

JUDICIAL EXPENSE FUND
FIRST JUDICIAL DISTRICT COURT, CALDO PARISH
DECEMBER 31, 2003

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Release Date 7-28-04

JUDICIAL EXPENSE FUND
NEXT JUDICIAL DISTRICT COURT
CADDO PARISH, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

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May 18, 2004

Honorable Charles E. Scott, Chief Judge
Judicial Expense Fund for the First Judicial
District Court
Cade Parish, Louisiana

Independent Auditor's Report

We have audited the accompanying general-purpose financial statements of the Judicial Expense Fund for the First 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 management of the Judicial Expense Fund for the First Judicial District Court. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose 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 Judicial Expense Fund for the First 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.

In accordance with Government Auditing Standards, we have also issued a report dated May 18, 2004, on our consideration of the Fund's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grants. 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.

Heard, McElroy & Vestal, LLP

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JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2001

	Govern- mental Fund- General Fund	Account Group- General Fixed Assets	Total Obliga- tions
ASSETS			
Cash and cash equivalents-Note 2	127,193	-	127,193
Investments-Note 3	194,723	-	194,723
Receivables-Note 3	21,189	-	21,189
Furniture and equipment-Note 4	-	1,182	1,182
Total assets	<u>343,105</u>	<u>1,182</u>	<u>344,287</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	30,758	-	30,758
Total liabilities	<u>30,758</u>	<u>-</u>	<u>30,758</u>
Fund balance:			
Investment in general fixed assets	-	1,182	1,182
Fund balance-accumulated-undesignated	312,325	-	312,325
Total fund balance	<u>312,325</u>	<u>1,182</u>	<u>313,507</u>
Total liabilities and fund balance	<u>343,105</u>	<u>1,182</u>	<u>344,287</u>

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

JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CALDOU PARISH, LOUISIANA
GOVERNMENTAL FUND - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET
GAAP BASED AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Criminal fees	62,000	55,614	(6,386)
Civil fees	107,000	105,868	(1,134)
Miscellaneous	300	260	(40)
Use of money and property- interest earnings	11,000	4,928	(6,072)
Investment income (loss)	-	(1,182)	(1,182)
Total revenues	<u>180,300</u>	<u>165,498</u>	<u>(14,804)</u>
Expenditures			
General government-judicial:			
Salaries and related benefits-Non 6	7,700	39,189	(31,489)
Books and subscriptions	33,700	38,512	(4,812)
General administration	72,050	62,823	9,227
Total expenditures	<u>113,450</u>	<u>139,524</u>	<u>(26,074)</u>
Excess of revenues over expenditures	66,850	35,974	(30,876)
Fund balance at beginning of year	297,333	297,333	-
Fund balance at end of year	<u>364,173</u>	<u>333,327</u>	<u>(30,846)</u>

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

**JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CALICO PARISH, LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2000

Introduction

The Judicial Expense Fund for the First Judicial District Court was established by Louisiana Revised Statutes 13:996.05-18 for the purpose of administering the district court on 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.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying general-purpose 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.

B. Reporting Entity

The First Judicial District Judicial Expense Fund ("Fund") is the basic level of government, which has financial accountability, and control over all activities related to the administration of the district court. The Fund is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Judges of the First Judicial District are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and have primary financial accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

C. Fund Accounting

The Judicial Expense Fund uses a fund and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The fund (General Fund) is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The General Fund is the general operating fund of the Judicial Expense Fund and accounts for all financial resources.

I. Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of this fund present increases and decreases in net current assets. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Court fees are recorded when earned and available. Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

E. 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 September 2002. The amounts presented in the budget comparison reflect the amended budget that was finalized in December 2002. 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.

F. 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.

G. General Fixed Assets and Long-Term Debt

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost. There is no long-term debt as December 31, 2002.

H. 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, 2002, 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.

1. Summary of Significant Accounting Policies (Continued)

1. Total Column on Balance Sheet

The total column on the balance sheet is captioned "Memorandum Only" (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a constitution.

2. Cash and Cash Equivalents

At December 31, 2003, the Judicial Expense Fund had cash and cash equivalents (bank balances) totaling \$127,192 in the Caddo Parish Commission cash and investment pool.

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, 2003, deposit balances (bank balances) are fully secured by federal deposit insurance and qualifying pledged securities of \$127,192. 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, 2003:

<u>Class of Receivable</u>	
Criminal fees	4,000
Civil fees	16,835
Total receivable	21,188

4. Changes in General Fixed Assets

During 2003, there were no changes in the General Fixed Assets Account Group.

5. Budget Variances

Criminal fees received in 2003 were less than anticipated because the budgeted amounts are calculated based on prior year revenues with a best estimate for increases or decreases. The actual revenue received is determined by the actual court cases. Salaries and related benefits were more than anticipated because of supplemental pay to administrative assistants which was paid from the judge's cafeteria plan fee charged to the Judicial Expense Fund. Books and subscriptions were over budget due to an unexpected increase in the cost of updating the law library.

6. 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 (non-sharing), 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 employer 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

6. Pension Plan (Continued)

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, 2003, the total payroll was \$38,608, of which none was covered under Plan A. There was no statutorily required contribution by the Judicial Expense Fund for the year ended December 31, 2003 for Plan A, as the only eligible employee elected to contribute to Plan B.

Under Plan A, employees who retire at or after age 60 with at least 30 years of creditable service, or at or after age 35 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 per cent 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 West 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 employee 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 2003, the Fund was required to contribute 7.73 % of the salary of each employee covered by Plan A as an employer match.

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, 2003 comprehensive annual financial report. The district court does not guarantee the benefits granted by the System.

Effective April 10, 2005, the Parish established the Employer's Retirement System (ERS) to provide retirement benefits for certain employees who are not members of the Parocheal Retirement System; a plan under RSG Code Section 457.

Under the ERS plan, the Parish contributes 81.379 % of the employees' contributions to the 457 plan. Certain vesting requirements must be met and the contributions are invested at the direction of the employee. Contributions to the Plan for 2003 were \$-0-.

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

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

8. Litigation

There is no litigation pending against the Judicial Expense Fund at December 31, 2003.

9. Investments

Investments are included in the Cadejo Parish Commission investment pool, consisting of Federal Home Loan Bank notes, FHMA notes and treasury notes. These investments are fully secured by pledged securities as December 31, 2003.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

May 18, 2004

Honorable Charles R. Scott, Chief Judge
Judicial Expense Panel for the First Judicial District Court
Cade Parish, Louisiana

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

We have audited the general-purpose financial statements of the Judicial Expense Panel for the First Judicial District Court as of and for the year ended December 31, 2003, and have issued our report thereon dated May 18, 2004. 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 general-purpose financial statements of the Judicial Expense Panel 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 these 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 internal control over financial reporting of the Judicial Expense Panel for the First Judicial District Court in order to determine our auditing procedures for the purpose of expressing our opinion on the general-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 general-purpose 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 internal control over financial reporting and its operation that we consider to be material weaknesses.

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.

**JUDICIAL EXPENSE FUND FOR THE FIRST
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

We have audited the general-purpose financial statements of the Judicial Expense Fund for the First Judicial District Court as of and for the year ended December 31, 2003, and have issued our report thereon dated May 18, 2004. 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 general-purpose financial statements as of December 31, 2003 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, CALDOO PARISH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2000

No prior year findings were reported.