

**EIGHTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
WINNFIELD, LOUISIANA**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2019

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury
Winnfield, Louisiana

Financial Statements
As of and for the Year Ended December 31, 2019

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Independent Accountant's Review Report

To the Honorable Jacque D. Derr, District Judge
Eighth Judicial District Court Judicial Expense Fund
Winnfield, Louisiana 71483

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Eighth Judicial District Court Judicial Expense Fund, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the Eighth Judicial District Court Judicial Expense Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

The Judicial Expense Fund's 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Eighth Judicial District Court Judicial Expense Fund in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Required and Other Supplemental Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial

statements but are supplementary information required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information included in the budgetary comparison and schedule of compensation, benefits, and other payments has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto. The information included in the management's discussion and analysis has not been subjected to the inquiry and an analytical procedure applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the management's discussion and analysis.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated October 23, 2020, on the results of our agreed-upon procedures starting on page 40. Also presented as required is the Louisiana Attestation Questionnaire.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
October 23, 2020

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

EIGHTH JUDICIAL DISTRICT COURT EXPENSE FUND

Winnfield, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana, (hereafter referred to as the "Judicial Expense Fund") we offer the readers of the Judicial Expense Fund's financial statements this narrative overview and analysis of the financial activities of the Judicial Expense Fund as of and for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Judicial Expense Fund's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Judicial Expense Fund experienced an increase in its net position by 26.16% (\$9,751) during the fiscal year ended December 31, 2019. As of December 31, 2019, the assets of the Judicial Expense Fund exceeded its liabilities by \$47,031. Of this amount 100% is reported as "unrestricted net position" and represents the amount available to be used to meet the Judicial Expense Fund's ongoing obligations to the citizens of Winn Parish, Louisiana. This increase in net position is primarily due to the following:

- Total revenue for the Judicial Expense Fund increased \$20,190 (8.48%) for the year ended December 31, 2019. Total expenditures of the Judicial Expense Fund decreased \$2,521 (1.00%) for the same period.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Judicial Expense Fund's basic financial statements. The Judicial Expense Fund's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

This report also contains additional required supplementary information (budgetary comparison schedules) and other supplementary information in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Judicial Expense Fund – the **Government-wide Financial Statements** and **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Judicial Expense Fund's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Judicial Expense Fund's financial position, which assists users in assessing the Judicial Expense Fund's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to

methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The Judicial Expense Fund's financial statements contain only governmental activities. The government-wide financial statements include two statements:

- The *statement of net position* presents all of the Judicial Expense Fund's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Judicial Expense Fund's net position may serve as a useful indicator of whether the financial position of the Judicial Expense Fund is improving or deteriorating.
- The *statement of activities* presents information showing how the Judicial Expense Fund's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between direct expenses and program revenues for each function of the Judicial Expense Fund.

These two statements report the Judicial Expense Fund's net position and changes in it. You can think of the Judicial Expense Fund's net position-the difference between assets and liabilities- as one way to measure the Judicial Expense Fund's financial health, or financial position.

The government-wide financial statements can be found immediately following this discussion and analysis.

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 Judicial Expense Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Judicial Expense Fund, reporting operations in more detail than the government-wide statements. The funds of the Judicial Expense Fund are categorized as governmental funds.

- *Governmental funds.* The services provided by the Judicial Expense Fund are financed through 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, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Judicial Expense Fund's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Judicial Expense Fund's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Judicial Expense Fund.

Because the focus of the governmental funds financial statements 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, users may better understand the long-term impact of the Judicial Expense Fund's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund

balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Judicial Expense Fund has three governmental funds: the General Fund, the Hearing Officer Fund, and the Probation Fund. The General Fund, the Hearing Officer Fund, and the Probation Fund are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances.

The funds financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the funds financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund, the Hearing Officer Fund, and the Probation Fund. The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Annual budgets are prepared on the cash basis of accounting.

Other Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

The Judicial Expense Fund's net position totaled \$47,031 and \$37,280 as of December 31, 2019 and 2018, respectively, an increase of \$9,751 (26.16%).

As of December 31, 2019, 0.00% of the Judicial Expense Fund's net position reflects that the Judicial Expense Fund's investment in capital assets such as computer equipment, office equipment, and furniture and fixtures, less any related debt used to acquire those assets that is still outstanding, is fully depreciated and is unchanged from the prior year.

The Judicial Expense Fund's net position, totaling \$47,031 as of December 31, 2019, remains 100% unrestricted in 2019 and may be used to meet the Judicial Expense Fund's ongoing obligations to citizens and creditors at the discretion of the District Judge of the Eighth Judicial District.

Statement of Net Position

ASSETS	Governmental Activities	
	December 31, 2019	December 31, 2018
Cash and cash equivalents	\$ 44,050	\$ 31,868
Accounts receivable	13,668	18,636
Prepaid Assets	2,288	-
Total Assets	<u>\$ 60,006</u>	<u>\$ 50,504</u>
LIABILITIES		
Accounts payable	\$ 12,975	\$ 13,224
Total Liabilities	<u>\$ 12,975</u>	<u>\$ 13,224</u>
NET POSITION		
Unrestricted	<u>47,031</u>	<u>37,280</u>
Total Net Position	<u>\$ 47,031</u>	<u>\$ 37,280</u>

Changes in Net Position

The Judicial Expense Fund's net position increased \$9,751 (26.16%) during the year ended December 31, 2019, compared to a decrease of \$12,960 (25.80%) during the year ended December 31, 2018.

Approximately 53.17% (\$137,275) of the Judicial Expense Fund's total revenues was derived through charges for services in 2019 compared to 40.69% (\$96,833) in 2018. The Judicial Expense Fund received \$120,918 (46.83%) of its total revenues through operating grants and contributions during 2019 compared to \$141,169 (59.31%) during 2018.

Statement of Activities

	For the year ended December 31, 2019	For the year ended December 31, 2018
Program Revenues:	\$	\$
Charges for services	137,275	96,833
Operating grants and contributions	120,918	141,170
Total Revenues	<u>258,193</u>	<u>238,003</u>
Expenses:		
Judicial	248,442	250,963
Total Expenses	<u>248,442</u>	<u>250,963</u>
Increase/(Decrease) in Net Position	9,751	(12,960)
Net Position beginning	<u>37,280</u>	<u>50,240</u>
Net Position ending	<u>\$ 47,031</u>	<u>\$ 37,280</u>

FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

As noted earlier, the Judicial Expense Fund uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Judicial Expense Fund's government funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Judicial Expense Fund's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Judicial Expense Fund's net resources available for spending at the end of the year.

As of the end of the current year, the Judicial Expense Fund's governmental funds reported a combined ending fund balance of \$47,031, an increase of \$9,751 (26.16%) compared to the prior year.

The General Fund is the chief operating fund of the Judicial Expense Fund. Unassigned fund balance was \$(2,960) at the end of the current year compared to \$4,600 at the end of the prior year, a decrease of \$7,560 (164.30%).

The Hearing Officer Fund, a special revenue fund, is used to account for the proceeds and use of funds derived through the assessment of a 5% fee on non-support cases processed through the state's Child Support Enforcement Program. The fund balance assigned to hearing officer costs was \$48,146 as of December 31, 2019, compared to \$30,558 as of December 31, 2018, an increase of \$17,588 (57.60%).

The Probation Fund, a special revenue fund, is used to account for the proceeds and use of funds derived through fees for monitoring payment of fines and court costs by individuals on probation. The fund balance assigned to employee benefits was \$1,845 as of December 31, 2019, compared to \$2,122 at the end of the prior period, a decrease of \$277 (13.10%).

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budgetary policy of the Judicial Expense Fund complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.)

The Judicial Expense Fund's budgets for 2019 were amended once.

Revenues and other financing sources for the General Fund were \$5,608 (2.59%) less than the budgeted amounts. Expenditures for the General Fund were \$2,766 (1.17%) less than budgeted.

Revenues and other financing sources for the Hearing Officer Fund were \$3,704 (8.917%) less than the budgeted amounts. Expenditures for the Hearing Officer Fund were the same as the final budgeted amounts.

Revenues and other financing sources for the Probation Fund were \$813 (6.90%) less than the budgeted amounts. Expenditures for the Probation Fund were \$985 (7.62%) less than budgeted amounts.

CAPITAL ASSET ADMINISTRATION

The Judicial Expense Fund's investment in capital assets for governmental activities as of December 31, 2019, totaled \$85,206, net of accumulated depreciation of \$85,206 leaving a book value of \$0. This investment in capital assets consists of computers and related peripheral equipment, other office equipment, and furniture and fixtures. Depreciation charges for the year totaled \$0 compared to \$72 for the prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Due to the COVID-19 pandemic, the United States has experienced volatile economic conditions and disruption of general business activities. At the present time, the Judicial Expense Fund has experienced negative impacts on operations and a reduction in revenues.

As a result of the declining revenue due to the COVID-19 pandemic, the Judicial Expense Fund requested financial support from the Winn Parish Police Jury. This financial support was denied and a suit was filed by the Judicial Expense Fund against the Winn Parish Police Jury. This matter is unsettled as of the date of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Judicial Expense Fund and seeks to demonstrate the Judicial Expense Fund's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District Judge of the Eighth Judicial District, P.O. Box 71, Winnfield, Louisiana 71483 or by calling (318) 628-4596.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 44,050
Receivables	13,668
Prepaid Assets	<u>2,288</u>
Total Assets	<u>60,006</u>
Liabilities:	
Accounts payable	984
Payroll taxes and withholding payable	3,928
Employee benefits payable	7,298
Compensated absences payable	<u>765</u>
Total Liabilities	<u>12,975</u>
Net Position:	
Invested in capital assets	-
Unrestricted	<u>47,031</u>
Total Net Position	<u>\$ 47,031</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent accountant's review report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Statement of Activities
For the year ended December 31, 2019

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenues and Change in Net Position</u>
Governmental Activities:					
Judicial	<u>\$ 248,442</u>	<u>\$ 137,275</u>	<u>\$ 120,918</u>	<u>\$ -</u>	<u>\$ 9,751</u>
					9,751
					<u>37,280</u>
					<u>\$ 47,031</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent accountant's review report.

FUND FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Balance Sheet - Governmental Funds
December 31, 2019

	Major Funds			Total Governmental Funds
	General Fund	Hearing Officer Fund	Probation Fund	
Assets:				
Cash and cash equivalents	\$ 4,805	\$ 38,100	\$ 1,145	\$ 44,050
Receivables	7,014	6,654	-	13,668
Prepaid Assets	1,588	-	700	2,288
Internal balances	-	3,392	-	3,392
Total Assets	13,407	48,146	1,845	63,398
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	984	-	-	984
Payroll taxes and withholding payable	3,928	-	-	3,928
Employee benefits payable	7,298	-	-	7,298
Compensated absences payable	765	-	-	765
Due to other fund	3,392	-	-	3,392
Total liabilities	16,367	-	-	16,367
Fund Balances:				
Assigned to:				
Employee benefits payable	-	-	1,845	1,845
Hearing officer costs	-	48,146	-	48,146
Unassigned	(2,960)	-	-	(2,960)
Total fund balances	(2,960)	48,146	1,845	47,031
Total Liabilities and Fund Balances	\$ 13,407	\$ 48,146	\$ 1,845	\$ 63,398

**Reconciliation of Fund balances on the Balance Sheet for Governmental Funds to
Net Position of Governmental Activities on the Statement of Net Position:**

Fund Balances - Total Governmental Funds \$ 47,031

Amounts reported for governmental activities in the statement of
net position are different because:

There are no reconciling items

Net Position of Governmental Activities \$ 47,031

The notes to the financial statements are an integral part of this statement.
See the accompanying independent accountant's review report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended December 31, 2019

	Major Funds			Total Governmental Funds
	General Fund	Hearing Officer Fund	Probation Fund	
Revenues:				
Intergovernmental revenues:				
State grants	\$ 27,504	\$ -	\$ -	\$ 27,504
Winn Parish Police Jury- Criminal Court Fund	68,414	-	-	68,414
Winn Parish Police Jury- General Fund	25,000	-	-	25,000
Fees, charges, and commissions for services:				
Court costs	28,130	-	-	28,130
Fines and forfeitures	60,165	-	10,971	71,136
Other fees	-	38,009	-	38,009
Total revenues	209,213	38,009	10,971	258,193
Expenditures:				
Current:				
Accounting and audit services	6,450	-	-	6,450
Employee benefits	33,769	-	11,248	45,017
Library	3,645	-	-	3,645
Office costs	38,994	-	-	38,994
Payroll taxes	3,075	-	-	3,075
Salaries	151,111	-	-	151,111
Total expenditures	237,194	-	11,248	248,442
Excess (deficiency) of revenues over expenditures	(27,981)	38,009	(277)	9,751
Other Financing Sources (Uses):				
Transfers in	20,421	-	-	20,421
Transfers out	-	(20,421)	-	(20,421)
Total Other Financing Sources (Uses)	20,421	(20,421)	-	-
Net Change in Fund Balances	(7,560)	17,588	(277)	9,751
Fund Balances at Beginning of Year	4,600	30,558	2,122	37,280
Fund Balances at End of Year	\$ (2,960)	\$ 48,146	\$ 1,845	\$ 47,031

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

Net change in fund balances - total governmental funds	\$ 9,751
Amounts reported for governmental activities in the statement of activities are different because:	
There are no reconciling items	
Change in net position of governmental activities	<u>\$ 9,751</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

INTRODUCTION

The Eighth Judicial District Court Judicial Expense Fund was established by Act 916 of the 1985 Session of the Louisiana Legislature to be effective January 1, 1986. The Act provides for the collection of fees in the form of court costs and fines. The Winn Parish Clerk of Court places all sums collected or received under this Act in a separate account over which the judge of the Eighth Judicial District controls all disbursements made there from. The Act provides that these monies may be used to pay salaries for court reporters and such secretarial, clerical, research, administrative, or other personnel as are deemed necessary to expedite the business and function of court. In addition, the judge may utilize these monies of the Judicial Expense Fund to pay all or any part of the cost of establishing or maintaining a law library for the court, or for buying or maintaining any type of equipment, supplies, or other items consistent with or germane to the efficient operation of the court, except for the payment of judge's salary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting methods and procedures adopted by the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana, (the "Judicial Expense Fund") conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The Judicial Expense Fund applies all relevant Government Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting reporting standards. GAAP, as applicable to governments, also conforms to requirements of Louisiana R.S. 24:517 and the guides set forth in the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

The following notes to the financial statements are an integral part of the Judicial Expense Fund's financial statements.

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially responsible, 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 Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

These criteria include:

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
 - 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.

The Judicial Expense Fund is a part of the district court system. The district court judge is an independently elected official. The Judicial Expense Fund is a legally separate organization. The district court judge has determined that the Judicial Expense Fund is not a component unit of the Winn Parish Police Jury.

For financial reporting purposes, in conformance with GASB Statement No. 14, the Judicial Expense Fund includes all funds that are within the oversight responsibility of the Judicial Expense Fund. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship. Based on this criterion, the Judicial Expense Fund has no component units.

B. Basis of Presentation

The accompanying basic financial statements of the Judicial Expense Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The Judicial Expense Fund uses funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The funds are grouped into one fund type as described below:

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

General Fund: The General Fund is the general operating fund of the Judicial Expense Fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditure for specific purposes. The Judicial Expense Fund has two special revenue funds:

- **Hearing Officer Fund** - accounts for a five percent (5%) fee assessed in non-support cases that are processed through the state's Child Support Enforcement Program. These fees are used to pay the salary of the hearing officer appointed by the judge of the Eighth Judicial District to hear support related matters as well as to fund other expenditures incurred in connection with this function.
- **Probation Fund** - accounts for \$25 per case fees assessed for monitoring payment of fines and court costs paid by individuals on probation. The fees are used to pay health insurance benefits for employees monitoring the payments of assessed court costs and fines.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements

The statement of net position and the statement of activities report information on all of the financial activities of the Judicial Expense Fund as a whole. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of the Judicial Expense Fund’s activities is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues reduce the cost of the function to be financed by the Judicial Expense Fund’s general revenues. Program revenues included in the statement of activities are (1) derived directly from fees and charges paid by court users who purchase, use or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions, and (3) capital grants and contributions. For identifying to which function a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which includes interest earned and other items not properly included in program revenues.

Fund Financial Statements

The fund financial statements report financial information by major and nonmajor funds. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. Nonmajor funds are aggregated and presented in a single column.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

A fund is considered major if it is the primary operating fund of the Judicial Expense Fund or if it meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least five percent (5%) of the total for all funds.
- b. The Judicial District Expense Fund's management believes that the fund is particularly important to the financial statement users.

The Judicial Expense Fund considers all of its funds to be major funds.

The amounts reflected in the fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Judicial Expense Fund's operations.

The amounts reflected in the fund financial statements 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 Judicial Expense Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

Court costs, fines and forfeitures are recognized as income in the year settled.

Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching requirements, in which the Judicial Expense Fund must provide local resources to be used for a specified purpose; and expenditure requirements, in which resources are provided to the Judicial Expense Fund on a reimbursement basis.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Substantially all other revenues are recorded when received by the Judicial Expense Fund.

Based on the above criteria, state grants, court costs, and fines and forfeitures are treated as susceptible to accrual.

Expenditures:

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Judicial Expense Fund.

Purchases of capital assets in the governmental funds are recorded as expenditures when purchased. Governmental fund capital assets are reported at cost, net of accumulated depreciation, only in the government-wide financial statements.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and savings deposits. Cash equivalents include short term, highly liquid investments with original maturities of 90 days or less when purchased. Under state law, the Judicial Expense Fund may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. At December 31, 2019, no amounts were deemed to be uncollectible.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost less accumulated depreciation. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The Judicial Expense Fund maintains a threshold level of \$200 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	3-5 years
Furniture and fixtures	7 years

Capital assets are recorded as expenditures in the governmental funds at the time purchased. No depreciation expense is recorded in the fund financial statements.

H. Compensated Absences

The Judicial Expense Fund has the following policy relating to vacation, sick and personal leave:

Personal leave is earned at the rate of one day per month and is cumulative to a maximum of two (2) days.

Sick leave is earned at the rate of one day per month and is cumulative to a maximum of twenty-four (24) days.

Two weeks of vacation leave is earned each year.

Any accumulated vacation leave which is not taken by December 31 of each year will be forfeited.

There was a total of \$765 of accumulated unpaid compensated absences as of December 31, 2019, computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the General Fund.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund. Quasi-external transactions, if any, are accounted for as revenues or expenditures. 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.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

K. Fund Equity

The Judicial Expense Fund has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Judicial Expense Fund is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

In the fund financial statements, governmental fund balance is presented in five possible categories:

- ***Nonspendable*** – resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items) or; (b) legally or contractually required to be maintained intact.
- ***Restricted*** – resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fund Equity (Continued)

- **Committed** – resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the district judge). These amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- **Assigned** – resources neither restricted nor committed for which the district judge has a stated intended use.
- **Unassigned** – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The district judge establishes (and modifies and rescinds) fund balance commitments and assignments.

The Judicial Expense Fund 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.

L. Net Position

The Judicial Expense Fund has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In the government-wide financial statements the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and is reported in three components:

- **Net investment in capital assets** - Consists of the historical cost of capital assets net of accumulated depreciation and reduced by any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- **Restricted net position** - Consists of assets that are restricted by the Judicial Expense Fund's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state) and by other contributors (less related liabilities and deferred inflows of resources).

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position (Continued)

- **Unrestricted net position** - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Judicial Expense Fund’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

When an expense is incurred that can be paid using either restricted or unrestricted resource (net position) the Judicial Expense Fund’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

2. CASH AND CASH EQUIVALENTS

At December 31, 2019, the Judicial Expense Fund had cash and cash equivalents (book balances) totaling \$44,050 consisting of demand deposits with financial institutions. These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The cash equivalents of the Judicial Expense Fund are subject to the following risks:

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. At year end, the Judicial Expense Fund had collected bank balances of \$47,864 which was fully protected by federal depository insurance.

3. RECEIVABLES

Receivables at December 31, 2019, consisted of court costs and fees and grant revenues, which were earned during December 2019, but not remitted by the collecting agency until after year-end.

	General Fund	Hearing Officer Fund	Total
Winn Parish Clerk of Court--Criminal Fees	885	-	885
Winn Parish Clerk of Court--Fees	\$ 300	\$ -	\$ 300
Winn Parish Sheriff--Fines and Forfeitures	5,014	-	5,014
Winn Parish Sheriff--Bench Warrants	815	-	815
State of Louisiana--Office of Family Support	-	6,654	6,654
Totals	\$ <u>7,014</u>	\$ <u>6,654</u>	\$ <u>13,668</u>

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements
December 31, 2019

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance		Balance	
	12/31/2018	Additions	Deletions	12/31/2019
Governmental Activities:				
Capital assets, being depreciated				
Office furniture	\$ 7,989	\$ -	\$ -	\$ 7,989
Office equipment	77,217	-	-	77,217
Total capital assets, being depreciated	<u>\$ 85,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,206</u>
Less accumulated depreciation for				
Office furniture	\$ 7,989	\$ -	\$ -	\$ 7,989
Office equipment	77,217	-	-	77,217
Total accumulated depreciation	<u>85,206</u>	<u>-</u>	<u>-</u>	<u>85,206</u>
Total capital assets being depreciated, net	<u>\$ -</u>			<u>\$ -</u>

For the year ended December 31, 2019, there was no depreciation expense.

5. OPERATING TRANSFERS

In the ordinary course of business, the Judicial Expense Fund routinely transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfer In	Transfer Out	Amount
General Fund	Hearing Officer Fund	<u>\$ 20,421</u>

6. PENSION PLAN

Plan Description. The administrative assistants and receptionist of the Eighth Judicial District Court are members of the Parochial Employees' Retirement System of Louisiana (Plan A), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Although the Judicial Expense Fund reports and pays the pension plan directly, they are reported in the plan under the Winn Parish Police Jury. Therefore, the Eighth Judicial District Court is not required to report under GASB 68.

All employees working at least 28 hours per week and all elected parish officials are eligible to participate. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established or amended by state statute.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

6. PENSION PLAN (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4169, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. Contributions to the retirement system also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Eighth Judicial District Court Judicial Expense Fund are established and may be amended by state statute.

As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Eighth Judicial District Court Judicial Expense Fund's contributions to the system for the years ending December 31, 2019, 2018, and 2017 were \$15,985, \$15,985, and \$17,375, respectively, and were equal to the required contributions for each year.

7. RELATED PARTY TRANSACTIONS

Procedures, observations and inquiries did not disclose any material related party transactions for the fiscal year ended December 31, 2019.

8. EXPENDITURES MADE AND SERVICES PROVIDED BY THE WINN PARISH POLICE JURY

The Winn Parish Police Jury provides the Judicial Expense Fund with office facilities and the related utility costs for such facilities. These costs are not determinable and are not included in the accompanying basic financial statements.

9. LITIGATION

The Eighth Judicial District Court Judicial Expense Fund was not involved in any litigation at December 31, 2019.

10. DEFICIT FUND BALANCE

The General Fund has a deficit fund balance as of December 31, 2019.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Financial Statements

December 31, 2019

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 23, 2020, which is the date the financial statements were available to be issued, and has concluded that there are no significant events requiring recognition or disclosure through that date.

In the spring of 2020, there was a global outbreak of a new strain on coronavirus, COVID-19. The public health crisis caused volatile economic conditions, impacting financial markets and disrupting general business activities across the United States. At the present time, the Judicial Expense Fund has experienced negative impacts on operations and a reduction in revenues.

As a result of the declining revenue due to the COVID-19 pandemic, the Judicial Expense Fund requested financial support from the Winn Parish Police Jury. This financial support was denied and a suit was filed by the Judicial Expense Fund against the Winn Parish Police Jury. This matter is unsettled as of the date of this report.

In September, 2020, Winn Parish was declared a disaster area due to a hurricane (Delta). The Judicial Expense Fund has not completed assessing the amount of damage at the date of this report.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Budgetary Comparison Schedule General Fund For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual Amounts (Budgetary Basis)	
Revenues:						
Intergovernmental revenues:						
State grants	27,504	27,504	\$ 27,504	\$ -	\$ 27,504	-
Winn Parish Police Jury- Criminal Court Fund	98,000	77,246	68,414	1,749	70,163	(7,083)
Winn Parish Police Jury- Gneral Fund	-	25,000	25,000	-	25,000	-
Fees, charges, and a commissions for services:						
Court costs	23,815	26,230	28,130	-	28,130	1,900
Fines and forfeitures	60,165	60,165	60,165	-	60,165	-
Other revenue	-	425	-	-	-	(425)
Total revenues	<u>209,484</u>	<u>216,570</u>	<u>209,213</u>	<u>1,749</u>	<u>210,962</u>	<u>(5,608)</u>
Expenditures:						
Current:						
Accounting and audit services	4,500	6,000	6,450	-	6,450	(450)
Contract services	100	100	-	-	-	100
Employee benefits	43,825	31,590	33,769	(118)	33,651	(2,061)
Library	3,600	3,566	3,645	-	3,645	(79)
Office costs	44,052	41,372	38,994	(3,026)	35,968	5,404
Seminars, conferences	-	-	150	-	150	(150)
Payroll taxes	3,188	3,188	3,075	-	3,075	113
Salaries	151,000	151,000	151,111	-	151,111	(111)
Total expenditures	<u>250,265</u>	<u>236,816</u>	<u>237,194</u>	<u>(3,144)</u>	<u>234,050</u>	<u>2,766</u>
Excess (deficiency) of revenues over expenditures	<u>(40,781)</u>	<u>(20,246)</u>	<u>(27,981)</u>	<u>4,893</u>	<u>(23,088)</u>	<u>(2,842)</u>

(Continued)

The notes to the financial statements are an integral part of this statement.
See the accompanying independent accountant's review report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

**Budgetary Comparison Schedule
General Fund**

	Budgeted Amounts		Actual Amounts		Variance With Final Budget Positive (Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
				Actual Amounts (Budgetary Basis)		
Other Financing Sources (Uses):						
Transfers in	41,453	17,921	\$ 20,421		\$ 20,421	2,500
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>41,453</u>	<u>17,921</u>	<u>20,421</u>	<u>-</u>	<u>20,421</u>	<u>2,500</u>
Net Change in Fund Balances	672	(2,325)	(7,560)	4,893	(2,667)	(342)
Fund Balances at Beginning of Year	4,600	4,600	4,600	-	4,600	-
Fund Balances at End of Year	<u>\$ 5,272</u>	<u>\$ 2,275</u>	<u>\$ (2,960)</u>	<u>\$ 4,893</u>	<u>1,933</u>	<u>\$ (342)</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent accountant's review report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Budgetary Comparison Schedule
 Special Revenue Fund - Hearing Officer Fund
 For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts		Variance With Final Budget Positive (Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
				Actual Amounts (Budgetary Basis)		
Revenues:						
Fees, charges, and commissions for services:						
Other fees	\$ 43,023	\$ 41,538	\$ 38,009	\$ (175)	\$ 37,834	(3,704)
Expenditures:						
Current:						
Refunds	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	43,023	41,538	38,009	(175)	37,834	(3,704)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(41,453)	(38,000)	(20,421)	-	(20,421)	17,579
Total other financing sources (uses)	(41,453)	(38,000)	(20,421)	-	(20,421)	17,579
Net Change in Fund Balance	1,570	3,538	17,588	(175)	17,413	13,875
Fund Balances at Beginning of Year	30,558	30,558	30,558	-	30,558	-
Fund Balances at End of Year	\$ 32,128	\$ 34,096	\$ 48,146	\$ (175)	\$ 47,971	13,875

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent accountant's review report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Budgetary Comparison Schedule
 Special Revenue Fund - Probation Fund
 For the year ended December 31, 2019

	Budgeted Amounts		Actual Amounts		Variance With Final Budget Positive (Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
				Actual Amounts (Budgetary Basis)		
Revenues:						
Fees, charges, and commissions for services:						
Fines and forfeitures	\$ 13,000	\$ 11,784	\$ 10,971	\$ -	\$ 10,971	(813)
Total revenues	13,000	11,784	10,971	-	10,971	(813)
Expenditures:						
Current:						
Employee benefits	14,500	12,933	11,248	700	11,948	985
Total expenditures	14,500	12,933	11,248	700	11,948	985
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net Change in Fund Balance	(1,500)	(1,149)	(277)	(700)	(977)	172
Fund Balances at Beginning of Year	2,122	2,122	2,122	-	2,122	-
Fund Balances at End of Year	\$ 622	\$ 973	\$ 1,845	(700)	\$ 1,145	172

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent accountant's review report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Notes to Budgetary Comparison December 31, 2019

The proposed budgets for the December 31, 2019, fiscal year were made available for public inspection at the office of the Eighth Judicial District Court at least 15 days prior to the beginning of the budget year. The proposed budgets for the General Fund and the Special Revenue Funds (Hearing Officer Fund and Probation Fund) are prepared on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). All appropriations lapse at year-end.

The Louisiana Local Government Budget Act provides that “the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year”. The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year. Revenues and other financing sources for the Hearing Officer Fund were \$3,704 (8.917%) less than the budgeted amounts. Revenues and other financing sources for the Probation Fund were \$813 (6.90%) less than the budgeted amounts. The Judicial Expense Fund is not in compliance with the Louisiana Local Government Budget Act.

Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. The budgets were amended for the year ended December 31, 2019.

Through the budget, the Judicial Expense Fund allocates its resources and establishes its priorities. The annual budget assures the efficient and effective uses of the Judicial Expense Fund’s economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of Judicial Expense Fund’s performance. The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end. The district judge may revise or amend the budget at his discretion.

OTHER SUPPLEMENTAL INFORMATION

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the year ended December 31, 2019

Jacque D. Derr - District Judge:		Amount paid by
Purpose		<u>Judicial Expense Fund</u>
Salary	\$	-
Benefits- Insurance		-
Benefits- retirement		-
Benefits- other		-
Car Allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		-
Conference travel		-
Continuing professional education fees		-
Housing		-
Unvouchered expenses		-
Special meals		-
Total	\$	<u><u>-</u></u>

Note 1. The Judge is an elected official and is an employee of the Louisiana Supreme Court. The amounts paid by the Louisiana Supreme Court are not included in the financial statements.

The notes to the financial statements are an integral part of this statement. See the accompanying independent accountant's review report.

OTHER REPORT



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Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Jacque D. Derr, District Judge
Eighth Judicial District Court Judicial Expense Fund
Winnfield, Louisiana 71483

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Eighth Judicial District Court Judicial Expense Fund and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Eighth Judicial District Court Judicial Expense Fund's compliance with certain laws and regulations during the year ended December 31, 2019, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Eighth Judicial District Court Judicial Expense Fund is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable, and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' names appear on both lists obtained Procedures 2 and 3.

None of the employees included on the list of employees provided by management (agreed-upon procedure No. 3) appeared on the list provided by management in agreed-upon procedure No. 2.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists

A list of disbursements was obtained. None of the business interests were found as a vendor.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The Judicial Expense Fund adopted the original budget on December 6, 2018. It was amended once on December 5, 2019.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenue and expenditures. Actual revenues for two of three budgeted funds were more than 5% less than budgeted amounts. Expenditures were within the 5% budgeted amount for all budgeted funds.

Accounting and Reporting

9. Obtain the list of disbursement made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and

- (a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the five selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Report whether the six disbursement are coded to the correct fund and general ledger account

All payments were properly coded to the correct general ledger account.

- (c) Report whether the six disbursements were approved in accordance with policies and procedures.

Inspection of documentation supporting the selected disbursements indicated approvals from the proper authorities.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:11 through 42:28 (the open meeting law) and report whether there are any exceptions

This is not applicable to the Judicial Expense Fund

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2019.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The report was filed timely.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management did not enter into any contracts that utilized state funds.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Proper segregation of incompatible duties with the administrative assistant performing substantially all significant accounting functions continues to be an issue. However, the Judicial Expense Fund has implemented the following in order to mitigate risk:

- Judge Derr opens and reviews the bank statements before the bookkeeper reconciles the bank accounts.

- Judge Derr makes the daily deposits at the bank, brings back the bank receipts to be compared to the copy of the receipt and initials.
- Outside bookkeeper prepares payroll and completes payroll compliance reports for the Fund.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Eighth Judicial District Court Judicial Expense Fund and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
October 23, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

7-10-20 (Date Transmitted)

Dees Gardner, CPAs, LLC

122 Jefferson Street

Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.
Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.
Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.
Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.
Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.
Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes No

The previous responses have been made to the best of our belief and knowledge.

Jacque D. Den District Judge 7/10/20 Date

Secretary _____ Date