

**FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland, and West Carroll, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2021
With Supplemental Information Schedules**

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended December 31, 2021
With Supplemental Information Schedules

C O N T E N T S

		<u>Page No.</u>
Independent Auditor's Report		3
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		8
Basic Financial Statements		
	<u>Statement</u>	<u>Page No.</u>
Government-Wide Financial Statements:		
Statement of Net Position	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	15
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Position		16
Statement of Revenues, Expenditures, and Changes in Fund Balances	D	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities		18
Notes to the Financial Statements		19

FIFTH JUDICIAL DISTRICT COURT
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 Contents, December 31, 2021

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budgetary Comparison Schedule - General Fund	1	37
Budgetary Comparison Schedule - Hearing Officer Fund	2	38
Budgetary Comparison Schedule - FINS Fund	3	39
Note to Budgetary Comparison Schedules		40
Schedule of Employer's Share of Net Pension Liability	4	41
Schedule of Employer Contributions	5	42
Other Supplemental Schedules (Part III):		
Schedule of Compensation, Benefits and Other Payments to Agency Head	6	44
Justice System Funding Schedule - Collecting/Disbursing Entity	7	45
Justice System Funding Schedule - Receiving Entity	8	46
Reports Required by Government Auditing Standards (Part IV)		
Independent Auditor's Report Required by Government Auditing Standards (Part IV):		
Report on Compliance and Internal Control over Financial Reporting		49
Schedule of Audit Results	9	51
Summary Schedule of Prior Audit Findings	10	52
Statewide Agreed Upon Procedures		53
Agency Response to Statewide Agreed Upon Procedures		66

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Public Accountants

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

HONORABLE STEPHEN DEAN,
WILLIAM BARHAM AND
CLAY HAMILTON,
JUDGES OF THE FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland, and West Carroll, Louisiana

Report on the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and the major funds of the Fifth Judicial District Court, a component unit of the Franklin, Richland and West Carroll Parish Police Juries, as of December 31, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fifth Judicial District Court's basic financial statements as listed in the table of contents.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds information of the Fifth Judicial District Court as of December 31, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Fifth Judicial District Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

FIFTH JUDICIAL DISTRICT COURT

Parishes of Franklin, Richland
and West Carroll, Louisiana
Independent Auditor's Report,
December 31, 2021

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fifth Judicial District Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fifth Judicial District Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financials statements.

FIFTH JUDICIAL DISTRICT COURT

Parishes of Franklin, Richland
and West Carroll, Louisiana
Independent Auditor's Report,
December 31, 2021

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fifth Judicial District Court's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and notes to required supplementary information, the Schedules of Employer's share of the Net Pension Liability, and the Schedules of Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. I 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 managements' responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fifth Judicial District Court's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head, Justice System Funding Schedules for Collecting/Disbursing, and Justice System Funding Schedules for Receiving Entities, as listed in the Table of Contents, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financials statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion the schedule

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland
and West Carroll, Louisiana
Independent Auditor's Report,
December 31, 2021

of compensation, benefits and other payments to agency head, and the justice system funding schedules are 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*, I have also issued a report dated February 22, 2022, on my consideration of the Fifth Judicial District Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 Fifth Judicial District Court'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 Fifth Judicial District Court's internal control over financial reporting and compliance.



West Monroe, Louisiana
February 22, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Management's Discussion and Analysis
December 31, 2021

As management of the Fifth Judicial District Court, we offer readers of the Fifth Judicial District Court's financial statements this narrative overview and analysis of the financial activities of the Fifth Judicial District Court for the fiscal year ended December 31, 2021. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the district's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the district's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial 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 operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Fifth Judicial District Court's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Fifth Judicial District Court's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Fifth Judicial District Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fifth Judicial District Court,

like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fifth Judicial District Court are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fifth Judicial District Court adopts an annual appropriated budget for the general fund, Hearing Officer Fund and FINS fund. A budgetary comparison statement is provided for the major funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fifth Judicial District Court's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fifth Judicial District Court exceeded liabilities by \$410,949. Approximately 1% of the Fifth Judicial District Court's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. The restricted assets are to defray excessive costs incurred in first degree murder cases or very serious felony trials wherein venue has been changed.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Fifth Judicial District Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$400,515	\$376,033
Receivables	35,161	35,146
Net pension asset	39,099	
Capital assets (net of accumulated depreciation)	<u>1,254</u>	<u>1,881</u>
TOTAL ASSETS	<u>476,029</u>	<u>413,060</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>41,218</u>	<u>33,926</u>
LIABILITIES		
Accounts payable	5,340	9,437
Payroll withholdings payable	15,362	15,013
Net pension liability	<u>1,106</u>	<u>1,106</u>
TOTAL LIABILITIES	<u>20,702</u>	<u>25,556</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	85,596	56,845
NET POSITION		
Invested in capital assets, net of related debt	1,254	1,881
Unrestricted	<u>409,695</u>	<u>362,704</u>
	<u><u>\$410,949</u></u>	<u><u>\$364,585</u></u>

STATEMENT OF ACTIVITIES

	<u>2021</u>	<u>2020</u>
Judicial:		
Personal services	\$425,313	\$438,802
Operating services	48,425	47,294
Materials and supplies	2,462	3,060
Travel	15,416	12,041
Depreciation expense	<u>627</u>	<u>627</u>
Total Program Expenses	<u>492,243</u>	<u>501,824</u>
Program revenues - Charges for services:		
Fees, charges, and commissions	378,709	377,582
Filing fees	<u>20,937</u>	<u>17,970</u>
Total program revenues	<u>399,646</u>	<u>395,552</u>
Net Program Expenses	<u>(92,597)</u>	<u>(106,272)</u>
General revenues		
State funds - Department of Social Services	130,171	122,813
Interest earned	847	937
Other revenue	<u>7,946</u>	<u>7,555</u>
Total general revenues	<u>138,964</u>	<u>131,305</u>
Change in Net Position	46,367	25,033
Net Position - Beginning of year	<u>364,582</u>	<u>339,552</u>
Net Position - End of year	<u><u>\$410,949</u></u>	<u><u>\$364,585</u></u>

Financial Analysis of the Government's Funds

As noted earlier, the Fifth Judicial District Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the General Fund's fund balance of \$231,041 showed a decrease of \$5,947 over December 31, 2020. The Hearing Officer Fund's fund balance of \$183,076 showed an increase of \$34,878 over December 31, 2020. The FINS Fund's fund balance of \$857 showed a decrease of \$686 over December 31, 2020.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget of the general fund were due primarily to increases in fees, charges and commissions for services - court costs and filing fees, uses of money and property, other revenues and operating transfers in. Differences between expenditures of the original budget and the final budget of the general fund was primarily due to an increase in personal services, materials and supplies and travel and other charges and decreases in operating services and capital outlay.

Differences between revenues of the original budget and the final budget of the hearing officer fund were primarily due increases in state funds - Department of Social Services and fees, charges and commissions - court costs. Differences between expenditures of the original budget and the final budget of the hearing officer fund were primarily due to decreases in operating services, materials and supplies, travel and other charges and capital outlay.

Differences between revenues of the original budget and the final budget of the FINS fund was due to an increase of state funds. Differences between expenditures of the original budget and the final budget of the FINS fund were primarily due to decreases in materials and supplies and travel and other charges and an increase in operating services.

Capital Asset and Debt Administration

Capital assets. The Fifth Judicial District Court's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$1,254 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases and no decreases in capital assets for the year. The Fifth Judicial District Court had net pension asset for parochial retirement system of \$39,099.

Long-term debt. The Fifth Judicial District Court's has no debt outstanding at the end of the year.

Requests for Information

This financial report is designed to provide a general overview of the Fifth Judicial District Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fifth Judicial District Court, P.O. Drawer 90, Rayville, LA 71269.

BASIC FINANCIAL STATEMENTS

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

STATEMENT OF NET POSITION
December 31, 2021

ASSETS	
Cash and cash equivalents	\$400,515
Receivables	35,161
Net pension asset	39,099
Capital assets (net of accumulated depreciation)	<u>1,254</u>
TOTAL ASSETS	<u>\$476,029</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>41,218</u>
LIABILITIES	
Liabilities	
Accounts payable	5,340
Payroll withholdings payable	<u>15,362</u>
TOTAL LIABILITIES	<u>20,702</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	85,596
NET POSITION	
Invested in capital assets, net of related debt	1,254
Unrestricted	<u>409,695</u>
TOTAL NET POSITION	<u><u>\$410,949</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

STATEMENT OF ACTIVITIES
December 31, 2021

Judicial:	
Personal services	\$425,313
Operating services	48,425
Materials and supplies	2,462
Travel	15,416
Depreciation expense	627
Total Program Expenses	<u>492,243</u>
Program revenues - Charges for services:	
Fees, charges, and commissions	378,709
Filing fees	20,937
Total program revenues	<u>399,646</u>
Net Program Expenses	<u>(92,597)</u>
General revenues:	
State funds - Department of Social Services	130,171
Interest earned	847
Other revenues	7,946
Total general revenues	<u>138,964</u>
Change in Net Position	46,367
Net Position - Beginning of year	<u>364,582</u>
Net Position - End of year	<u><u>\$410,949</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2021

	<u>....MAJOR FUNDS....</u>			
	<u>GENERAL FUND</u>	<u>HEARING OFFICER FUND</u>	<u>FINS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and cash equivalents	\$223,814	\$175,805	\$896	\$400,515
Receivables	23,263	8,845	3,053	35,161
TOTAL ASSETS	<u>\$247,077</u>	<u>\$184,650</u>	<u>\$3,949</u>	<u>\$435,676</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$2,087	\$161	\$3,092	\$5,340
Payroll withholdings payable	13,949	1,413		15,362
TOTAL LIABILITIES	<u>16,036</u>	<u>1,574</u>	<u>3,092</u>	<u>20,702</u>
Fund Balance:				
Restricted - Other general government		183,076		183,076
Restricted - Health and welfare			\$857	857
Unassigned	231,041			231,041
TOTAL FUND BALANCE	<u>231,041</u>	<u>183,076</u>	<u>857</u>	<u>414,974</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$247,077</u>	<u>\$184,650</u>	<u>\$3,949</u>	<u>\$435,676</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2021

Total Fund Balances at December 31, 2021 - Governmental Funds (Statement C)		<u>\$414,974</u>
Net pension asset		39,099
Deferred outflows of resources		41,218
Cost of capital assets at December 31, 2021	\$86,735	
Less: Accumulated depreciation as of December 31, 2021	<u>(85,481)</u>	<u>1,254</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Deferred inflows of resources		<u>(85,596)</u>
Net Position at December 31, 2021 (Statement A)		<u><u>\$410,949</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended December 31, 2021

	... MAJOR FUNDS ...			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	HEARING OFFICER FUND	FINS	
REVENUES				
Intergovernmental:				
State funds - Department of Social Services		\$96,384	\$33,787	\$130,171
Fees, charges, and commissions for services - court costs	\$366,514	12,195		378,709
Filing fees	20,937			20,937
Use of money and property - interest earnings	687	158	2	847
Other revenues	6,071			6,071
Total revenues	<u>394,209</u>	<u>108,737</u>	<u>33,789</u>	<u>536,735</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services	382,702	59,485		442,187
Operating services	48,133	192	100	48,425
Materials and supplies	1,670	425	367	2,462
Travel and other charges	12,415	760	2,241	15,416
Total expenditures	<u>444,920</u>	<u>60,862</u>	<u>2,708</u>	<u>508,490</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(50,711)	47,875	31,081	28,245
OTHER FINANCING SOURCE (Use)				
Operating transfers in	44,764			44,764
Operating transfers out		(12,997)	(31,767)	(44,764)
Total other financing source (use)	<u>44,764</u>	<u>(12,997)</u>	<u>(31,767)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	(5,947)	34,878	(686)	28,245
FUND BALANCES AT BEGINNING OF YEAR	<u>236,988</u>	<u>148,198</u>	<u>1,543</u>	<u>386,729</u>
FUND BALANCES (Deficit) AT END OF YEAR	<u>\$231,041</u>	<u>\$183,076</u>	<u>\$857</u>	<u>\$414,974</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2021

Total net change in fund balances - governmental funds (Statement D)	\$28,245
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(627)
Non-employer contributions to cost-sharing pension plan	1,875
Pension expense	<u>16,874</u>
Change in net position of governmental activities (Statement B)	<u>\$46,367</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT COURT

Parishes of Franklin, Richland,
and West Carroll, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 15 of the Louisiana Constitution of 1974, the judges of the Fifth Judicial District Court serve a six-year term. The judicial district shall have original jurisdiction of all civil and criminal matters, including felony cases and cases involving title to immovable property, probate and succession matters, and other matters as provided by law. The Fifth Judicial District encompasses the parishes of Franklin, Richland, and West Carroll, Louisiana.

The accompanying financial statements of the Fifth Judicial District Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

A. REPORTING ENTITY

As governing authorities of the parishes, for reporting purposes, the Franklin, Richland, and West Carroll Parish Police Juries are considered separate financial reporting entities. The financial reporting entity consists of (a) the primary government (the police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin, Richland, and West Carroll Parish Police Juries for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Franklin, Richland, and West Carroll Parish police juries maintain and operate the parish courthouses in which the district judge's offices are located, the Fifth Judicial District Court was determined to be a component unit of the police juries, the financial reporting entities. The accompanying financial statements present information only on the funds maintained by the Fifth Judicial District Court and do not present information on the police juries, the general government services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The district's basic financial statements include both government-wide (reporting the district as a whole) and fund financial statements (reporting the district's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the district are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the district.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The district first uses restricted resources to finance qualifying activities.

The government-wide financial statements 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 nonexchange transactions are

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the district's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the district's general revenues.

Allocation of Indirect Expenses - The district reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the district are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the district. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only governmental funds. The governmental fund type used by the district is described as follows:

Governmental Fund Type - Major Funds

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the district and is used to account for the operations of the

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

Hearing Officer Fund

The Hearing Officer Fund accounts for a 5 percent fee assessed in non-support cases which go through the state's Child Support Enforcement program. These fees are used to pay the salary of the hearing officer appointed by the judges of the Fifth Judicial District to hear support and support related matters and well as other expenditures incurred in connection with the implementation of this procedure.

Families in Need of Services (FINS)

The Families in Need of Services (FINS) Fund consists of a state grant funded by the Louisiana Department of Social Services. The purpose of the fund is to intervene in a family's life so that appropriate services to remedy the family's dysfunction can be secured and to establish a family service plan binding upon all family members and the appropriate service providers.

D. BASIS OF ACCOUNTING

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

1. Accrual:

Governmental type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds 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 district 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

Fees, charges, and commissions for services are recorded when the district is entitled to the funds.

Fines and forfeitures are recorded in the year they are collected by the tax collector.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Interest income on demand deposits is recorded in the month earned and credited to the account.

Substantially all other revenues are recorded when they become available.

Based on the above criteria, fees, charges, and commissions for services and fines and forfeitures have been treated as susceptible to accrual.

Expenditures

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

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

Other Financing Sources (Uses)

Transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. CASH AND CASH EQUIVALENTS

Under state law, the district 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 principal offices in Louisiana. At December 31, 2021, the district has cash and cash equivalents (book balances) totaling \$400,515.

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, the 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 judicial expense that the fiscal agent bank has failed to pay 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 judicial expense's name. The judicial expense does not have a policy concerning custodial risk.

Cash (bank balance) at December 31, 2021 of \$410,927 is fully secured by federal deposit insurance and pledged securities.

F. 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 district maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the district, no salvage value is taken into

FIFTH JUDICIAL DISTRICT COURT
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

The Fifth Judicial District Court has no annual and sick leave policy.

H. RISK MANAGEMENT

The court is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the court maintains commercial insurance policies covering automobiles, workmen's compensation and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2021.

I. PENSION PLANS

The Fifth Judicial District Court is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 4. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

J. EQUITY CLASSIFICATIONS

In the government-wide statements, equity is classified as net position and displayed in three components:

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - represents amounts 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.

Restricted - represents balances where constraints have been established by parties outside the judicial expense's office or imposed by law through constitutional provisions or enabling legislation.

Committed - represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the judicial expense's highest level of decision-making authority.

Assigned - represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted nor committed.

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

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

The General Fund has an unassigned fund balance of \$231,041. If applicable, the judicial expense would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The 5th Judicial District Court considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

K. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

L. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the Statement of Net Position and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisitions of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

N. 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 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

FIFTH JUDICIAL DISTRICT COURT
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

O. TOTAL COLUMN ON THE BALANCE SHEET

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. RECEIVABLES

The following is a summary of receivables at December 31, 2021:

<u>Class of Receivable</u>	
State grants	\$11,898
Local funds	19,797
Fees, charges, and commissions for services:	
Filing fees	1,275
Court costs	<u>2,191</u>
Total	<u>\$35,161</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, December 31, 2020	\$86,735
Additions	NONE
Deletions	<u>NONE</u>
Balance, December 31, 2021	86,735
Less accumulated depreciation	<u>(85,481)</u>
Net Capital Assets	<u>\$1,254</u>

Depreciation expense of \$627 was charged to the judicial function.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland, .
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

**4. NOTE DISCLOSURES AND REQUIRED SUPPLEMENTARY
INFORMATION FOR A COST-SHARING EMPLOYER**

Parochial Employees' Retirement System of Louisiana (System)

The Parochial Employees' Retirement System of Louisiana (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish.

Substantially all employees of the Fifth Judicial District Court are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. This system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Fifth Judicial District Court are members of Plan A.

Summary of Significant Accounting Policies.

The Parochial Employees' Retirement System of Louisiana prepares its employer pension schedules in accordance with Governmental Accounting Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2020.

The System complies with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*, which included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

conformity with accounting principles generally accepted in the United States of America. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description.

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S. Title 11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have their own retirement system and which elects to become members of the System.

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and social Security criteria have up to 90 days from the date of hire to elect to participate.

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the report can be found on the

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's website, www.lla.state.la.us.

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual result may differ from estimated amounts.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2020 was 12.25% for Plan A.

According to the statute, the System also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ending December 31, 2021 and 2020 the Fifth Judicial District Court reported an asset of \$39,099 and a liability of \$1,106, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Fifth Judicial District Court's proportion of the net pension liability was based on a projection of the Fifth Judicial District Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers', actuarially determined. At December, 31, 2020, the Fifth Judicial District Court's proportion was .2223 percent, which was an increase of .001 from its proportion measured as of December 31, 2019

For the year ended December 31, 2021 and 2020, the Fifth Judicial District Court recognized pension expense of \$4,559 and \$49,040, respectively. At December 31, 2020, the Fifth Judicial District Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

FIFTH JUDICIAL DISTRICT COURT
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$9,519	\$4,667
Changes in assumptions	12,792	
Net differences between projected and actual earnings on pension plan		\$76,313
Changes in employers proportion of beginning NPL		4,602
Differences between employer and proportionate share of contributions	115	14
Subsequent measurement contributions	18,792	
Total	\$41,218	\$85,596

\$18,792 reported as deferred outflows of resources related to pensions resulting from the Fifth Judicial District Court s’ contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2021	(\$18,529)
2022	(7,427)
2023	(24,747)
2024	(12,467)
Total	(\$63,170)

Actuarial assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2020
Actuarial cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.40%, net of investment expense, including inflation
Projected salary increases	4.75%
Inflation rate	2.30%

FIFTH JUDICIAL DISTRICT COURT
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Expected remaining service lives	2014 - 4 years, 2015 - 4 years, 2016 - 4 years, 2017 - 4 years, 2018 - 4 years, 2019 - 4 years, 2020-4 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The discounted rate used to measure the total pension liability was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 are summarized in the following table:

FIFTH JUDICIAL DISTRICT COURT
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	33%	0.86%
Equity	51%	3.36%
Alternatives	11%	0.67%
Real assets	2%	0.11%
Totals	100%	5.00%
Inflation		2.00%
Expected Arithmetic Nominal		7.00%

Sensitivity of the Fifth Judicial District Court s’ proportionate share of the net pension liability to changes in the discount rate.

The following presents the net pension asset of the participating employers calculated using the discount rate of 6.40%, as well as what the employers’ net pension liability as of December 31, 2020, would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
Fifth Judicial District Court s’ proportionate share of the net pension liability	\$81,980	(\$39,099)	(\$140,501)

Payables to the Pension Plan

The financial statements include a payable to the pension plan of \$8,569, which is the legally required contribution due at December 31, 2021. This amount is recorded in accrued expenses.

5. LITIGATION AND CLAIMS

The Fifth Judicial District Court is not involved in any litigation at December 31, 2021, nor is it aware of any unasserted claims.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

**6. EXPENDITURES OF THE FIFTH JUDICIAL
DISTRICT COURT
NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The Fifth Judicial District Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Franklin Parish Police Jury.

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 22, 2022, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Fifth Judicial District Court and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees, charges and commissions for services- court costs	\$359,441	\$368,265	\$366,514	(\$1,751)
Filing fees	17,000	20,827	20,937	110
Use of money and property - interest earnings	195	682	687	5
Other revenues	5,653	6,724	6,071	(653)
Total revenues	<u>382,289</u>	<u>396,498</u>	<u>394,209</u>	<u>(2,289)</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services and related benefits	374,265	384,343	382,702	1,641
Operating services	54,500	41,621	48,133	(6,512)
Materials and supplies	1,200	1,797	1,670	127
Travel and other charges	10,000	12,380	12,415	(35)
Capital outlay	4,000			
Total expenditures	<u>443,965</u>	<u>440,141</u>	<u>444,920</u>	<u>(4,779)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(61,676)	(43,643)	(50,711)	(7,068)
OTHER FINANCING SOURCE				
Operating transfers in	<u>31,770</u>	<u>44,764</u>	<u>44,764</u>	
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>(29,906)</u>	<u>1,121</u>	<u>(5,947)</u>	<u>(7,068)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>213,530</u>	<u>224,208</u>	<u>236,988</u>	<u>12,780</u>
FUND BALANCE AT END OF YEAR	<u>\$183,624</u>	<u>\$225,329</u>	<u>\$231,041</u>	<u>\$5,712</u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

BUDGETARY COMPARISON SCHEDULE
HEARING OFFICER FUND
For the Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State funds - Department of Social Services	\$85,200	\$92,125	\$96,384	\$4,259
Fees, charges, and commissions for services				
- court costs	9,000	13,235	12,195	(1,040)
Use of money and property -				
interest earnings	200	168	158	(10)
Total revenues	<u>94,400</u>	<u>105,528</u>	<u>108,737</u>	<u>3,209</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services and related benefits	59,486	59,485	59,485	
Operating services	1,200	195	192	3
Materials and supplies	1,150	425	425	
Travel and other charges	2,000	774	760	14
Capital outlay	1,000			
Total expenditures	<u>64,836</u>	<u>60,879</u>	<u>60,862</u>	<u>17</u>
EXCESS OF REVENUES OVER EXPENDITURES	29,564	44,649	47,875	3,226
OTHER FINANCING USE				
Operating transfers out		(12,997)	(12,997)	
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	29,564	31,652	34,878	3,226
FUND BALANCE AT BEGINNING OF YEAR				
	140,702	142,340	148,198	5,858
FUND BALANCE AT END OF YEAR				
	<u>\$170,266</u>	<u>\$173,992</u>	<u>\$183,076</u>	<u>\$12,310</u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

BUDGETARY COMPARISON SCHEDULE
FINS FUND
For the Year Ended December 31, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State funds	\$36,636	\$30,733	\$33,787	\$3,054
Use of money and property - interest earnings	3	1	2	1
Total revenues	<u>36,639</u>	<u>30,734</u>	<u>33,789</u>	<u>3,055</u>
EXPENDITURES				
Current:				
General government - judicial:				
Operating services		100	100	
Materials and supplies	700	367	367	
Travel and other charges	4,000	1,922	2,241	(319)
Total expenditures	<u>4,700</u>	<u>2,389</u>	<u>2,708</u>	<u>(319)</u>
EXCESS OF REVENUES OVER EXPENDITURES	31,939	28,345	31,081	2,736
OTHER FINANCING USE				
Operating transfer out	(31,770)	(31,767)	(31,767)	
Total other financing use	<u>(31,770)</u>	<u>(31,767)</u>	<u>(31,767)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>169</u>	<u>(3,422)</u>	<u>(686)</u>	<u>2,736</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>8,943</u>	<u>9,485</u>	<u>1,543</u>	<u>(7,942)</u>
FUND BALANCE AT END OF YEAR	<u>\$9,112</u>	<u>\$6,063</u>	<u>\$857</u>	<u>(\$5,206)</u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended December 31, 2021

A proposed budget, prepared on the modified accrual basis of accounting, is posted at the courthouse at least ten days prior to the public hearing. A public hearing is held at the Fifth Judicial District Court's office during the month of December for comments from taxpayers. The budget is then legally adopted by the district and amended during the year, as necessary. The budget is established and controlled by the district at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedules include the original adopted budget amounts and subsequent amendments.

**Fifth Judicial District Court
Parochial Employment Retirement System
Schedule of Employer's Share of Net Pension Liability
December 31, 2021**

Fiscal Year *	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.033499%	\$9,159	\$199,433	4.59%	99.15%
2015	0.034783%	\$91,559	\$206,176	44.41%	92.23%
2016	0.034765%	\$71,599	\$185,806	38.53%	94.15%
2017	0.030187%	(\$22,406)	\$167,912	(13.34%)	101.98%
2018	0.028011%	\$124,323	\$149,027	83.42%	88.86%
2019	0.023503%	\$1,106	\$148,935	.74%	99.89%
2020	0.022299%	(\$39,099)	\$153,402	(25.49%)	104.00%

* Amounts presented were determined as of the measurement date (previous fiscal year end.)

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report and the related notes to the financial statements.

**Fifth Judicial District Court
Parochial Employee Retirement System
Schedule of Employer Contributions
December 31, 2021**

Fiscal Year *	Contractually Required Contribution	Contributions in Relations to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$28,918	\$28,918	\$0	\$199,433	14.50%
2015	\$26,803	\$26,803	\$0	\$206,176	13.00%
2016	\$23,226	\$23,226	\$0	\$185,806	12.50%
2017	\$19,310	\$19,310	\$0	\$167,912	11.50%
2018	\$17,138	\$17,138	\$0	\$149,027	11.50%
2019	\$18,244	\$18,244	\$0	\$148,935	12.25%
2020	\$18,792	\$18,792	\$0	\$153,402	12.25%

* Amounts presented were determined as of the end of the fiscal year.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See independent auditor's report and the related notes to the financial statements.

Other Supplemental Schedules

FIFTH JUDICIAL DISTRICT COURT

Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

STEVEN DEAN, CHIEF JUDGE

PURPOSE	AMOUNT
Car Allowance	\$7,200
Registration fees	200
Other reimbursements - judges liability insurance	3,270

See independent auditor's report.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY
For the Year Ended December 31, 2021

CASH BASIS PRESENTATION	First Six Month Period Ended <u>6/30/2021</u>	Second Six Month Period Ended <u>12/31/2021</u>
Beginning Balance of Amounts Collected	NONE	NONE
Add: Collections		
Probation/Parole/Supervision Fees	<u>\$70,825</u>	<u>\$62,006</u>
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	<u>70,825</u>	<u>62,006</u>
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>NONE</u>	<u>NONE</u>

See independent auditor's report.

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland,
and West Carroll, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE
RECEIVING ENTITY
For the Year Ended December 31, 2021

CASH BASIS PRESENTATION	First Six Month Period Ended <u>6/30/2021</u>	Second Six Month Period Ended <u>12/31/2021</u>
Receipts From:		
State of Louisiana -		
Other (Hearing Officer Fees - 5% Child Support)	\$46,420	\$48,394
Franklin Parish Sheriff - Criminal Court Costs/Fees	2,048	1,475
Franklin Parish Sheriff - Criminal Fines-other	31,656	31,775
Richland Parish Sheriff - Criminal Court Costs/Fees	20,964	23,608
Richland Parish Sheriff - Criminal Fines-other	31,662	31,699
West Carroll Parish Sheriff - Criminal Court Costs/Fees	1,695	1,630
West Carroll Parish Sheriff - Criminal Fines-other	31,662	31,851
Franklin Parish Clerk of Court - Criminal Court Costs/Fees	3,195	3,240
Richland Parish Clerk of Court - Criminal Court Costs/Fees	6,882	3,795
West Carroll Clerk of Court - Criminal Court Costs/Fees	<u>1,725</u>	<u>2,235</u>
Subtotal Receipts	<u>\$177,909</u>	<u>\$179,702</u>
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>NONE</u>	<u>NONE</u>

See independent auditor's report.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

**Independent Auditor's 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***

HONORABLE STEPHEN DEAN, WILLIAM BARHAM
AND CLAY HAMILTON,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Parishes of Franklin, Richland, and West Carroll, Louisiana

I 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and the major funds of the Fifth Judicial District Court, a component unit of the Franklin, Richland and West Carroll Parish Police Juries as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Fifth Judicial District Court's basic financial statements, and have issued my report thereon dated February 22, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fifth Judicial District Court's internal control over financial reporting(internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fifth Judicial District Court's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fifth Judicial District Court's internal control.

A deficiency in internal control exist 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 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. *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.

My 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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses.

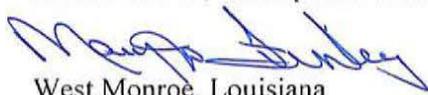
FIFTH JUDICIAL DISTRICT COURT
PARISHES OF FRANKLIN, RICHLAND
AND WEST CARROLL PARISHES
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2021

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fifth Judicial District Court's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fifth Judicial District Court'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 Fifth Judicial District Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
February 22, 2022

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland, and West Carroll, Louisiana

Schedule of Audit Results
For the Year Ended December 31, 2021

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Fifth Judicial District Court.
2. No instances of noncompliance material to the financial statements of the Fifth Judicial District Court were disclosed during the audit.
3. No material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FIFTH JUDICIAL DISTRICT COURT
Parishes of Franklin, Richland, and West Carroll, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021

There were no findings reported in the audit report for the year ended December 31, 2020.

Independent Accountant's Report
on Applying Agreed-Upon Procedures

HONARABLE STEPHEN DEAN,
WILLIAM BARHAM AND
CLAY HAMILTON,
JUDGES OF THE FIFTH JUDICIAL DISTRICT
Fifth Judicial District Court
6566 Main Street
Winnsboro, LA 71295

To the Fifth Judicial District Court

I have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Management of Fifth Judicial District Court is responsible for those C/C areas identified in the SAUPs.

Fifth Judicial District Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUP's for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations (or report that the entity does not have any written policies and procedures):
 - A. Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - B. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

- C. Disbursements, including processing, reviewing, and approving
- D. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedule.
- F. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- G. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statement, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- H. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- I. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- J. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- K. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- L. Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and address the function noted above.

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

2. Obtain and inspect the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The judges for the 5th Judicial District meets quarterly.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on all special revenue funds.

The fiscal officer prepares the financial statements and presents budget to actual comparisons at each meeting.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Non-budgetary financial information is presented at meetings. The prior year audit report was examined and there were no funds that had a negative ending unassigned fund balance.

BANK RECONCILIATIONS

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - B) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and,
 - C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more that 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. November, 2021 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that all 5 bank reconciliations were performed by the fiscal officer and reviewed the judge. There was evidence that the reconciliations are performed within 60 days of the bank statement date. None of the 5 accounts selected to test had outstanding reconciling items over 12 months.

COLLECTIONS

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Agency provided me with a certified list of deposit sites and I verified that it was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- A) Employees responsible for cash collections do not share cash drawers/registers.
- B) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- C) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- D) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The agency has 2 collection locations. They do not accept cash. The fiscal officer at the Winnsboro location of the Judicial Expense office has a surety bond that covers her, all other employees are not covered by employee theft. The secretary in Rayville receives the probation payments and gives them to the probation officer who makes the deposits and then gives to the fiscal officer in the Winnsboro office who posts the receipts to the accounting software. At the end of the month the fiscal officer reconciles the bank accounts.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

The Fifth Judicial District Court has surety bond coverage on the fiscal officer, but does not have employee theft insurance on the other employees.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statement when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - A) Observe that receipts are sequentially pre-numbered.
 - B) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - C) Trace the deposit slip total to the actual deposit per the bank statement.
 - D) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - E) Trace the actual deposit per the bank statement to the general ledger.

The Fifth Judicial District Court does not use pre-numbered receipts. If a receipt is requested, it is printed from the computer. Deposit documentation was traced to the supporting documentation for the deposits. The deposit slips selected were traced to the bank statement. The deposits were traced to the posting in the Quickbooks accounting software. Deposits are made daily. Deposits from probation office are made weekly.

NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Agency provided a complete list of locations that process payments and represented that the list was complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- A) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- B) At least two employees are involved in processing and approving payments to vendors.
- C) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Judicial Expense Fund does not use purchase orders or requisitions. The employees initiates purchases and the fiscal officer obtains approval from the judges and then authorizes the purchases. Of the disbursements selected to be tested, all were processed with all of the required support. The fiscal officer adds all new vendors. The fiscal officer enters all invoices into the quickbooks accounting system and initiates the checks. The fiscal officer signs all checks. The fiscal officer mails all check payments. The judges review the financial reports and all invoices.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- A) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- B) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All disbursements selected to be tested had the proper support documentation. The fiscal officer initiated the disbursements and signs all checks. The fiscal officer reconciles all bank statements and the judge reviews the reconciliations. All judges review financial reports and invoices.

CREDIT CARDS/DEBIT CARDS/FUEL CARDS/P-CARDS

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The agency provided me with a certified statement that there are no active credit cards, fuel cards, etc.

12. Using the listing prepared by management, randomly select 5 cards, (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- A) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder.
- B) Observe that finance charges and late fees were not assessed on the selected statements.

The Judicial Expense Fund does not have any credit cards.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Judicial Expense Fund does not have any credit cards.

TRAVEL AND EXPENSE REIMBURSEMENT

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The agency provided me with a certified list of travel or related expense reimbursements during the testing period and represented that the list was complete.

- A) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- B) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- C) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- D) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency has written policies or procedures for travel and the 5 employees that received reimbursements for travel and travel related expense reimbursement were randomly selected and tested against the policy - no exceptions noted. It was noted the expenditures were for business purposes. All reimbursements were supported by proper documentation. No meal charges were tested. The judges review and approve all travel reimbursements.

CONTRACTS

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Agency provided a certified statement that there were no contracts in effect during the test period.

- A) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- B) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- C) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented.).
- D) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Agency provided a certified statement that there were no contracts in effect during the test period.

PAYROLL AND PERSONNEL

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Agency provided a certified list of all employees with their authorized salaries. I randomly selected 5 employees and agreed them to authorized salaries.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - A) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - B) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - C) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - D) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Of the 5 employees selected, all employees that are eligible to earn leave time documented their leave time taken. The agency tracks leave time earned and used. The employees are allowed to accumulate sick leave time and carry forward, but are not compensated upon termination. The 5 employees of the Judicial Expense Fund that were chosen to be tested were paid in accordance with the terms and conditions of their employment. All changes to the salaries of the 5 employees chosen were approved by the judges in writing.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

The agency provided a certified list noting that no employees were terminated during the test period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

During testing of the agency it was determined that the Fifth Judicial District Court is submitting payroll tax, retirement contributions, and required forms by the required deadlines.

ETHICS (EXCLUDING NONPROFITS)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management and:

- A) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- B) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethic policy during the fiscal period, as applicable.

Agency provided support for ethics training for the 5 employees. There were no changes to the ethics policy during the fiscal period.

DEBT SERVICE

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

The Fifth Judicial District Court had no bonds/notes or other debt instruments issued during the fiscal period that required bond commission approval.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Fifth Judicial District Court had no outstanding debt during the fiscal period.

OTHER

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The Fifth Judicial District Court has no known misappropriation of funds during the test period.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

I observed the fraud hotline notice posted on the premises and the agency website.

INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- A) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDS), observe evidence that the backups are encrypted before being transported.
- B) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- C) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure and discussed the results with management. It appears agency is in compliance with attributes above.

SEXUAL HARASSMENT

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe

the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

The agency provided support for sexual harassment training for the 5 employees randomly selected to be tested.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The agency had written documentation to show that the employees have read the agency policy concerning the sexual harassment policy. I observed the sexual harassment policy posted on the premises and a link on the agency website.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344;

A) Number and percentage of public servants in the agency who have completed the training requirements;

B) Number of sexual harassment complaints received by the agency;

C) Number of complaints which resulted in a finding that sexual harassment occurred;

D) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

E) Amount of time it took to resolve each complaint.

For the current fiscal period the court submitted an annual report in January, 2022 for fiscal period 2021. The agency did not have any complaints noted during the test period.

I was engaged by Fifth Judicial District Court to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Fifth Judicial District Court and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Mary Jo Finley, CPA
February 22, 2022



STEPHEN G. DEAN
JUDGE DIVISION C

Fifth Judicial District Court

STATE OF LOUISIANA
PARISHES OF FRANKLIN, RICHLAND AND WEST CARROLL

FRANKLIN PARISH COURTHOUSE
6566 MAIN STREET, 2ND FLOOR
WINNSBORO, LA. 71295

TELEPHONE: (318) 435-7111
FAX: (318) 435-7109
sdean@5jdc.us

February 22, 2022

Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: 2021 Application of Agreed-Upon Procedures

Dear Sir:

We respond to the application of the AUPs as follows, to-wit:

6. The fiscal officer at the Franklin Parish Judge's Office as a surety bond coverage. She opens all the mail at the Franklin Parish office. Any funds received are placed in a drawer until deposited. She posts all payments to the accounting software and faxes a copy of fees paid to the Hearing Officer Conferences to the secretary at the Richland Parish Judge's Office, who marks conferences that are paid. The Franklin Parish fiscal officer then makes the deposits on a weekly/semi-monthly basis.

We will research and see if it is costs affective to put surety bond insurance on other employees.

Should you have any questions, please do not hesitate to call me.

Sincerely,

STEPHEN G. DEAN
FIFTH DISTRICT JUDGE