900	\$5,000	\$446,211
				239,786
				33,437
				14,000
				267,062
				3,513
				5,911
				3,709
				11,403
<u>38,454</u>	<u>5,360</u>	<u>44,900</u>	<u>5,000</u>	<u>1,025,032</u>
				1,437
171				35,786
521				166,704
37,762		44,900	5,000	685,395
	5,360			58,536
<u>38,454</u>	<u>5,360</u>	<u>44,900</u>	<u>5,000</u>	<u>947,858</u>
NONE	NONE	NONE	NONE	77,174
				10,000
				(17,206)
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>(7,206)</u>
NONE	NONE	NONE	NONE	69,968
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>1,216,249</u>
<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>\$1,286,217</u>

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

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December 10, 2003

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

**SUPREME COURT OF LOUISIANA**  
**STATE OF LOUISIANA**  
New Orleans, Louisiana

We have audited the special purpose (legal basis) financial statements of the Supreme Court of Louisiana, a court within Louisiana state government, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Supreme Court's special purpose 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. 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Supreme Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the court's internal control over financial reporting and its operation that we consider to be material weaknesses.

LEGISLATIVE AUDITOR

**SUPREME COURT OF LOUISIANA  
STATE OF LOUISIANA**

Compliance and Internal Control Report

December 10, 2003

Page 2

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large initial "G" and "A".

Grover C. Austin, CPA  
First Assistant Legislative Auditor

GL:ES:PEP:ss

[SUPCRT03]