
SECOND PARISH COURT JUDICIAL EXPENSE FUND
FOR THE PARISH OF JEFFERSON, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2020

SECOND PARISH COURT JUDICIAL EXPENSE FUND
FOR THE PARISH OF JEFFERSON, LOUISIANA

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Honorable Roy M. Cascio, Judge, Division "A"
To the Honorable Raylyn R. Beevers, Judge, Division "B"
Second Parish Court for the Parish of Jefferson
Metairie, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Second Parish Court Judicial Expense Fund (the Fund) of the Parish of Jefferson, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise of the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions 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 basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Second Parish Court Judicial Expense Fund, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the budgetary comparison schedule on pages 3 through 8 and 21, respectively, be presented to supplement the basic financial statements. Such 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 context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Fund's basic financial statements. The schedule of compensation, benefits, and other payments to agency heads and the judicial system funding schedule on pages 22 and 23 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency heads and the judicial system funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021 on our consideration of the Fund's internal control over financial reporting and on our tests of 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 effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 29, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The Management's Discussion and Analysis (MD&A) of the Second Parish Court Judicial Expense Fund's (the Fund) annual financial report provides important background information and management's analysis of the Fund's financial performance during the fiscal year that ended on December 31, 2020. Please read this section in conjunction with the basic financial statements and the notes to the basic financial statements beginning on page 15 of this report.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Codification. Certain comparative information between the current year (2020) and the prior year (2019) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The total government-wide assets of the Fund at the close of 2020 and 2019 were \$1,059,859 and \$1,186,628, respectively, representing a decrease of approximately \$127,000 in 2020. Of the total assets amounts, \$5,131 and \$6,690 respectively, were invested in capital assets. The remainder is considered unrestricted and may be used for any lawful purpose.

Total government-wide costs of the Fund's programs in 2020 and 2019 were \$239,827 and \$239,502, respectively, representing an increase of \$325. Total government-wide revenues in 2020 and 2019 were \$109,311 and \$148,133, respectively, representing a decrease of \$38,822. The total net position in 2020 and 2019 was \$1,051,173 and \$1,181,689, respectively representing a decrease of \$130,516 in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the Fund:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Fund's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the Fund's operations in more detail than the government-wide statements. The governmental funds statements tell how general government services were financed in the short-term, as well as what remains for future spending.

The financial statements also include notes that further explain the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Fund's financial statements, including the portion of the Fund's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Figure A-1

| | Government-wide Statements | Governmental Funds |
|---|--|---|
| Scope | Entire Judicial Expense Fund | The activities of the Fund |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances |
| Accounting basis and measurements focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments is due during the year or soon thereafter |

Government-wide Statements

The government-wide statements report information about the Fund as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Fund's net position and change in net position. Net position – the difference between the Fund's assets and liabilities – is one way to measure the Fund's financial health, or position.

- Over time, increases or decreases in the Fund's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Fund include:

- Governmental activities – most of the Fund's basic services are included here, such as operating activities. Court fees, fines and charges finance most of these activities.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Fund Financial Statements

The fund financial statements provide more detailed information about the Fund's most significant funds – not the Fund as a whole. Funds are accounting devices that the Fund uses to keep track of specific sources of funding and spending for particular purposes.

The Fund has only one fund type as described below:

- Governmental fund – Most of the Fund's basic services are included in the governmental fund, which focus on (1) cash and other financial assets that are readily converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spend in the near future to finance the Fund's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on the subsequent page of each statement that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE FUND AS A WHOLE

Governmental Activities

Net Position. A summary of the Fund's Statements of Net Position is presented in the table below:

Table A-1
Governmental Activities

| | <u>2020</u> | <u>2019</u> | <u>Change</u> |
|----------------------------------|----------------------------|----------------------------|----------------------------|
| Current assets | \$ 1,054,728 | \$ 1,179,938 | \$ (125,210) |
| Noncurrent assets: | | | |
| Capital assets-net | 5,131 | 6,690 | (1,559) |
| Total Assets | <u>1,059,859</u> | <u>1,186,628</u> | <u>(126,769)</u> |
| Current liabilities | <u>8,686</u> | <u>4,939</u> | <u>3,747</u> |
| Total liabilities | <u>8,686</u> | <u>4,939</u> | <u>3,747</u> |
| Net position: | | | |
| Net investment in capital assets | 5,131 | 6,690 | (1,559) |
| Unrestricted | <u>1,046,042</u> | <u>1,174,999</u> | <u>(128,957)</u> |
| Total net position | \$ <u><u>1,051,173</u></u> | \$ <u><u>1,181,689</u></u> | \$ <u><u>(130,516)</u></u> |

The Fund's current assets decreased \$125,210 to \$1,054,728 in fiscal year 2020, from \$1,179,938 at the end of fiscal year 2019. The change in current assets is primarily due to the decrease in cash and cash equivalents. The Fund's net position decreased \$130,516 to \$1,051,173 in fiscal year 2020, from \$1,181,689 at the end of fiscal year 2019. The change in net position is primarily due to the results of 2020 operations described in more detail on the following page.

Capital assets decreased by \$1,559 during the current fiscal period. The decrease is due to depreciation expense. Note 3 to the financial statements summarizes activity in capital assets during the year.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Governmental Activities

Changes in net position. A summary of the Fund's Statements of Activities is presented in the table below:

Table A-2
Changes in Net Position

| For the years ended December 31, | <u>2020</u> | <u>2019</u> | <u>Change</u> |
|--|----------------------------|----------------------------|----------------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for services | \$ <u>109,311</u> | \$ <u>148,133</u> | \$ <u>(38,822)</u> |
| Total revenues | <u>109,311</u> | <u>148,133</u> | <u>(38,822)</u> |
| Expenses | | | |
| Governmental activities | <u>239,827</u> | <u>239,502</u> | <u>325</u> |
| Increase (decrease) in net position | <u><u>(130,516)</u></u> | <u><u>(91,369)</u></u> | <u><u>(39,147)</u></u> |
| Total net position, beginning of year | <u>1,181,689</u> | <u>1,273,058</u> | <u>(91,369)</u> |
| Total net position, end of year | \$ <u><u>1,051,173</u></u> | \$ <u><u>1,181,689</u></u> | \$ <u><u>(130,516)</u></u> |

The Fund's revenues decreased \$38,822 to \$109,311 in 2020 compared to 2019, due to a decrease in court fees, fines and forfeitures of approximately \$38,822, primarily caused from the negative impacts of the Covid-19 pandemic as described in Note 5 of the financial statements. The Fund's expenses slightly increased \$325 to \$239,827 in fiscal year 2020. The Fund's net position decreased \$130,516 to \$1,051,173 in fiscal year 2020, from \$1,181,689 at the end of fiscal year 2019. The change in net position is primarily due to the decrease in revenues.

Governmental Fund

The Fund's General Fund revenues decreased \$38,822 in 2020 compared to 2019, due to a decrease in charges for services caused from the negative impacts of the Covid-19 pandemic as described in Note 5 of the financial statements. The Fund's General Fund expenses increased slightly by \$325 in 2020 compared to 2019.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

CAPITAL ASSETS

At the end of 2020, the Fund had investments in capital assets, as reflected in Table A-3:

Table A-3
Capital Assets
(net of accumulated depreciation)

| | <u>Governmental Activities</u> | |
|------------------------|--------------------------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| Leasehold improvements | \$ 5,131 | \$ 6,690 |

The decrease in total net book value was due to depreciation expense recorded for the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Fund amended its general fund budget to reflect changes in estimated revenues and expenditures. An analysis of the original budget compared to the final amended general fund budget results is reflected in Table A-4:

Table A-4
Original and Final Amended Budget Comparison
General Fund

| | <u>Original Budget</u> | <u>Final Amended Budget</u> | <u>Difference</u> |
|-----------------------------|------------------------|-----------------------------|--------------------|
| Revenues | \$ 160,000 | \$ 111,987 | \$ (48,013) |
| Expenditures | 193,659 | 234,522 | 40,863 |
| Net (expenditures) revenues | <u>\$ (33,659)</u> | <u>\$ (122,535)</u> | <u>\$ (88,876)</u> |

Table A-5
Final Budget Comparison
General Fund

| | <u>Final Budget</u> | <u>Actual Results</u> | <u>Difference</u> |
|-----------------------------|---------------------|-----------------------|-------------------|
| Revenues | \$ 111,987 | \$ 109,311 | \$ (2,676) |
| Expenditures | 234,522 | 238,268 | (3,746) |
| Net revenues (expenditures) | <u>\$ (122,535)</u> | <u>\$ (128,957)</u> | <u>\$ (6,422)</u> |

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Management does not expect any significant changes to the operations of the 2nd Parish Court of Jefferson Parish's Judicial Expense Fund for the year ended December 31, 2021. The Fund is fully dependent on court fees for its revenues. The economy is not expected to generate any significant growth. Therefore, the Fund's future revenues are expected to be consistent with current years. However, worldwide issues related to the Covid-19 pandemic could have effects which are undeterminable at the date of the financial statements. See subsequent events Note 5 for further details.

CONTACTING THE FUND'S FINANCIAL MANAGEMENT

This financial report is designed to provide all interested parties with a general overview of the Fund's finances and to demonstrate the Fund's accountability for money it receives. If you have questions about this report or need additional financial information, contact management of the Second Parish Court of Jefferson Parish's Judicial Expense Fund at (504) 364-2800.

BASIC FINANCIAL STATEMENTS

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

STATEMENT OF NET POSITION
DECEMBER 31, 2020

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 1,048,582 |
| Due from other governments | 6,146 |
| Capital assets (net of accumulated depreciation) | <u>5,131</u> |
| TOTAL ASSETS | <u><u>\$ 1,059,859</u></u> |
| <u>LIABILITIES</u> | |
| Accounts payable | <u>\$ 8,686</u> |
| TOTAL LIABILITIES | <u><u>\$ 8,686</u></u> |
| <u>NET POSITION</u> | |
| Net investment in capital assets | \$ 5,131 |
| Unrestricted | <u>1,046,042</u> |
| TOTAL NET POSITION | <u><u>\$ 1,051,173</u></u> |

The accompanying notes are an integral part of this statement

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position Governmental Unit</u> |
|----------------------------------|-------------------|---------------------------------|---|--|
| <u>FUNCTIONS/PROGRAMS</u> | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | |
| Governmental activities: | | | | |
| Judicial expense fund | \$ 239,827 | \$ 109,311 | \$ - | \$ (130,516) |
| Total governmental activities | <u>\$ 239,827</u> | <u>\$ 109,311</u> | <u>\$ -</u> | (130,516) |
| | | | | (130,516) |
| | | | | <u>1,181,689</u> |
| | | | | <u>\$ 1,051,173</u> |

The accompanying notes are an integral part of this statement

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

GOVERNMENTAL FUND
BALANCE SHEET
DECEMBER 31, 2020

| | <u>Judicial Expense Fund</u> |
|--|----------------------------------|
| <u>ASSETS</u> | |
| Cash and cash equivalents | \$ 1,048,582 |
| Due from other governments | <u>6,146</u> |
| TOTAL ASSETS | <u><u>\$ 1,054,728</u></u> |
| <u>LIABILITIES AND FUND BALANCE</u> | |
| <u>LIABILITIES</u> | |
| Accounts payable | <u>\$ 8,686</u> |
| TOTAL LIABILITIES | <u>8,686</u> |
| <u>FUND BALANCE</u> | |
| Unassigned | <u>1,046,042</u> |
| TOTAL FUND BALANCE | <u>1,046,042</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u><u>\$ 1,054,728</u></u> |

The accompanying notes are an integral part of this statement

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITON
DECEMBER 31, 2020

Total fund balance - Governmental Funds \$ 1,046,042

Amounts reported in the statement of net position are different due to:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported in fixed assets. This is the amount of capital assets, net of accumulated depreciation, in the current period.

| | | |
|---|-----------------|--------------|
| Cost of capital assets at December 31, 2020 | 21,393 | |
| Less: accumulated depreciation at December 31, 2020 | <u>(16,262)</u> | <u>5,131</u> |

Total net position for the year ended December 31, 2020 \$ 1,051,173

The accompanying notes are an integral part of this statement

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

| | | Judicial Expense Fund |
|---|----|--------------------------|
| <u>REVENUES</u> | | |
| Charges for services | | |
| Fines and forfeitures | \$ | 93,836 |
| Court cost assessments | | 15,475 |
| TOTAL REVENUES | | 109,311 |
| <u>EXPENDITURES</u> | | |
| Current operating: | | |
| General government: | | |
| Salaries & benefits | | 118,516 |
| Outside services | | 4,776 |
| Supplies & office expense | | 1,272 |
| Dues & subscriptions | | 20,297 |
| Professional liability insurance | | 30,848 |
| Professional services | | 1,605 |
| Training & travel costs | | 954 |
| Intergovernmental expense | | 60,000 |
| TOTAL EXPENDITURES | | 238,268 |
| <u>EXCESS (DEFICIENCIES) OF REVENUES</u> | | |
| <u>OVER EXPENDITURES</u> | | (128,957) |
| <u>NET CHANGE IN FUND BALANCE</u> | | (128,957) |
| Fund balance - Beginning of year | | 1,174,999 |
| Fund balance - End of year | \$ | 1,046,042 |

The accompanying notes are an integral part of this statement

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

| | | |
|---|--|--------------|
| Net change in fund balance - Governmental Funds | | \$ (128,957) |
|---|--|--------------|

Amounts reported in the statement of activities are different due to:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and asset disposals exceed capital outlay in the current period.

| | | |
|-----------------------------------|----------------|----------------|
| Depreciation expense for the year | <u>(1,559)</u> | <u>(1,559)</u> |
|-----------------------------------|----------------|----------------|

| | | |
|---|--|---------------------|
| Total change in net position for the year ended December 31, 2020 | | <u>\$ (130,516)</u> |
|---|--|---------------------|

The accompanying notes are an integral part of this statement

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Second Parish Court Judicial Expense Fund (the Fund) for the Parish of Jefferson conform to U. S. generally accepted accounting principles (GAAP) as applicable to governments. The expense fund was established for the purpose of paying expenses for the Fund deemed necessary by the judges for efficient operations of the Fund. The following is a summary of the more significant policies.

A. Basis of Presentation

The Fund's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*.

B. Financial Reporting Entity

The Second Parish Court Judicial Expense Fund for the Parish of Jefferson was established July 18, 1982, under the provisions of Louisiana R.S. 13:2562.22. This statute provides for this expense fund to operate under the sole and exclusive authority of the Second Parish Court judges. As such, the Jefferson Parish Council is not financially accountable for these funds.

GASB Codification Section 2100, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. As such, the Jefferson Parish Council is not financially accountable for these funds.

As required by U.S. generally accepted accounting principles, this report includes all funds and account groups of the Second Parish Court Judicial Expense Fund (the primary government) that are controlled or dependent on the judges of the Second Parish Court. No other organization was determined to be a component unit of the Fund. Therefore, no blended or discretely presented component units are presented in the accompanying financial statements. The Fund's expense fund reports as an independent reporting entity.

C. Basis of Accounting

Government Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government (the Fund). These statements include the financial activities for the overall government, except for fiduciary activities. Governmental activities are generally financed through court fees, intergovernmental revenues and other non-exchange transactions. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Government Wide Financial Statements (GWFS) (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Fund's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

The GWFS are prepared using 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 non-exchange transactions are recognized in accordance with the requirements of GASB Codification Section N50, *Non-Exchange Transactions*.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financial sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Fund considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Court fees and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

The Fund uses funds 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 related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are typically classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and certificates of deposit. Under state law, the 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.

All of the Fund's deposits, including cash, money market accounts, and certificates of deposit are carried at cost. The Fund's bank deposits are held at the same financial institutions as the other funds of Jefferson Parish (the Parish), thus sharing in the maximum amount of federal depository insurance of that institution. At year-end, the carrying amount of these deposits was \$1,048,582. All of the bank balance was covered by federal depository insurance or by collateral held by the pledging financial institutions trust department or agent in the Parish's name.

E. Capital Assets and Depreciation

Capital assets are recorded at historical cost, or estimated historical costs for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Fund maintains a minimum capitalization threshold level of \$5,000 or more. The Fund does not have any infrastructure assets. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are recorded on the GWFS in the statement of net position. For fund financial statements, capital acquisitions are reflected as expenditures in the governmental fund at the time of purchase.

Capital assets are depreciated using the straight-line method over their estimated useful lives.

| <u>Description</u> | <u>Estimated Lives</u> |
|------------------------|------------------------|
| Leasehold improvements | 10 - 20 years |

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Net Position

For the government-wide statement of net position, net position amount is classified and displayed in three components:

- Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, of improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the entity.

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

G. Governmental Fund Balances

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Spendable

Restricted – represents balances that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by granters, creditors, or citizens.

Committed – represents balances that can be used only for specific purposes determined by a formal action by the Judges of the Fund.

Assigned – represents balances that are constrained by the Fund's intent that they will be used for specific purposes, not neither restricted or committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes within the general fund.

The Fund considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Fund also considers committed then assigned fund balances to be spent first when other unrestricted fund balance classifications are available for use. There were no non-spendable, restricted, committed, or assigned fund balances as of December 31, 2020.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgets and Budgetary Accounting

Budgetary procedures applicable to the Fund are defined in state law, Revised Statutes 39:1301-15. The major requirements of the Local Government Budget Act (LGBA) are summarized as follows:

- Prior to December 15, the Fund completes and submits an operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing those expenditures. Copies of the adopted budget are kept on file for public inspection.
- The Fund adopts a budget each year for the general fund. The budget for this fund is adopted on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). Formal budgetary integration is not employed. Budgeted amounts included in the accompanying financial statements include originally adopted budget amounts.
- The general fund budget may be revised during the year as estimates regarding revenues and expenditures change.
- All annual budgetary appropriations lapse at fiscal year-end.

I. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Current Accounting Standards Scheduled to be Implemented

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the Fund's financial report:

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The Fund will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the Fund's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the Fund is unknown at this time.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND
NOTES TO THE FINANCIAL STATEMENTS

2. DUE FROM OTHER GOVERNMENTS

This amount represents the fines and fees due from the Jefferson Parish Sheriff's Office for collections made through December 31, 2020 and not yet remitted to the Fund.

3. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020 are as follows:

| <u>Governmental Activities</u> | <u>Balance</u> <u>January 1</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31</u> |
|---|------------------------------------|-------------------|------------------|--------------------------------------|
| Cost of capital assets | | | | |
| Leasehold improvements | \$ 21,393 | - | - | \$ 21,393 |
| Total cost of capital assets | <u>21,393</u> | <u>-</u> | <u>-</u> | <u>21,393</u> |
| Total accumulated depreciation | <u>(14,703)</u> | <u>(1,559)</u> | <u>-</u> | <u>(16,262)</u> |
| Total governmental activities capital assets, net of accumulated depreciation | <u>\$ 6,690</u> | <u>\$ (1,559)</u> | <u>\$ -</u> | <u>\$ 5,131</u> |

Depreciation expense for the year ended December 31, 2020 was \$1,559.

4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The statutes which created the Fund's expense fund place certain limitations and restrictions on the collections and disbursements of the Fund. The Fund is in compliance with all significant limitations and restrictions for 2020.

5. CONTINGENCIES

In March, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Fund's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Parish of Jefferson and other governmental entities, vendors and employees, all of which are uncertain and cannot be predicted. The extent to which the COVID-19 pandemic may directly or indirectly impact the Fund's financial condition or results of operations cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

GENERAL FUND BUDGETARY COMPARISON SCHEDULE

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2020

| | <u>Budget</u> | | <u>Actual</u> | <u>Variance with Final Budget Favorable (Unfavorable)</u> |
|---|---------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| <u>REVENUES</u> | | | | |
| Charges for services | | | | |
| Fines & forfeitures | \$ 140,000 | \$ 93,836 | \$ 93,836 | \$ - |
| Court cost assessments | 20,000 | 15,475 | 15,475 | - |
| Intergovernmental | - | 2,676 | - | (2,676) |
| Total Revenues | <u>160,000</u> | <u>111,987</u> | <u>109,311</u> | <u>(2,676)</u> |
| <u>EXPENDITURES</u> | | | | |
| Current | | | | |
| General Government | | | | |
| Salaries & benefits | 130,159 | 118,515 | 118,516 | (1) |
| Outside services | 5,500 | 4,776 | 4,776 | - |
| Supplies & office expense | 1,000 | 1,272 | 1,272 | - |
| Dues & subscriptions | 23,000 | 18,760 | 20,297 | (1,537) |
| Professional liability insurance | 23,000 | 28,640 | 30,848 | (2,208) |
| Professional services | 1,000 | 1,605 | 1,605 | - |
| Training & travel costs | 10,000 | 954 | 954 | - |
| Intergovernmental expense | | 60,000 | 60,000 | - |
| Total Expenditures | <u>193,659</u> | <u>234,522</u> | <u>238,268</u> | <u>(3,746)</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u> | <u>(33,659)</u> | <u>(122,535)</u> | <u>(128,957)</u> | <u>(6,422)</u> |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>(33,659)</u> | <u>(122,535)</u> | <u>(128,957)</u> | <u>(6,422)</u> |
| <u>FUND BALANCE</u> | | | | |
| Beginning of year | <u>1,174,999</u> | <u>1,174,999</u> | <u>1,174,999</u> | <u>-</u> |
| End of year | <u>\$ 1,141,340</u> | <u>\$ 1,052,464</u> | <u>\$ 1,046,042</u> | <u>\$ (6,422)</u> |

See independent auditors' report.

SUPPLEMENTARY INFORMATION

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Heads:

Honorable Roy M. Cascio, Judge, Division "A"

Honorable Raylyn R. Beevers, Judge, Division "B"

| | Amount | |
|--|--------------|---------------|
| Purpose: | Judge Cascio | Judge Beevers |
| Benefits-insurance | \$ 8,364 | \$ 20,276 |
| Car allowance | 8,625 | - |
| Reimbursements | 109 | 45 |
| Registration fees | 575 | 225 |
| Continuing professional education fees | 525 | 370 |
| | \$ 18,198 | \$ 20,916 |

See independent auditors' report.

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2020

| | First Six Month Period Ended 06/30/2020 | Second Six Month Period Ended 12/31/2020 |
|--|---|--|
| Receipts From: | | |
| <i>Jefferson Parish Sheriff Criminal Court Costs/Fees</i> | \$ 46,184 | \$ 47,652 |
| Subtotal Receipts | \$ 46,184 | \$ 47,652 |
| Ending Balance of Amounts Assessed but Not Received | - | - |

See independent auditors' report.

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

**INDEPENDENT AUDITORS' 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**

To the Honorable Roy M. Cascio, Judge, Division “A”
To the Honorable Raylyn R. Beevers, Judge, Division “B”
Second Parish Court for the Parish of Jefferson
Metairie, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the Second Parish Court Judicial Expense Fund (the Fund) of the Parish of Jefferson as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Fund’s basic financial statements, and have issued our report thereon dated June 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing out opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund’s internal control.

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 Fund’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Metairie, Louisiana
June 29, 2021

JEFFERSON PARISH, LOUISIANA
SECOND PARISH COURT JUDICIAL EXPENSE FUND

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unmodified opinion on the basic financial statements of the Second Parish Court Judicial Expense Fund for the Parish of Jefferson.
2. No significant deficiencies or material weaknesses in internal control over financial reporting were identified for the year ended December 31, 2020.
3. No instances of noncompliance material to the financial statements of the Second Parish Fund Judicial Expense Fund for the Parish of Jefferson were disclosed during the audit for the year ended December 31, 2020.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. COMPLIANCE WITH STATE LAWS AND REGULATIONS

None