

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name: State of Michigan 35th Judicial District Court	County Wayne
Audit Date December 31, 2003	Opinion Date February 17, 2004	Date Accountant Report Submitted To State: April 16, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---|---|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input checked="" type="checkbox"/> yes <input type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address 350 South Main Street, Suite 200	City Ann Arbor	State MI	ZIP 48104-1923
Accountant Signature <i>Plante & Moran, PLLC</i>			

**State of Michigan
35th Judicial District Court**

**Financial Report
with Additional Information
December 31, 2003**

State of Michigan 35th Judicial District Court

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Independent Auditor's Report

Honorable John E. MacDonald, Chief District Judge,
Honorable Ronald W. Lowe, District Judge,
and Honorable Michael J. Gerou, District Judge
State of Michigan 35th Judicial District Court

We have audited the accompanying general purpose financial statements of the State of Michigan 35th Judicial District Court as of December 31, 2003 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Michigan 35th Judicial District Court as of December 31, 2003 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

February 17, 2004

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State of Michigan 35th Judicial District Court

Combined Balance Sheet - All Fund Types and Account Group

	Governmental	Fiduciary	Account	Totals (Memorandum Only)	
	Fund Type	Fund Type	Group	December 31	
	General	Agency	Long-term Debt	2003	2002
Assets					
Cash (Note 2)	\$ 612,208	\$ 619,376	\$ -	\$ 1,231,584	\$ 1,079,246
Due from other funds (Note 3)	354,734	1,027	-	355,761	300,741
Due from 35th Judicial District Building Authority	2,535	-	-	2,535	4,260
Amounts available in General Fund to pay compensated absences	-	-	348,900	348,900	302,937
Total assets	\$ 969,477	\$ 620,403	\$ 348,900	\$ 1,938,780	\$ 1,687,184
Liabilities					
Accrued and other liabilities	\$ 192,774	\$ -	\$ -	\$ 192,774	\$ 100,814
Due to other funds (Note 3)	-	355,761	-	355,761	300,741
Due to 35th District Courthouse Authority	146,254	-	-	146,254	141,254
Deferred revenue - Compensated absence funding	348,900	-	-	348,900	302,937
Excess operating revenue held on behalf of:					
City of Plymouth	59,156	-	-	59,156	51,424
Plymouth Township	104,108	-	-	104,108	107,479
City of Northville	48,353	-	-	48,353	65,908
Northville Township	60,575	-	-	60,575	85,492
Canton Township	8,599	-	-	8,599	22,439
Restitution payable	758	-	-	758	2,990
Due to State of Michigan	-	131,796	-	131,796	81,417
Due to Wayne County Treasurer	-	18,458	-	18,458	12,847
Civil trust payable	-	8,217	-	8,217	17,764
Appearance bonds payable	-	106,171	-	106,171	90,741
Long-term debt (Note 6)	-	-	348,900	348,900	302,937
Total liabilities	\$ 969,477	\$ 620,403	\$ 348,900	\$ 1,938,780	\$ 1,687,184

State of Michigan 35th Judicial District Court

Statement of Revenue and Expenditures - General Fund

	Year Ended December 31	
	2003	2002
		(Memorandum Only)
Revenue		
Fines and fees collected from within:		
City of Plymouth	\$ 263,239	\$ 286,844
Plymouth Township	597,754	730,577
City of Northville	233,703	293,510
Northville Township	491,244	514,913
Canton Township	1,902,360	1,764,057
Total fines and fees collected from within	3,488,300	3,589,901
Probation, interest, and other revenue	1,161,348	1,070,314
Total revenue	4,649,648	4,660,215
Expenditures		
Court expenditures:		
Shared expenditures:		
Salaries and wages	1,859,754	1,618,725
Employee benefits	889,006	754,652
Contractual services	105,699	129,963
Occupancy - 35th District Courthouse Authority	209,201	173,609
Occupancy - 35th District Building Authority	503,969	519,833
Insurance	25,462	20,847
Printing, postage, and office supplies	86,990	86,458
Equipment services, leases, and maintenance	63,128	93,493
Travel, education, and training	33,182	35,312
Other expenditures	45,368	48,943
Total shared expenditures	3,821,759	3,481,835
Jail fees	204,289	246,184
Jury and witness fees	6,631	9,454
Video conference unit	15,208	-
Total court expenditures	4,047,887	3,737,473
Distributions to local units (Note 7):		
Advance payments made during calendar year	320,970	590,000
Payments made subsequent to year end	280,791	332,742
Total distributions to local units	601,761	922,742
Total expenditures	4,649,648	4,660,215
Excess of Revenue Over Expenditures	-	-
Fund Balances - Beginning of year	-	-
Fund Balances - End of year	\$ -	\$ -

State of Michigan 35th Judicial District Court

Statement of Revenue and Expenditures Budget and Actual - General Fund Year Ended December 31, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Fines and fees	\$ 3,500,000	\$ 3,488,300	\$ (11,700)
Probation, interest, and other	850,000	1,024,176	174,176
Total revenue	4,350,000	4,512,476	162,476
General Expenditures			
Salaries and wages:			
Judicial and staff	389,491	400,592	(11,101)
Administrative	461,317	463,642	(2,325)
Clerical	563,125	558,131	4,994
Probation	281,569	300,217	(18,648)
Total salaries and wages	1,695,502	1,722,582	(27,080)
Employee benefits	856,109	889,006	(32,897)
Contractual services	108,710	105,699	3,011
Insurance	20,000	25,462	(5,462)
Computer services	29,000	28,114	886
Printed forms	20,000	28,476	(8,476)
Postage	22,000	20,910	1,090
General office supplies	31,200	37,604	(6,404)
Equipment leases	21,300	22,565	(1,265)
Equipment maintenance	22,385	12,449	9,936
Travel	3,000	2,730	270
Education and training	29,500	30,452	(952)
Jail, jury, and witness fees	210,700	210,920	(220)
Video conference unit	17,600	15,208	2,392
Other supplies and expenses	36,200	45,368	(9,168)
Total general expenditures	3,123,206	3,197,545	(74,339)
Occupancy			
Building rent (Note 5)	411,109	411,655	(546)
Utilities	93,700	97,214	(3,514)
Building maintenance	99,400	92,978	6,422
Insurance	30,610	33,077	(2,467)
Capital outlay	88,600	78,246	10,354
Total occupancy	723,419	713,170	10,249
Distributions to Local Units	503,375	601,761	(98,386)
Total expenditures	4,350,000	4,512,476	(162,476)
Excess of Revenue Over Expenditures	\$ -	\$ -	\$ -

State of Michigan 35th Judicial District Court

**Notes to Financial Statements
December 31, 2003**

Note I - Summary of Significant Accounting Policies

The State of Michigan 35th Judicial District Court (the "Court") serves the Cities of Plymouth and Northville and the Charter Townships of Plymouth, Northville, and Canton, which are members of the Court. The Court oversees and processes items relating to traffic violations, criminal and civil infractions, and small claim filings. It also provides probation oversight and related services.

The accounting policies of the Court conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

Fund Accounting

The accounts of the Court are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The various funds are grouped, in the combined financial statements in this report, into generic fund types in two broad fund categories as follows:

Governmental Fund

General Fund - The General Fund contains the records of the ordinary activities of the Court that are not accounted for in another fund. The General Fund includes the general operating expenditures of the Court. Revenue is derived primarily from the Court's share of fines and costs associated with the traffic and criminal divisions, filing fees assessed for civil and small claim filings, and probationary fees. In addition, the General Fund includes the restitution payable account, which receives and holds monies that are subsequently applied as reimbursements to plaintiffs for damaged property.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held by the Court as an agent for individuals, organizations, other governments, or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The Court utilizes the following Agency Funds:

State of Michigan 35th Judicial District Court

**Notes to Financial Statements
December 31, 2003**

Note I - Summary of Significant Accounting Policies (Continued)

Depository Fund - This fund receives the Court's and the State of Michigan's share of fines and costs associated with the traffic and criminal divisions and filing fees assessed for civil and small claim filings. The Court's share is transferred out to the General Fund, and the State of Michigan's share is disbursed to the State. In addition, the fund includes the civil trust payable account, which receives and holds monies that are in dispute under a civil filing until the matter is settled. The funds are then remitted to the plaintiff or back to the defendant, as appropriate.

Appearance Bond Fund - This fund receives and holds bond monies from defendants as a promise to appear on an appointed court date. After the court date, the monies are applied to fines and costs, bond costs, forfeitures, and refunds, as appropriate.

Basis of Accounting

The General Fund and Agency Funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Revenue is recorded when received, except in cases where it is both measurable and available for use to finance expenditures of the current period.
- b. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- c. Normally, expenditures are not divided between years by the recording of prepaid expenses.
- d. The noncurrent portion of accumulated sick and vacation pay liabilities is reflected in the General Long-term Debt Account Group.

Long-term Liabilities - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds. The General Long-term Debt Account Group is not a fund and does not involve the measurement of results of operations.

Capital Assets - Capital assets purchased are recorded as expenditures at the time of purchase. Significant capital assets acquired by the 35th Judicial District Court are considered the property of the 35th District Courthouse Authority and are recorded in the General Fixed Assets Account Group of the 35th District Courthouse Authority.

State of Michigan

35th Judicial District Court

Notes to Financial Statements
December 31, 2003

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Revenue - Deferred revenue represents amounts collected which will be used to satisfy the estimated liability to be paid governmental fund-type employees under the Court's sick and vacation pay policy. Since the amount will be used to pay a liability in the future, the Court has deferred recognition of this revenue until the fiscal year in which the funds will be used.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Memorandum-only Totals - The total data presented is the aggregate of the fund types and account group and is presented for analysis purposes only. No consolidating or other eliminations were made in arriving at the totals; therefore, they do not present consolidated information.

Other accounting policies are disclosed in other notes to the financial statements.

Note 2 - Deposits

The Court's deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$1,191,982. Of that amount, \$100,000 was covered by federal depository insurance and \$1,091,982 was uninsured and uncollateralized. The Court believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Court evaluates each financial institution with which it deposits Court funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**State of Michigan
35th Judicial District Court**

**Notes to Financial Statements
December 31, 2003**

Note 3 - Interfund Receivables

The following are the interfund receivables at December 31, 2003:

Fund Due To	Fund Due From	Amount
General Fund	Depository Fund	\$ 349,798
	Appearance Bond Fund	<u>4,936</u>
Total General Fund		354,734
Agency Funds - Depository Fund	Appearance Bond Fund	<u>1,027</u>
Total interfund receivables		<u>\$ 355,761</u>

Note 4 - Budget Information

The annual budget is prepared by the Judges of the Court and the Court Administrator and adopted by the Board of Directors of the 35th District Courthouse Authority (DCA); subsequent amendments are approved by the DCA Board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at December 31, 2003 has not been calculated.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, with the exception that judicial and staff salaries and wages have been budgeted net of any supplements received from the State.

The budget statement (statement of revenue and expenditures - budget and actual - General Fund) is presented on the same basis of accounting used in preparing the adopted budget.

State of Michigan 35th Judicial District Court

Notes to Financial Statements December 31, 2003

Note 4 - Budget Information (Continued)

The following is a reconciliation of the budget statement to the operating statement (statement of revenue and expenditures - General Fund):

	Total Revenue	Total Expenditures
Amounts per operating statement	\$ 4,649,648	\$ 4,649,648
Salary supplements received from the State of Michigan	<u>(137,172)</u>	<u>(137,172)</u>
Totals per budget statement	<u>\$ 4,512,476</u>	<u>\$ 4,512,476</u>

The budget has been adopted on an object (line-item) basis. A comparison of actual results of operations to the General Fund budget as adopted by the DCA Board is included in the general purpose financial statements. Unfavorable variances were experienced in the probation department's salaries and wages expense due to more work detail supervisors being used than anticipated and in employee benefits due to the additional accrual of sick and vacation time which was not expected.

Note 5 - Lease Agreement

The Cities of Plymouth and Northville and the Charter Townships of Plymouth, Northville, and Canton (District Control Units), which are members of the 35th Judicial District Court, are also members of the DCA. The DCA was established in 1989 upon approval of an Interlocal Agreement by and among the District Control Units pursuant to the provisions of the Urban Cooperation Act, Act No. 7 of the Michigan Public Acts of 1967, as amended. The purpose of the DCA is, among other items, to establish a joint entity to lease, acquire, own, operate, and dispose of the Courthouse for the mutual use and benefit of the District Control Units.

The Court leased the Courthouse from the DCA until a fire occurred on July 2, 1997. Although the Courthouse was completely destroyed, this lease will continue to be paid through the expiration of the lease in 2006. The Court will lease the new Courthouse from the 35th Judicial Building Authority for the amount of the bond payments through 2018.

State of Michigan 35th Judicial District Court

Notes to Financial Statements December 31, 2003

Note 5 - Lease Agreement (Continued)

The following is a schedule of future minimum lease payments under the Court's operating leases:

2004	\$ 451,232
2005	449,094
2006	492,000
2007	353,675
2008	345,175
2009 and thereafter	<u>3,737,787</u>
Total	<u>\$ 5,828,963</u>

Total rent expense for the year ended December 31, 2003 amounted to \$411,655.

Note 6 - Long-term Debt

The long-term debt of the Court consists of the noncurrent portion of accumulated employee benefits. Accumulated employee benefits represent the estimated liability to be paid employees under the Court's sick and vacation pay policy. Under the Court's policy, employees earn sick and vacation time based on time of service with the Court.

The following is a summary of long-term debt transactions of the Court for the year ended December 31, 2003:

Balance - January 1, 2003	\$ 302,937
Increase in obligation for employee benefits	<u>45,963</u>
Balance - December 31, 2003	<u>\$ 348,900</u>

State of Michigan

35th Judicial District Court

Notes to Financial Statements
December 31, 2003

Note 7 - Allocation to Local Units

The 35th Judicial District Court Judges and Board of Directors of the District Courthouse Authority have instructed that the expenses of the Court be divided among the five District Control Units in proportion to the volume of cases, including civil, attributable to each District Control Unit. The caseload figures are derived from the monthly Report of Judicial Activity submitted to the Michigan Supreme Court Administrator. Jail fees and jury and witness fees and the video conferencing units are to be allocated to each District Control Unit on a specific identification basis. Fines and fees collected from within the local units are distributable to the local units net of their allocation of the Court's expenditures.

Note 8 - Postemployment Benefits

The Court provides health care and optical benefits to all full-time employees upon retirement, in accordance with labor contracts. Currently, eight retirees are eligible. The Court includes pre-Medicare retirees and their dependents, if eligible, in its insured health care plan, with no contribution required by the participant. The Court purchases Medicare supplemental insurance for retirees eligible for Medicare. Expenditures for postemployment health care benefits are recognized as the insurance premiums become due; during the year, this amounted to approximately \$63,000.

Note 9 - Defined Contribution Retirement Plan

The Court provides pension benefits for certain salaried and clerical employees, other than its security officers who are retired police officers, through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. New employees are ineligible to join the plan and must join the defined benefit plan.

The plan and an agreement between the 35th Judicial District Court and the Michigan Association of Public Employees require the Court to make monthly mandatory contributions totaling 13.5 percent of employees' paid base wages as reflected on January 1 of each year.

Employees may make voluntary contributions up to a maximum of 10 percent of their annual compensation during each of these years.

State of Michigan

35th Judicial District Court

Notes to Financial Statements December 31, 2003

Note 9 - Defined Contribution Retirement Plan (Continued)

In accordance with these requirements, the Court contributed \$186,791 during the current year, and employees contributed \$9,174. Full vesting takes place after three years of employment for all employer contributions and related account earnings.

During the current year, some employees chose to transfer their assets from the defined contribution plan to the defined benefit plan.

Note 10 - Defined Benefit Pension Plan

Plan Description - During the year ended December 31, 2003, the Court began participating in the Michigan Municipal Employees' Retirement System, an agent multiple-employer defined benefit pension plan that covers all new employees of the Court as well as those converting from the defined contribution plan. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System (the "System") issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy - The obligation to contribute and maintain the System for these employees was established by negotiation with the Court's competitive bargaining units. This agreement requires a contribution from the employees of any actuarially required contributions in excess of 13.5 percent.

Annual Pension Cost - For the year ended December 31, 2003, the Court's annual pension cost of \$14,181 for the plan was equal to the Court's required actual contribution. The annual required contribution was determined as part of an actuarial valuation at August 1, 2003 using the entry age normal cost method. Significant actuarial assumptions used include (a) a 8.0 investment rate of return, (b) projected salary increases of 4.5 percent per year plus a percentage attributable to seniority/merit, and (c) postretirement benefit increases of 2.5 percent annually. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

**State of Michigan
35th Judicial District Court**

**Notes to Financial Statements
December 31, 2003**

Note 10 - Defined Benefit Pension Plan (Continued)

	Fiscal Year Ended December 31, 2003
Annual pension cost	\$ 14,181
Percentage of APC contributed	100%
Net pension obligation	\$ -
	Actuarial Valuation as of August 1, 2003
Actuarial value of assets	\$ -
Actuarial Accrued Liability (entry age)	\$ 1,888,953
Unfunded AAL	\$ 1,888,953
Funded ratio	0%
Covered payroll	\$ 640,802
UAAL as a percentage of covered payroll	295%

As described above, the Court's participation in the plan is new during the fiscal year. The information above shows an actuarial accrued liability based on assumptions used by the actuary regarding existing employees who might choose to transfer their benefits to the new plan. However, at the time the initial valuation was made, no transfers had yet occurred.

During the year ended December 31, 2003, some employees chose to transfer their retirement benefits to the Michigan Municipal Employees' Retirement System. The assets associated with those employees have been transferred and will be reflected in future valuations. On October 31, 2003, \$1,378,967 was transferred from the employees' defined contribution plan into this retirement system.

State of Michigan 35th Judicial District Court

**Notes to Financial Statements
December 31, 2003**

Note 11 - Risk Management

The Court is exposed to various risks of loss pertaining to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Court has purchased commercial insurance for these claims. Settled claims related to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 12 - Upcoming Reporting Change

For the year beginning January 1, 2004, the Court plans to adopt GASB Statement No. 34. This will dramatically revise the information being reported in these financial statements. Governmental activities will report information by individually significant fund, as well as in total on the full accrual basis of accounting. Information is not available to present pro forma data that would show the effect of this future change.

Additional Information

Honorable John E. MacDonald, Chief District Judge
Honorable Ronald W. Lowe, District Judge,
and Honorable Michael J. Gerou, District Judge
State of Michigan 35th Judicial District Court

We have audited the general purpose financial statements of the State of Michigan 35th Judicial District Court as of and for the year ended December 31, 2003. Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the State of Michigan 35th Judicial District Court. This information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Plante & Moran, PLLC

February 17, 2004

**State of Michigan
35th Judicial District Court**

**Agency Funds
Combining Balance Sheet
December 31, 2003**

	Depository	Appearance Bond	Total
Assets			
Cash	\$ 507,242	\$ 112,134	\$ 619,376
Due from other funds	<u>1,027</u>	<u>-</u>	<u>1,027</u>
	<u>\$ 508,269</u>	<u>\$ 112,134</u>	<u>\$ 620,403</u>
Liabilities			
Due to other funds	\$ 349,798	\$ 5,963	\$ 355,761
Due to State of Michigan	131,796	-	131,796
Due to Wayne County Treasurer	18,458	-	18,458
Civil trust payable	8,217	-	8,217
Appearance bonds payable	<u>-</u>	<u>106,171</u>	<u>106,171</u>
Total liabilities	<u>\$ 508,269</u>	<u>\$ 112,134</u>	<u>\$ 620,403</u>

State of Michigan 35th Judicial District Court

Schedule of General Fund Operating Revenue Received and Allocation of Expenditures to Local Units Year Ended December 31, 2003

	Fines and Fees Revenue	Allocated Shared Expenditures - Net of Probation, Interest, and Other Revenue	Jail, Jury, and Witness Fees Expenditures*	Video Conference Unit Expenditure*	Distributions to Local Units**	Net Amount Held on Behalf of Local Units
Gross revenue/expenditures	\$ 4,649,648	\$ 3,821,759	\$ 210,920	\$ 15,208	\$ 601,761	\$ -
Less probation, interest, and other revenue	<u>1,161,348</u>	<u>1,161,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,488,300</u>	<u>\$ 2,660,411</u>	<u>\$ 210,920</u>	<u>\$ 15,208</u>	<u>\$ 601,761</u>	<u>\$ -</u>
Allocation by local units:						
City of Plymouth	\$ 263,239	\$ 158,371	\$ 12,311	\$ 1,901	\$ 31,500	\$ 59,156
Plymouth Township	597,754	360,462	31,283	1,901	100,000	104,108
City of Northville	233,703	145,273	8,275	3,802	28,000	48,353
Northville Township	491,244	338,507	37,360	3,802	51,000	60,575
Canton Township	<u>1,902,360</u>	<u>1,657,798</u>	<u>121,691</u>	<u>3,802</u>	<u>110,470</u>	<u>8,599</u>
Total	<u>\$ 3,488,300</u>	<u>\$ 2,660,411</u>	<u>\$ 210,920</u>	<u>\$ 15,208</u>	<u>\$ 320,970</u>	<u>\$ 280,791</u>

Net operating expenditures of the Court are allocated to the local units of government supporting the Court on the basis of case-load distribution set forth as follows:

Local Units	Number of Cases Attributable	Percent of Total	Net Operating Expenditures Allocations
City of Plymouth	2,503	5.95	\$ 158,371
Plymouth Township	5,697	13.55	360,462
City of Northville	2,296	5.46	145,273
Northville Township	5,350	12.72	338,507
Canton Township	<u>26,201</u>	<u>62.32</u>	<u>1,657,798</u>
Total	<u>42,047</u>	<u>100.00</u>	<u>\$ 2,660,411</u>

* Jail, jury, and witness fees and video conference unit expenditure were allocated on a specific identification basis.

** The distribution to Canton Township represents an allocation of prior years overpayment.