

**CHILD SUPPORT FUND**  
**FIRST JUDICIAL DISTRICT COURT**  
**CADDO PARISH, LOUISIANA**  
**DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

CHILD SUPPORT FUND  
FIRST JUDICIAL DISTRICT COURT  
CADDO PARISH, LOUISIANA

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the financial performance of the Child Support Fund of the First Judicial District Court, Caddo Parish provides an overview of the Fund's financial activities for the fiscal years ended December 31, 2009 and 2008. 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 Child Support Fund.

### Reporting the Funds Maintained by the Child Support Fund as a Whole

#### The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the Child Support 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 Child Support 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 Child Support Fund as governmental activities:

Governmental activities - expenses related to, and resources provided for, the support of hearing officers to process cases referred by the Support Enforcement Services.

### Reporting the Most Significant Funds Maintained by the Child Support Fund

Our analysis of the major funds maintained by the Child Support 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 Child Support Fund uses 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. Differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and the governmental fund financial statements consist of the inclusion of capital assets in the governmental activities statements.

**THE FUNDS MAINTAINED BY THE CHILD SUPPORT FUND AS A WHOLE**

The Child Support Fund's total net assets changed from a year ago, increasing from \$571,562 to \$689,998. This increase amounted to \$118,436 or 21%. Current assets increased significantly during the year, as revenues were more than adequate to cover current expenses.

**Table 1  
Net Assets**

	<u>Government-Wide Activities</u>	
	<u>2009</u>	<u>2008</u>
Current assets	746,693	699,217
Current liabilities	<u>6,300</u>	<u>9,219</u>
Net assets:		
Invested in capital assets	4,003	5,175
Unreserved and undesignated	<u>736,390</u>	<u>684,823</u>
	<u>740,393</u>	<u>689,998</u>

**Table 2  
Changes in Net Assets**

	<u>Government-Wide Activities</u>	
	<u>2009</u>	<u>2008</u>
Revenues		
Support Enforcement Collections	514,299	524,522
Other	<u>10,203</u>	<u>29,749</u>
Total revenues	524,502	554,271
Expenses		
General governmental	<u>474,107</u>	<u>435,835</u>
Decrease in net assets	<u>50,395</u>	<u>118,436</u>

For the funds maintained by the Child Support Fund, total revenues decreased \$29,769, from total revenues in 2008 of \$554,271, to total revenues of \$524,502 in 2009.

In addition, total expenses increased by \$38,272, from \$435,835 in 2008, to \$474,107 in 2009.

## **CONTACTING THE CHILD SUPPORT 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 Child Support 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 Child Support Fund of the First Judicial District Court, Caddo Parish, 501 Texas Street, Room 300E, Shreveport, LA 71101.

**AUDITED FINANCIAL STATEMENTS**

# HEARD, McELROY, & VESTAL

LLP

CERTIFIED PUBLIC ACCOUNTANTS

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June 24, 2010

Honorable Charles R. Scott, Chief Judge  
Child Support Fund for the First Judicial District Court  
Caddo Parish, Louisiana

## Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each major fund of the Child Support Fund for the First Judicial District Court, a component unit of the Caddo Parish Commission, as of December 31, 2009, and for the year then ended, which collectively comprise the Fund's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of management of the Child Support Fund for the First Judicial District Court. 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.

In our opinion, the 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 Child Support Fund for the First Judicial District Court as of December 31, 2009, and the changes in financial position thereof 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 June 24, 2010, 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.

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The accompanying required supplementary information, consisting of management's discussion and analysis on Pages i through iii and budgetary comparison information on Pages 14 and 15 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 & Vostal, LLP*

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and cash equivalents-Note 2	37,854
Investments-Note 6	659,995
Receivables-Note 3	44,841
Capital assets, net of accumulated depreciation	<u>4,003</u>
Total assets	<u>746,693</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>Liabilities:</u>	
Accounts payable	259
Accrued salaries	<u>6,041</u>
Total liabilities	6,300
<u>Net assets:</u>	
Invested in capital assets	4,003
Unreserved-undesignated	<u>736,390</u>
Total net assets	<u>740,393</u>
Total liabilities and net assets	<u>746,693</u>

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

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Expenses:</u>	
Governmental activities:	
Salaries and related benefits	255,873
General administration	217,062
Depreciation	<u>1,172</u>
Total expenses	474,107
<u>Program revenue:</u>	
Support enforcement collections	<u>514,299</u>
<u>Net revenue</u>	40,192
<u>General revenue:</u>	
Interest and investment income	<u>10,203</u>
<u>Change in net assets</u>	50,395
<u>Net assets-beginning of year</u>	<u>689,998</u>
<u>Net assets-end of year</u>	<u>740,393</u>

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

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

BALANCE SHEET-GOVERNMENTAL FUNDS

DECEMBER 31, 2009

ASSETS

Cash and cash equivalents-Note 2	37,854
Investments-Note 6	659,995
Receivables-Note 3	<u>44,841</u>
Total assets	<u>742,690</u>

LIABILITIES AND FUND EQUITY

<u>Liabilities:</u>	
Accounts payable	259
Accrued salaries	<u>6,041</u>
Total liabilities	6,300
<u>Fund equity:</u>	
Fund balance-unreserved	<u>736,390</u>
Total liabilities and fund equity	<u>742,690</u>

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

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE  
GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

Total fund equity for the governmental fund	736,390
Cost of capital assets, less accumulated depreciation	<u>4,003</u>
Total net assets of the governmental activities	<u>740,393</u>

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

CHILD SUPPORT 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, 2009

	<u>General Fund</u>
<u>Revenues:</u>	
Support enforcement collections	514,299
Use of money and property-interest earnings	<u>10,203</u>
Total revenues	524,502
 <u>Expenditures:</u>	
<u>General government-judicial:</u>	
Salaries and related benefits	255,873
General administration	<u>217,062</u>
Total expenditures	<u>472,935</u>
<u>Excess of revenues over expenditures</u>	51,567
<u>Fund balance at beginning of year</u>	<u>684,823</u>
<u>Fund balance at end of year</u>	<u>736,390</u>

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

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE  
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balance-governmental fund	51,567
Depreciation expense	<u>(1,172)</u>
Change in net assets of governmental activities	<u>50,395</u>

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

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2009

Introduction

The Child Support Fund for the First Judicial District Court was established by Louisiana Revised Statutes 46:236.5 for the purpose of providing hearing officers to process all cases referred by Support Enforcement Services. Operations of the Child Support Fund for the First Judicial District Court are funded by a five (5) percent administration fee as authorized by R.S.46.236.5(B)(1).

The First Judicial District Court has entered into a cooperative endeavor between Louisiana Department of Social Services, Office of Family Support, and Support Enforcement Services as of April 1, 2000 to provide services as outlined in R.S.46:236.5.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the Child Support 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 basic 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.

B. Reporting Entity

The First Judicial District Child Support Fund ("Fund") is the basic level of government, which has financial accountability, and control over all activities related to providing hearing officers to process cases referred by Support Enforcement Services. 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. Government-Wide and Fund Financial Statements

The Child Support 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 Child Support Fund's functions

1. Summary of Significant Accounting Policies (Continued)

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.

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 Child Support 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 Child Support 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 Child Support 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

1. Summary of Significant Accounting Policies (Continued)

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 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 Child Support Fund has elected not to follow subsequent private-sector guidance because it does not have any business-type activities or enterprise funds.

D. Budget

The Child Support 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 December 2006. The amounts presented in the budget comparison reflect the amended budget for 2007. 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.

E. 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 Child Support 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.

F. Compensated Absences

Employees of the Child Support 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, 2009, there are no material accumulated and vested leave benefits that require disclosure or accrual to conform with generally accepted accounting principles generally accepted in the United States of America.

2. Cash and Cash Equivalents

At December 31, 2009, the Child Support Fund had cash and cash equivalents (book balances) totaling \$37,854 in the Caddo Parish Commission cash 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 the amount on deposit with the bank. At December 31, 2009, deposit balances (bank balances) are fully secured by federal deposit insurance and qualified pledged securities of \$37,854. 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, 2009:

Class of Receivable

La. Department of Social Services, Office  
of Family Support

44,841

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), 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. All employees of the Child Support Fund are members of Plan A. For the year ended December 31, 2009, the total payroll was \$319,921 and the total covered payroll by the Fund was \$190,346. The statutorily required contribution by the Child Support Fund for the year ended December 31, 2009, for Plan A was \$20,098 which was entirely made-up of the employer contribution. The actual contribution made by the Fund to Plan A was \$28,358.

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 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.

4. Pension Plan (Continued)

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 2009, the Fund was required to contribute 13.25% 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, 2009 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. Litigation

There is no litigation pending against the Child Support Fund at December 31, 2009.

6. Investments

Investments are included in the Caddo Parish Commission investment pool, consisting of Federal Home Loan Bank notes, FHMA notes and treasury notes.

7. Other Post-Employment Benefits

Implications of GASB 45 are not applicable to the Child Support 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.

**REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION**

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Support Enforcement Collections	530,000	514,299	(15,701)
Use of money and property- interest earnings	<u>20,000</u>	<u>10,203</u>	<u>(9,797)</u>
Total revenues	550,000	524,502	(25,498)
<u>Expenditures:</u>			
General government-judicial:			
Salaries and related benefits	355,239	255,873	99,366
General administration	<u>115,925</u>	<u>217,062</u>	<u>(101,137)</u>
Total expenditures	<u>471,164</u>	<u>472,935</u>	<u>(1,771)</u>
<u>Excess deficit of revenues over expenditures</u>	78,836	51,567	27,269
<u>Fund balance at beginning of year</u>	<u>515,074</u>	<u>684,823</u>	<u>169,749</u>
<u>Fund balance at end of year</u>	<u>593,910</u>	<u>736,390</u>	<u>142,480</u>

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009  
 (Unaudited)

1. Budget  
Refer to Note 1 of the government-wide financial statements for details regarding the budget process.
2. Budget Variances  
Budgeted revenues materially exceeded actual revenues as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Enforcement Collections	530,000	514,299	(15,701)
Use of money and property- interest earnings	20,000	10,203	(9,797)

The unfavorable variance for both support enforcement collections and interest earnings are due to both being difficult to estimate, which generally causes significant differences in budgeted and actual revenues.

Material expenditure variances are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Salaries and related benefits	335,239	255,873	99,366
General administration	115,925	217,062	(101,137)

Both the favorable variance for salaries and benefits and the unfavorable variance for general administration are due to amounts being difficult to estimate, which generally causes significant differences in budgeted and actual expenditures.

**OTHER REPORTS REQUIRED BY**  
**GOVERNMENT AUDITING STANDARDS**

# HEARD, McELROY, & VESTAL

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CERTIFIED PUBLIC ACCOUNTANTS

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June 24, 2010

Honorable Charles R. Scott, Chief Judge  
Child Support 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 financial statements of the Child Support Fund for the First Judicial District Court as of and for the year ended December 31, 2009, and have issued our report thereon dated June 24, 2010. 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 Child Support 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 financial statements but not for the purpose of expressing an opinion on the effectiveness of the Child Support Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Child Support 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 Child Support Fund for the First Judicial District's 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

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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*.

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 & Vestal, LLP

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

We have audited the financial statements of the Child Support Fund for the First Judicial District Court as of and for the year ended December 31, 2009, and have issued our report thereon dated June 24, 2010. 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 financial statements as of December 31, 2009 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.

CHILD SUPPORT FUND FOR THE FIRST  
JUDICIAL DISTRICT COURT, CADDO PARISH, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2009

No matters were reported in the prior year.