

THIRTY-SIXTH JUDICIAL DISTRICT
HEARING OFFICER ACCOUNT FUND
PARISH OF BEAUREGARD
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH ACCOUNTANT'S COMPILATION REPORT

DECEMBER 31, 2020

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ACCOUNTANT'S COMPILATION REPORT

36th Judicial District Court
Hearing Officer Account Fund
P.O. Box 1148
DeRidder, LA 70634

Management is responsible for the accompanying financial statements of the governmental activities of the 36th Judicial District Court, Hearing Officer Account Fund, DeRidder, Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2020, which collectively comprise the 36th Judicial District Court, Hearing Officer Account Fund's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and budgetary comparison schedule on page 16, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

The accompanying schedule of compensation, benefits, and other payments to the agency head, political subdivision head, or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.



Windham & Reed, CPA, LLC
DeRidder, LA

June 18, 2021

BASIC FINANCIAL STATEMENTS

Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 730,989
Grants receivable	14,683
Capital assets being depreciated - net	<u>76,568</u>
Total assets	<u>\$ 822,240</u>
LIABILITIES	
Accounts payable	<u>\$ 6,876</u>
NET POSITION	
Net investment in capital assets	\$ 76,568
Unrestricted	<u>738,796</u>
Total net position	<u>\$ 815,364</u>
Total liabilities and net position	<u>\$ 822,240</u>

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended December 31, 2020

Program Activities	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Governmental Activities
		Capital Grants and Contributions	Operating Grants and Contributions	
Governmental activities:				
Judicial	\$ 62,519	\$ -	\$ 127,024	\$ 64,505
General revenues:				
Investment earnings				\$ 2,622
Total general revenues				\$ 2,622
Change in net position				\$ 67,127
Net position at beginning of year				748,237
Net position at end of year				\$ 815,364

The accompanying notes are an integral part of this statement.

Balance Sheet
 Governmental Fund
 December 31, 2020

ASSETS	<u>Major Fund</u>
Assets:	
Cash and cash equivalents	\$ 730,989
Grants receivable	<u>14,683</u>
Total assets	<u><u>\$ 745,672</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	<u>\$ 6,876</u>
Fund Balances:	
Unassigned	<u>\$ 738,796</u>
Total liabilities and fund balances	<u><u>\$ 745,672</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Fund Balance Sheet
to Statement of Net Position
December 31, 2020

Total fund balance - total governmental fund	S	738,796
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund balance sheet.		<u>76,568</u>
Net position of governmental activities	S	<u><u>815,364</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Fund
 For the Year Ended December 31, 2020

	<u>Major Fund</u>
Revenues	
Intergovernmental:	
State grants	\$ 127,024
Investment income	2,622
Total revenues	<u>\$ 129,646</u>
Expenditures	
Current	
Judicial:	
Personal services	\$ 21,500
Contracted services	31,754
Total expenditures	<u>\$ 53,254</u>
Net change in fund balance	\$ 76,392
Fund balances at beginning of year	<u>\$ 662,404</u>
Fund balances at end of year	<u><u>\$ 738,796</u></u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Fund to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds	\$ 76,392
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government- wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	<u>(9,265)</u>
Change in net position of governmental activities	<u>\$ 67,127</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Thirty-Sixth Judicial District Hearing Officer Account Fund

Notes to the Financial Statements
As of and for the Year Ended December 31, 2020

INTRODUCTION

The Thirty-Sixth Judicial District Hearing Officer Account Fund was established in compliance with Louisiana Revised Statutes 46:236.5 for the establishment of modification and enforcement of support obligations by authorizing the Chief Judge of the 36th Judicial district Court to nominate one or more Hearing Officers to hear support and support related matters, and to hire and employ any and all such other personnel deemed necessary to implement this procedure, all of who shall serve at his/her pleasure.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amending, supplemented, revoked, or superseded by subsequent GASB pronouncements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Thirty-Sixth Judicial District Hearing Officer Account Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The Judge of the Thirty-Sixth Judicial District Hearing Officer Account Fund is an independently elected official; however, the Thirty-Sixth Judicial District Hearing Officer Account Fund is fiscally dependent on the Beauregard Parish Police Jury. The Police Jury maintains and operates the parish court house in which the Thirty-Sixth Judicial District Hearing Officer Account Fund is located and provides funds for equipment and furniture of the office. Because the Thirty-Sixth Judicial District Hearing Officer Account Fund is fiscally dependent on the Police Jury, the Thirty-Sixth Judicial District Hearing Officer Account Fund was determined to be a component unit of the Beauregard Parish Police Jury, the financial reporting entity.

C. Fund Accounting

The Hearing Officer Account uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all of the Hearing Officer Account's general activities. This fund focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the entity. The following is the Hearing Officer Account's governmental fund:

Thirty-Sixth Judicial District Hearing Officer Account Fund

Notes to the Financial Statements (Continued)

Thirty-Sixth Judicial District Hearing Officer Account Fund – the primary operating fund of the Hearing Officer Account and it accounts for all financial resources, except for those in another fund. The Thirty-Sixth Judicial District Hearing Officer Account Fund is available for any purpose provided it is expending or transferred in accordance with state and federal laws and according to board policy.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the Thirty-Sixth Judicial District Hearing Officer Account Fund, of Statements C and E, are 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. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Thirty-Sixth Judicial District Hearing Officer Account Fund's operations.

The amounts reflected in the Thirty-Sixth Judicial District Hearing Officer Account Fund, of Statements C and E, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Thirty-Sixth Judicial District Hearing Officer Account Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets. Intergovernmental revenues are recorded when the Thirty-Sixth Judicial District Hearing Officer Account Fund is entitled to the funds. Interest income is recognized when the related time deposit matures.

Expenditures

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Thirty-Sixth Judicial District Hearing Officer Account Fund as a whole. These statements include all the financial activities of the Thirty-Sixth Judicial District Hearing Officer Account Fund. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Thirty-Sixth Judicial District Hearing Officer Account Fund

Notes to the Financial Statements (Continued)

Program Revenues – Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from board users as a fee for services; program revenues reduce the cost of the function to be financed from the board's general revenues.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, and then unrestricted resources, as they are needed.

The Thirty-Sixth Judicial District Hearing Officer Account Fund has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

E. Budgets

The financial administrator prepares the proposed budget. Amended budgets are prepared in the same manner when a variance greater than five percent exists between budgeted and actual amounts. The proposed budget for December 31, 2020 was made available for inspection on December 13, 2019. The proposed budget, prepared on the modified accrual basis of accounting, and the public hearing were held at the Thirty-Sixth Judicial District Hearing Officer Account Fund on December 13, 2019, for comments from taxpayers. The budget is legally adopted and amended as necessary.

Expenditure appropriations lapse at year-end. Unexpending appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Thirty-Sixth Judicial District Hearing Officer Account Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Fund Balance

Unassigned: Unassigned fund balance is the residual classification for the Thirty-Sixth Judicial District Hearing Officer Account Fund. This classification 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 Thirty-Sixth Judicial District Hearing Officer Account Fund.

H. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Thirty-Sixth Judicial District Hearing Officer Account Fund, which are either unusual in nature or infrequent in occurrence.

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported

Thirty-Sixth Judicial District Hearing Officer Account Fund

Notes to the Financial Statements (Continued)

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

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Thirty-Sixth Judicial District Hearing Officer Account Fund maintains a threshold of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Land improvements	20-50 years
Building and building improvements	30-50 years
Furniture and fixtures	5-15 years
Vehicles	5-15 years

1. CASH AND CASH EQUIVALENTS

At December 31, 2020, the Thirty-Sixth Judicial District Hearing Officer Account Fund has cash and cash equivalents (book balances) totaling 730,989 as follows:

Special Public Funds Checking	\$ 562,361
Time deposits	168,628
Total	<u>\$ 730,989</u>

The cash and cash equivalents of the Thirty-Sixth Judicial District Hearing Officer Account Fund are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Thirty-Sixth Judicial District Hearing Officer Account Fund that the fiscal agent bank has failed to pay

Thirty-Sixth Judicial District Hearing Officer Account Fund

Notes to the Financial Statements (Concluded)

deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Thirty-Sixth Judicial District Hearing Officer Account Fund's name.

At December 31, 2020, the Thirty-Sixth Judicial District Hearing Officer Account Fund had \$730,989 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$480,989 of pledged securities held by an unaffiliated bank of the pledger bank. These pledged securities are deemed by law to be under the control and possession and in the name of the Thirty-Sixth Judicial District Hearing Officer Account Fund.

2. RECEIVABLES

The following is a summary of receivables at December 31, 2020:

Louisiana Supreme Court \$ 14,683

3. ACCOUNTS AND OTHER PAYABLES

The payables of \$6,876 at December 31, 2020, are as follows:

Accounts \$ 6,876

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the twelve months ending December 31, 2020 is as follows:

<u>Governmental activities</u>	<u>Balance December 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2020</u>
Equipment	\$ 91,319	\$ -	\$ -	\$ 91,319
Less accumulated depreciation: Equipment	<u>5,486</u>	<u>9,265</u>	<u>-</u>	<u>14,751</u>
Capital assets, net	<u>\$ 85,833</u>	<u>\$ (9,265)</u>	<u>\$ -</u>	<u>\$ 76,568</u>

Depreciation expense of \$9,265 for the year ended December 31, 2020 was charged to the following governmental functions:

Judicial \$ 9,265

REQUIRED SUPPLEMENTAL INFORMATION

Thirty-Sixth Judicial District
Hearing Officer Account Fund

Schedule 1

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Intergovernmental:				
State grants	\$ 120,000	\$ 125,000	\$ 127,024	\$ 2,024
Investment income	2,000	2,500	2,622	122
Total revenues	<u>\$ 122,000</u>	<u>\$ 127,500</u>	<u>\$ 129,646</u>	<u>\$ 2,146</u>
Expenditures				
Current Judicial				
Personal services	\$ 25,000	\$ 22,000	\$ 21,500	\$ 500
Operating supplies	500	-	-	-
Contracted services	25,000	30,000	31,754	(1,754)
Total expenditures	<u>\$ 50,500</u>	<u>\$ 52,000</u>	<u>\$ 53,254</u>	<u>\$ (1,254)</u>
Net change in fund balance	\$ 71,500	\$ 75,500	\$ 76,392	\$ 892
Fund balances at beginning of year	<u>580,000</u>	<u>662,404</u>	<u>662,404</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 651,500</u></u>	<u><u>\$ 737,904</u></u>	<u><u>\$ 738,796</u></u>	<u><u>\$ 892</u></u>

OTHER SUPPLEMENTAL INFORMATION

Thirty-Sixth Judicial District
Hearing Officer Account Fund

Schedule 2

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended December 31, 2020

Agency Head Name - Honorable Martha O'Neal

<u>Purpose</u>	<u>Amount</u>
Contract labor	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-

The agency head receives no compensation.

OTHER INFORMATION

Thirty-Sixth Judicial District
Hearing Officer Account Fund

Schedule 3

Schedule of Prior Year Findings
For the Year ended December 31, 2020

There were no prior year findings as of December 31, 2019.

Thirty-Sixth Judicial District
Hearing Officer Account Fund

Schedule 4

Schedule of Current Year Findings and Management's Response
For the Year ended December 31, 2020

There were no current year findings as of December 31, 2020.