

3

JUDICIAL EXPENSE FUND

FIRST JUDICIAL DISTRICT COURT, CADDO PARISH

DECEMBER 31, 2011

JUDICIAL EXPENSE FUND
FIRST JUDICIAL DISTRICT COURT
CADDO PARISH, LOUISIANA

TABLE OF CONTENTS

	<u>Page</u>
Management's Discussion and Analysis (Unaudited)	i-iii
<u>AUDITED FINANCIAL STATEMENTS</u>	
Independent Auditor's Report	1-2
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet	5
Statement of Revenues, Expenditures and Changes in Fund Balance	6
Notes to the Financial Statements	7-12
<u>REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION</u>	
Budgetary Comparison Schedule-General Fund (Unaudited)	13
Notes to Budgetary Comparison Schedule	14
<u>OTHER REPORTS REQUIRED BY GOVERNMENT</u> <u>AUDITING STANDARDS</u>	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15-16
Schedule of Findings and Questioned Costs	17
Schedule of Prior Year Findings	18

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of Judicial Expense Fund for the First Judicial District Court provides an overview of the Fund's financial activities for the fiscal years ended December 31, 2011 and 2010. Please read it in conjunction with the Fund's financial statements, which begin on Page 3.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on Pages 3 and 4) provide information about the activities of the Fund as a whole. Fund financial statements start on Page 5. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Fund's operations in more detail than the government-wide statements by providing information about the Fund's most significant funds. The accompanying financial statements present information only on the funds maintained by the Judicial Expense Fund.

Reporting the Funds Maintained by the Judicial Expense Fund as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the Judicial Expense Fund as a whole begins on Page 3. The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the Fund as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting.

These two statements report the Fund's *net assets* and changes in them. The Fund's net assets - the difference between assets and liabilities - is one way to measure the Fund's financial health, or *financial position*. Over time, *increases or decreases* in the Fund's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we record the activities in the funds maintained by the Judicial Expense Fund as governmental activities:

Governmental activities - expenses related to, and resources provided for, administering the First District Court.

Reporting the Most Significant Funds Maintained by the Judicial Expense Fund

Our analysis of the major funds maintained by the Fund begins on Page 5. The fund financial statements provide detailed information about the most significant funds maintained by the Fund - not necessarily the Fund as a whole. The funds of the Judicial Expense Fund use the following accounting approaches.

Governmental fund - All of the Fund's expenses are reported in a governmental fund, which focuses on how money flows into and out of this fund and the balances left at year-end that are available for spending. This fund is reported using an accounting method called *modified accrual basis*. The governmental fund statements provide a detailed *short-term view* of the Fund's operations and the expenses paid from the fund. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Fund expenses. However, because the Fund recovers the costs of personnel compensated absences from local governments, these governmental fund statements

include accrued compensated absences liabilities. Consequently, there are no differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental fund financial statements.

THE FUNDS MAINTAINED BY THE JUDICIAL EXPENSE FUND AS A WHOLE

The Judicial Expense Fund's total net assets changed from a year ago, increasing from \$740,815 to \$759,425. This increase amounted to \$18,610, or 3%. Current assets increased during the year, as investments increased due to the excess of revenues over expenditures.

**Table 1
Net Assets**

	<u>Government-Wide Activities</u>	
	<u>2011</u>	<u>2010</u>
Current assets	768,846	755,414
Current liabilities	<u>9,421</u>	<u>14,599</u>
Net assets:		
Unreserved and undesignated	<u>759,425</u>	<u>740,815</u>

**Table 2
Changes in Net Assets**

	<u>Government-Wide Activities</u>	
	<u>2011</u>	<u>2010</u>
Revenues		
Fees	183,102	225,037
Other	<u>7,448</u>	<u>9,483</u>
Total revenues	190,550	234,520
Expenses		
General governmental	<u>171,940</u>	<u>156,045</u>
Increase in net assets	<u>18,610</u>	<u>78,475</u>

For the funds maintained by the Judicial Expense Fund, total revenues decreased \$43,970, from total revenues in 2010 of \$234,520, to total revenues of \$190,550 in 2011. This decrease was mainly the result of a decrease in criminal case charges and civil fees.

In addition, total expenses increased by \$15,895, from \$156,045 in 2010, to \$171,940 in 2011.

CONTACTING THE JUDICIAL EXPENSE FUND'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Judicial Expense Fund and to show the Fund's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Judicial Expense Fund of the First Judicial District Court, Caddo Parish, 501 Texas Street, Room G12, Shreveport, Louisiana, 71101.

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

June 25, 2012

Honorable Robert P. Waddell, Chief Judge
Judicial Expense Fund for the First Judicial District Court
Caddo Parish, Louisiana

Independent Auditor's Report

We have audited the component unit financial statements of the governmental activities and each major fund of the Judicial Expense Fund for the First Judicial District Court as of December 31, 2011, and for the year then ended, which collectively comprise the Fund's basic financial statements, as listed in the table of contents. These component unit financial statements are the responsibility of management of the Judicial Expense Fund for the First Judicial District Court. Our responsibility is to express an opinion on these component unit 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Judicial Expense Fund for the First Judicial District Court as of December 31, 2011, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1(E) to the financial statements, the Fund has adopted the provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012, on our consideration of the Fund's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

The accompanying required supplementary information, consisting of management's discussion and analysis on Pages i through iii and budgetary comparison information on Pages 13 and 14 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Heard, McElroy & Vestal, LLC

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

<u>A S S E T S</u>	<u>Governmental Activities</u>
Cash and cash equivalents-Note 2	79,273
Investments-Note 7	675,303
Receivables-Note 3	<u>14,270</u>
Total assets	<u>768,846</u>
 <u>LIABILITIES AND NET ASSETS</u>	
<u>Liabilities:</u>	
Accounts payable	<u>9,421</u>
Total liabilities	9,421
 <u>Net assets:</u>	
Unrestricted	<u>759,425</u>
Total net assets	<u>759,425</u>
Total liabilities and net assets	<u>768,846</u>

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

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Expenses:</u>	
Governmental activities:	
Salaries and related benefits	45,371
Books and subscriptions	31,534
General administration	<u>95,035</u>
Total expenses	171,940
 <u>Program revenue:</u>	
Criminal fees	86,757
Civil fees	95,805
Bond forfeitures	<u>540</u>
Total program revenue	<u>183,102</u>
 <u>Net revenue</u>	 11,162
 <u>General revenue:</u>	
Interest and investment income	<u>7,448</u>
 <u>Change in net assets</u>	 18,610
 <u>Net assets-beginning of year</u>	 <u>740,815</u>
 <u>Net assets-end of year</u>	 <u>759,425</u>

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

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2011

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents-Note 2	79,273
Investments-Note 7	675,303
Receivables-Note 3	<u>14,270</u>
Total assets	<u>768,846</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities:</u>	
Accounts payable	9,421
<u>Fund balance:</u>	
Spendable-unassigned	<u>759,425</u>
Total liabilities and fund balance	<u>768,846</u>

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

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Revenues:</u>	
Criminal fees	86,757
Civil fees	95,805
Interest income	540
Bond forfeitures	<u>7,448</u>
Total revenues	190,550
 <u>Expenditures:</u>	
General government-judicial:	
Salaries and related benefits	45,371
Books and subscriptions	31,534
General administration	<u>95,035</u>
Total expenditures	<u>171,940</u>
 <u>Excess of revenues over expenditures</u>	 18,610
 <u>Fund balance at beginning of year</u>	 <u>740,815</u>
 <u>Fund balance at end of year</u>	 <u><u>759,425</u></u>

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

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

Introduction

The Judicial Expense Fund for the First Judicial District Court was established by Louisiana Revised Statutes 13:996.16-18 for the purpose of administering the district court or the offices of the individual judges of the court. Operations of the Judicial Expense Fund for the First Judicial District Court are funded by court costs on criminal charges and costs on civil suits that are not exempted from court costs.

I. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Judicial Expense Fund have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Fund's overall financial position and results of operations.
- Governmental-Wide Financial statements.
- Fund Financial Statements

The Judicial Expense Fund's basic financial statements include both Government-Wide (reporting the Fund as a whole) and fund financial statements (reporting the Fund's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Judicial Expense Fund's functions and programs have been classified as governmental activities. The Fund does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Assets, the governmental type activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

1. Summary of Significant Accounting Policies (Continued)

The Government-Wide Statement of Activities reports both the gross and net cost of the Fund's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost.

The Government-Wide Statements focus upon the Judicial Expense Fund's ability to sustain operations and the change in its net assets resulting from the current year's activities.

The financial transactions of the Judicial Expense Fund are reported in individual funds in the Fund Financial Statements. The General Fund is the entity's primary operating fund. It accounts for all financial resources of the Fund, except those required to be accounted for in another fund. It is the only fund on the Judicial Expense Fund's financial statements and therefore, the only major fund.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

Measurement Focus and Basis of Accounting:

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict

1. Summary of Significant Accounting Policies (Continued)

with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Judicial Expense Fund has elected not to follow subsequent private-sector guidance because it does not have any business-type activities or enterprise funds.

B. Budget

The Judicial Expense Fund adopts an annual budget for the General Fund for management control purposes. The budget was prepared on the modified accrual basis of accounting and was adopted in November 2010. The budget is adopted and amended, as necessary, by the district judges. All appropriations contained in the budget lapse at year end, and encumbrance accounting is not used by the Fund.

C. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. Under state law, the Judicial Expense Fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The fund may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their maturities at purchase exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

D. Compensated Absences

Employees of the Judicial Expense Fund for the First Judicial District Court work for a one-year period as law clerks. These employees receive two weeks of paid vacation leave each year and eight hours of sick leave each month. Vacation leave may be accumulated only if the law clerk is employed for a second year. Employees are not compensated for any unused vacation or sick leave upon separation of service. At December 31, 2010, there are no material accumulated and vested leave benefits that require disclosure or accrual to conform with accounting principles generally accepted in the United States of America.

E. Fund Equity in Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning in 2011, the Fund implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The Fund did not have any nonspendable resources as of year end.

1. Summary of Significant Accounting Policies (Continued)

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources that are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Fund did not have any restricted resources as of year end.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Fund's board of commissioners, which is the Fund's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The Fund did not have any committed resources as of year end.

- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Fund's board of commissioners, or a subordinate high-level body, such as a finance committee, or an official, such as the administrator, that has the authority to assign amounts to be used for specific purposes.

The Fund did not have any assigned resources as of year end.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Fund would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

2. Cash and Cash Equivalents

At December 31, 2011, the Judicial Expense Fund had cash and cash equivalents (book balances) totaling \$79,273 in the Caddo Parish Commission cash and investment pool.

2. Cash and Cash Equivalents (Continued)

Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of qualifying securities owned by the bank. The market value of the qualifying pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. At December 31, 2011, deposit balances (bank balances) are fully secured by federal deposit insurance and qualified pledged securities of \$79,273. Information on the aggregate deposits of the Caddo Parish Commission and how they are secured is available in the financial statements of the Caddo Parish Commission.

3. Receivables

The following is a summary of receivables at December 31, 2011:

<u>Class of Receivable</u>	
Criminal fees	6,570
Civil fees	5,262
Miscellaneous	<u>2,438</u>
Total receivable	<u>14,270</u>

4. Pension Plan

Judges of the district court are members of the State Employees Retirement System of Louisiana. Salaries of the judges and the employer's portion of retirement contributions are paid by the State Supreme Court and are not included in the accompanying financial statements.

Employees (law clerks) of the First Judicial District Court are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), or public employee retirement system (PERS), controlled and administered by a separate board of trustees. Generally, all full-time employees are eligible to participate in the System, with employee benefits vesting after 10 years of service. Although employees (law clerks) of the Fund are appointed for one-year terms as law clerks, they are required to become members of the System, and are required to contribute to the System; however, the employees do not remain in the System for sufficient time to become vested. Pension costs for the employees of the Fund are reported in the accompanying financial statements.

The System is composed of two distinct plans (Plan A and Plan B) with separate assets and benefit provisions. For the year ended December 31, 2011, the total payroll was \$34,800, of which the Fund supplemented the contribution for 18 employees covered under the Plan. The statutorily required contribution by the Judicial Expense Fund for the year ended December 31, 2011 for Plan A, was \$1,536.

Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with 25 years of creditable service, or at any age with at least 30 years of creditable service, are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees of Plan A to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. During 2010, the Fund was required to contribute 15.75% of the salary of each employee covered by Plan A as an employer match.

4. Pension Plan (Continued)

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2011 comprehensive annual financial report. The district court does not guarantee the benefits granted by the System.

Effective April 10, 2000, the Parish established the Employee's Retirement System (ERS) to provide retirement benefits for certain employees who are not members of the Parochial Retirement System; a plan under IRS Code Section 457.

Under the ERS plan, the Parish contributes 13.25% of the employees' salaries to the 457 plan. Certain vesting requirements must be met and the contributions are invested at the direction of the employee.

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

The accompanying financial statements do not include certain salary expenditures for the district court paid out of the funds of the Caddo Parish Commission or directly by the state.

6. Litigation

There is no litigation pending against the Judicial Expense Fund at December 31, 2011.

7. Investments

Investments are included in the Caddo Parish Commission investment pool, consisting of Federal Home Loan Bank notes, FHMA notes and treasury notes. These investments are fully secured by pledged securities at December 31, 2011.

8. Other Post-Employment Benefits

Implications of GASB 45 are not applicable to the Judicial Expense Fund. All premium payments for First Judicial District Court are charged to the General Fund of the Caddo Parish Commission and included in the Caddo Parish Commission's financial statements.

9. Subsequent Events

Management has evaluated subsequent events through June 25, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<u>Revenues:</u>			
Criminal fees	80,000	86,757	6,757
Civil fees	98,000	95,805	(2,195)
Bond forfeitures	500	540	40
Use of money and property- interest earnings	<u>10,000</u>	<u>7,448</u>	<u>(2,552)</u>
Total revenues	188,500	190,550	2,050
<u>Expenditures:</u>			
General government-judicial:			
Salaries and related benefits	48,476	45,371	3,105
Books and subscriptions	38,500	31,534	6,966
General administration	<u>95,046</u>	<u>95,035</u>	<u>11</u>
Total expenditures	<u>182,022</u>	<u>171,940</u>	<u>10,082</u>
<u>Excess of revenues over expenditures</u>	6,478	18,610	12,132
<u>Fund balance-beginning of year</u>	<u>740,815</u>	<u>740,815</u>	<u>-</u>
<u>Fund balance-end of year</u>	<u>747,293</u>	<u>759,425</u>	<u>12,132</u>

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011
(Unaudited)

1. Budget
Refer to Note 1 of the government-wide financial statements for details regarding the budget process.
2. Budget Variances
During the twelve months ended December 31, 2011, actual interest earnings failed to meet budgeted interest earnings by 34%.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Interest earnings	10,000	7,448	2,552

The unfavorable variance for interest earnings is due to a decline in market value of investments.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

June 25, 2012

Honorable Robert P. Waddell, Chief Judge
Judicial Expense Fund for the First Judicial District Court
Caddo Parish, Louisiana

Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

We have audited the component unit financial statements of the Judicial Expense Fund for the First Judicial District Court as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Judicial Expense Fund's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmiv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

This report is intended solely for the information and use of management, and the Office of the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy & Vital, LLC

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

We have audited the component unit financial statements of the Judicial Expense Fund for the First Judicial District Court as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. 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. Our audit of the component unit financial statements as of December 31, 2011 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control - No material weakness or reportable condition was noted; no management letter was issued.

Compliance - No material noncompliance was noted.

b. Federal Awards - No major program.

Section II - Financial Statement Findings

No matters were reported.

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

No prior year findings were reported.