

**FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
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, 2018
With Supplemental Information Schedules**

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 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, 2018
 With Supplemental Information Schedules

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FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana
 Contents, December 31, 2018

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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major funds of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland and West Carroll Parish Police Juries, as of December 31, 2018, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fifth Judicial District - Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

FIFTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana
Independent Auditor's Report,
December 31, 2018

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and major fund information of the Fifth Judicial District - Judicial Expense Fund as of December 31, 2018, 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.

Emphasis of a Matter

As described in Note 1L to the financial statements, the Fifth Judicial District Judicial Expense Fund no longer has an employee in the Louisiana State Employees' Retirement System. The only employee in the system retired on June 30, 2018 leaving a zero net pension liability. The net effect of this change is an increase of \$186,743 in net position. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is 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 management's 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.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fifth Judicial District - Judicial Expense Fund's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head on page 41 is presented for the purpose of additional analysis and is not a required part of the financial statements.

This schedule 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments is fairly stated, in all material respects, in relation to the basic financial statements.

FIFTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

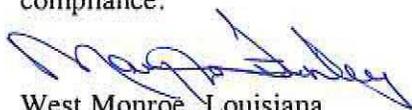
Parishes of Franklin, Richland,
and West Carroll, Louisiana
Independent Auditor's Report,
December 31, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated June 29, 2019, on my consideration of the Fifth Judicial District - Judicial Expense Fund'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 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 - Judicial Expense Fund's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated June 29, 2019, on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



West Monroe, Louisiana
June 29, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Management's Discussion and Analysis
December 31, 2018

As management of the Fifth Judicial District - Judicial Expense Fund, we offer readers of the Fifth Judicial District - Judicial Expense Fund's financial statements this narrative overview and analysis of the financial activities of the Fifth Judicial District - Judicial Expense Fund for the fiscal year ended December 31, 2018. 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 - Judicial Expense Fund'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 - Judicial Expense Fund'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 - Judicial Expense Fund 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 - Judicial Expense Fund, 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 - Judicial Expense Fund 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 - Judicial Expense Fund 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 - Judicial Expense Fund'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 - Judicial Expense Fund exceeded liabilities by \$330,805. Approximately 1% of the Fifth Judicial District - Judicial Expense Fund'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 - Judicial Expense Fund to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	2018	2017
ASSETS		
Cash and cash equivalents	\$309,877	\$313,192
Receivables	37,729	24,767
Net pension assets	22,406	
Capital assets (net of accumulated depreciation)	1,623	3,893
TOTAL ASSETS	<u>371,635</u>	<u>341,852</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	47,590	139,506
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$419,225</u>	<u>\$481,358</u>
LIABILITIES		
Accounts payable	\$2,231	\$907
Payroll withholdings payable	18,256	19,419
Net pension liability		318,310
TOTAL LIABILITIES	<u>20,487</u>	<u>338,636</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	67,933	NONE
NET POSITION		
Invested in capital assets, net of related debt	1,623	3,893
Restricted	69,440	37,765
Unrestricted	259,742	101,064
TOTAL NET POSITION	<u>\$330,805</u>	<u>\$142,722</u>

STATEMENT OF ACTIVITIES

	2018	2017
Judicial:		
Personal services	\$427,551	\$491,600
Operating services	54,833	53,634
Materials and supplies	3,427	4,342
Travel	17,938	20,515
Depreciation expense	2,270	2,487
Total Program Expenses	<u>506,019</u>	<u>572,578</u>
Program revenues:		
Fees, charges, and commissions	438,381	421,737
Filing fees	23,490	24,135
Total program revenues	<u>461,871</u>	<u>445,872</u>
Net Program Expenses	<u>(44,148)</u>	<u>(126,706)</u>
General revenues		
State funds - Department of Social Services	36,636	36,636
Federal funds		1,762
Interest earned	299	981
Other revenue	8,514	8,345
Total general revenues	<u>45,449</u>	<u>47,724</u>
Change in Net Position	1,301	(78,982)
Net Position - Beginning of year as restated	329,504	221,704
Net Position - End of year	<u>\$330,805</u>	<u>\$142,722</u>

Financial Analysis of the Government's Funds

As noted earlier, the Fifth Judicial District - Judicial Expense Fund 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, 2018, the General Fund's fund balance of \$257,679 showed a decrease of \$22,189 over December 31, 2017. The Hearing Officer Fund's fund balance of \$63,401 showed an increase of \$31,795 over December 31, 2017. The FINS Fund's fund balance of \$6,039 showed a decrease of \$120 over December 31, 2017.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget of the judicial expense fund were due primarily to an increase in filing fees, use of money and property and operating transfers in and a decrease in court costs. Differences between expenditures of the original budget and the final budget of the judicial expense fund was primarily due to a decrease in personal services, operating services, materials and supplies and capital outlay, and increases in travel and other charges and operating transfers out.

Differences between revenues of the original budget and the final budget of the hearing officer fund were primarily due to a decrease in other revenues and an increase in fees, charges and commissions - court costs operating transfers in. Differences between expenditures of the original budget and the final budget of the hearing officer fund were primarily due to an increases in personal services and decreases in 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 were primarily due to a decrease in operating transfers in. Differences between expenditures of the original budget and the final budget of the FINS fund were primarily due to an increase in travel and other charges and a decrease in materials and supplies and operating transfers out.

Capital Asset and Debt Administration

Capital assets. The Fifth Judicial District - Judicial Expense Fund's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$1,623 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases or decreases in capital assets for the year.

Long-term debt. The Fifth Judicial District - Judicial Expense Fund's had no long term debt outstanding at December 31, 2018.

Requests for Information

This financial report is designed to provide a general overview of the Fifth Judicial District - Judicial Expense Fund'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 - Judicial Expense Fund, P.O. Drawer 90, Rayville, LA 71269.

BASIC FINANCIAL STATEMENTS

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

STATEMENT OF NET POSITION
 December 31, 2018

ASSETS

Cash and cash equivalents	\$309,877
Receivables	37,729
Net pension asset	22,406
Capital assets (net of accumulated depreciation)	<u>1,623</u>
TOTAL ASSETS	<u>\$371,635</u>

DEFERRED OUTFLOW OF RESOURCES

Pension related	<u>47,590</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$419,225</u>

LIABILITIES

Liabilities	
Accounts payable	\$2,231
Payroll withholdings payable	<u>18,256</u>
TOTAL LIABILITIES	20,487

DEFERRED INFLOWS OF RESOURCES

Pension related	67,933
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NET POSITION

Invested in capital assets, net of related debt	1,623
Restricted	69,440
Unrestricted	<u>259,742</u>
TOTAL NET POSITION	<u>\$330,805</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

STATEMENT OF ACTIVITIES
 December 31, 2018

Judicial:	
Personal services	\$427,551
Operating services	54,833
Materials and supplies	3,427
Travel	17,938
Depreciation expense	2,270
Total Program Expenses	<u>506,019</u>
Program revenues:	
Fees, charges, and commissions	438,381
Filing fees	23,490
Total program revenues	<u>461,871</u>
Net Program Expenses	<u>(44,148)</u>
General revenues:	
State funds - Department of Social Services	36,636
Interest earned	299
Other revenues	8,514
Total general revenues	<u>45,449</u>
Change in Net Position	1,301
Net Position - Beginning of year as restated	<u>329,504</u>
Net Position - End of year	<u>\$330,805</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2018

MAJOR FUNDS....			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	HEARING OFFICER FUND	FINS	
ASSETS				
Cash and cash equivalents	\$254,680	\$49,158	\$6,039	\$309,877
Receivables	21,907	15,822		37,729
TOTAL ASSETS	\$276,587	\$64,980	\$6,039	\$347,606
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$2,080	\$151		\$2,231
Payroll withholdings payable	16,828	1,428		18,256
TOTAL LIABILITIES	18,908	1,579	NONE	20,487
Fund Equity:				
Restricted - Other general government		63,401		63,401
Restricted - Health and welfare			\$6,039	6,039
Unassigned	257,679			257,679
TOTAL FUND EQUITY	257,679	63,401	6,039	327,119
TOTAL LIABILITIES AND FUND EQUITY	\$276,587	\$64,980	\$6,039	\$347,606

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
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, 2018

Total Fund Balances at December 31, 2018 - Governmental Funds (Statement C)		<u>\$327,119</u>
Deferred outflows of resources		47,590
Net pension asset		22,406
Cost of capital assets at December 31, 2018	\$83,601	
Less: Accumulated depreciation as of December 31, 2018	<u>(81,978)</u>	<u>1,623</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		
Deferred inflows of resources		<u>(67,933)</u>
Net Position at December 31, 2018 (Statement A)		<u><u>\$330,805</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 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, 2018

	...MAJOR FUNDS...			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	HEARING OFFICER FUND	FINS	
REVENUES				
Intergovernmental:				
State funds - Department of Social Services		\$101,893	\$36,636	\$138,529
Fees, charges, and commissions for services - court costs	\$330,838	5,650		336,488
Filing fees	23,490			23,490
Use of money and property - interest earnings	188	108	3	299
Other revenues	6,270			6,270
Total revenues	<u>360,786</u>	<u>107,651</u>	<u>36,639</u>	<u>505,076</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services	351,012	68,380		419,392
Operating services	50,932	3,816	85	54,833
Materials and supplies	2,322	310	795	3,427
Travel and other charges	10,476	3,350	4,112	17,938
Total expenditures	<u>414,742</u>	<u>75,856</u>	<u>4,992</u>	<u>495,590</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(53,956)	31,795	31,647	9,486
OTHER FINANCING SOURCE (Use)				
Operating transfers in	31,767			31,767
Operating transfers out			(31,767)	(31,767)
Total other financing source (use)	<u>31,767</u>	<u>NONE</u>	<u>(31,767)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>(22,189)</u>	<u>31,795</u>	<u>(120)</u>	<u>9,486</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>279,868</u>	<u>31,606</u>	<u>6,159</u>	<u>317,633</u>
FUND BALANCES AT END OF YEAR	<u>\$257,679</u>	<u>\$63,401</u>	<u>\$6,039</u>	<u>\$327,119</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
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, 2018

Total net change in fund balances - governmental funds (Statement D)	\$9,486
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.	(2,270)
Non-employer contributions to cost-sharing pension plan	2,244
Pension expense	<u>(8,159)</u>
Change in net position of governmental activities (Statement B)	<u>\$1,301</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Notes to the Financial Statements
As of and For the Year Ended December 31, 2018

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 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 - Judicial Expense Fund 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 -
JUDICIAL EXPENSE FUND
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 - Judicial Expense Fund 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 - Judicial Expense Fund 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,

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
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Notes to the Financial Statements (Continued)

assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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:

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

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 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:

Both governmental and business 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

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
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Notes to the Financial Statements (Continued)

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

Governmental funds and the fiduciary type agency 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 -
JUDICIAL EXPENSE FUND
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, 2018, the district has cash and cash equivalents (book balances) totaling \$309,877.

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, 2018 of \$320,152 is fully secured by federal deposit insurance.

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

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

<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 - Judicial Expense Fund 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, 2018.

I. PENSION PLANS

The Fifth Judicial District - Judicial Expense Fund 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. Investments have been reported at fair value within the plan.

J. EQUITY CLASSIFICATIONS

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

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
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 -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
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 Notes to the Financial Statements (Continued)

The General Fund has an unassigned fund balance of \$257,679. 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.

K. 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.

L. RESTATEMENT OF NET POSITION

The Fifth Judicial District Judicial Expense Fund contributed to the Louisiana Employees' Retirement System through June 30, 2018 at which time the only employee covered under the system retired. This resulted in a zero net pension liability for the Fifth Judicial District Judicial Expense Fund as of December 31, 2018. Net position of the Fifth Judicial District Judicial Expense Fund was increased by \$186,743 to reflect this change.

As of July 1, 2014, the Judicial Expense Fund implemented Governmental Accounting Standards Board (GASB) Statement 68 *Accounting and Financial Reporting for Pensions- Amendment of GASB Statement 27*, which resulted in a cumulative change in accounting principle and also a restatement of net position. Errors were made during the GASB 68 calculation in the prior year. The net effect of the restatement to correct this error will be to decrease net position of the port commission by \$39.

The net effect to the Government-Wide Statement of Net Position is as follows:

Total Net Position, December 31, 2017, as previously stated	\$142,722
Net Change in Net Pension Liability at December 31, 2018	186,782
Total Net Position, December 31, 2018, Restated	<u>\$329,504</u>

2. RECEIVABLES

The following is a summary of receivables at December 31, 2018:

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 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

<u>Class of Receivable</u>	
State grants	\$15,822
Local funds	14,655
Fees, charges, and commissions for services:	
Filing fees	1,470
Court costs	<u>5,782</u>
Total	<u>\$37,729</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, December 31, 2017	\$83,601
Additions	NONE
Deletions	<u>NONE</u>
Balance, December 31, 2018	83,601
Less accumulated depreciation	<u>(81,978)</u>
Net Capital Assets	<u>\$1,623</u>

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

Parochial Employees' Retirement System of Louisiana (System)

The 5th Judicial District Judicial Expense Fund contributes to the Parochial Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. All permanent employees working at least 28 hours per week are eligible to participate in the System. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join PERS. Section 1901 through 2025 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:1901-2025) and other general laws of the State of Louisiana govern PERS.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the District are members of Plan A.

Any member of Plan A who was hired prior to January 1, 2007, can retire providing he/she meets one of the following criteria:

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JUDICIAL EXPENSE FUND
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Notes to the Financial Statements (Continued)

1. Any age after 30 years of creditable service.
2. Age 55 after 25 years of creditable service.
3. Age 60 after 10 years of creditable service.
4. Age 65 after seven years creditable service.

Eligibility for retirement for Plan A members hired on or after January 1, 2007 is as follows:

1. Age 55 after 30 years of creditable service.
2. Age 62 after 10 years of creditable service.
3. Age 67 after seven years of creditable 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 employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended December 31, 2018, the District's total payroll for all employees was \$313,047. Total covered payroll was \$167,912. Covered payroll refers to all compensation paid by the District to active employees covered by the Plan.

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended December 31, 2018, the actual employer contribution rate was 11.5% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the District to the System monthly. The District's contributions to the System under Plan A for the year ending December 31, 2018 were \$28,080.

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

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

At December 31, 2018, the Employer reported an asset of \$22,406 for its proportionate share of the Net Pension Liability (Asset). The Net Pension (Asset) was measured as of December 31, 2017 and the total pension asset used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Asset was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the District's proportion was 0.0302%, which was an increase of 0.005 from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018 the District recognized pension expense of \$8,159 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$14,504
Changes in assumptions	\$28,280	
Net difference between projected and actual earnings on pension plan		51,765
Changes in employer's proportion of beginning NPL		1,534
Differences between employer and proportionate share of contributions		130
Contributions subsequent to the measurement date	19,310	
Total	\$47,590	\$67,933

The \$19,310 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$2,738
2019	(3,948)
2020	(17,927)
2021	(20,516)
TOTAL	(39,653)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability (asset) as of December 31, 2017, are as follows:

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
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 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

Valuation Date	December 31, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.75%, per annum
Salary increases	5.25% (2.75% merit, 2.5% inflation)
Inflation rate	2.5%, per annum
Mortality rates	RP-2000 Employees Sex Distinct Table for Employees RP-2000 Healthy Annuitant Sex Distinct Table annuitants and beneficiaries RP-2000 Disabled Lives Mortality Tables for disabled annuitants
Expected remaining service lives	4 years for Plan A
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System 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 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 ranges 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 and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real Assets	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected arithmetic nominal return		7.62%

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

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate 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 payment to determine the total pension liability (asset).

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability (Asset)	\$110,471	(\$22,406)	(\$140,724)

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Parochial Employees' Retirement System of Louisiana Audit Report at www.persla.org.

5. LITIGATION AND CLAIMS

The Fifth Judicial District - Judicial Expense Fund is not involved in any litigation at December 31, 2018, nor is it aware of any unasserted claims.

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
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Notes to the Financial Statements (Continued)

**6. EXPENDITURES OF THE FIFTH JUDICIAL
DISTRICT - JUDICIAL EXPENSE FUND
NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The Fifth Judicial District - Judicial Expense Fund'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.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees, charges and commissions for services- court costs	\$342,000	\$331,362	\$330,838	(\$524)
Filing fees		23,920	23,490	(430)
Use of money and property - interest earnings	180	788	188	(600)
Other revenues			6,270	6,270
Total revenues	<u>342,180</u>	<u>356,070</u>	<u>360,786</u>	<u>4,716</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services and related benefits	353,785	353,347	351,012	2,335
Operating services	53,550	48,169	50,932	(2,763)
Materials and supplies	4,400	2,145	2,322	(177)
Travel and other charges	10,000	11,214	10,476	738
Capital outlay	4,750			
Total expenditures	<u>426,485</u>	<u>414,875</u>	<u>414,742</u>	<u>133</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(84,305)	(58,805)	(53,956)	4,849
OTHER FINANCING SOURCE				
Operating transfers in	<u>34,720</u>	<u>40,096</u>	<u>31,767</u>	<u>(8,329)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(49,585)	(18,709)	(22,189)	(3,480)
FUND BALANCE AT BEGINNING OF YEAR				
	<u>213,044</u>	<u>276,488</u>	<u>279,868</u>	<u>3,380</u>
FUND BALANCE AT END OF YEAR	<u><u>\$163,459</u></u>	<u><u>\$257,779</u></u>	<u><u>\$257,679</u></u>	<u><u>(\$100)</u></u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

BUDGETARY COMPARISON SCHEDULE
 HEARING OFFICER FUND
 For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees, charges, and commissions for services				
- court costs	\$90,000	\$99,215	\$101,893	\$2,678
Use of money and property -				
interest earnings	50	87	108	21
Other revenues	14,000	5,450	5,650	200
Total revenues	<u>104,050</u>	<u>104,752</u>	<u>107,651</u>	<u>2,699</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services and related benefits	105,945	69,239	68,380	859
Operating services	4,685	3,258	3,816	(558)
Materials and supplies	1,400	362	310	52
Travel and other charges	7,000	3,237	3,350	(113)
Capital outlay	1,000			
Total expenditures	<u>120,030</u>	<u>76,096</u>	<u>75,856</u>	<u>240</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(15,980)	28,656	31,795	3,139
OTHER FINANCING SOURCE				
Operating transfer in		20,133		(20,133)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>(15,980)</u>	<u>48,789</u>	<u>31,795</u>	<u>(16,994)</u>
FUND BALANCE AT BEGINNING OF YEAR				
	<u>17,015</u>	<u>27,698</u>	<u>31,606</u>	<u>3,908</u>
FUND BALANCE AT END OF YEAR	<u><u>\$1,035</u></u>	<u><u>\$76,487</u></u>	<u><u>\$63,401</u></u>	<u><u>(\$13,086)</u></u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

BUDGETARY COMPARISON SCHEDULE
 FINS FUND
 For the Year Ended December 31, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State funds	\$36,636	\$36,636	\$36,636	
Use of money and property - interest earnings	2	3	3	
Total revenues	<u>36,638</u>	<u>36,639</u>	<u>36,639</u>	NONE
EXPENDITURES				
Current:				
General government - judicial:				
Materials and supplies	600	4,226	880	\$3,346
Travel and other charges	6,500	4,663	4,112	551
Total expenditures	<u>7,100</u>	<u>8,889</u>	<u>4,992</u>	<u>3,897</u>
EXCESS OF REVENUES OVER EXPENDITURES	29,538	27,750	31,647	3,897
OTHER FINANCING SOURCE				
Operating transfer in	5,000			
Operating transfer out	(35,000)	(31,964)	(31,767)	(197)
Total other financing source (use)	<u>(30,000)</u>	<u>(31,964)</u>	<u>(31,767)</u>	<u>(197)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>(462)</u>	<u>(4,214)</u>	<u>(120)</u>	<u>3,700</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>2,813</u>	<u>9,074</u>	<u>6,159</u>	<u>(2,915)</u>
FUND BALANCE AT END OF YEAR	<u>\$2,351</u>	<u>\$4,860</u>	<u>\$6,039</u>	<u>\$785</u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2018

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 - Judicial Expense Fund'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 schedule include the original adopted budget amounts and subsequent amendments.

**Fifth Judicial District-
Judicial Expense Fund
Parochial Employment Retirement System
Schedule of Employer's Share of Net Pension Liability
December 31, 2018**

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
2015	0.033499%	\$9,159	\$199,433	4.59%	99.15%
2016	0.034783%	\$91,559	\$206,176	44.41%	92.23%
2017	0.034765%	\$71,599	\$185,806	38.53%	94.15%
2018	0.030187%	(\$22,406)	\$167,912	(13.34%)	101.98%

*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.

**Fifth Judicial District-
Judicial Expense Fund
Parochial Employee Retirement System
Schedule of Employer Contributions
December 31, 2018**

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
2015	\$28,918	\$28,918	\$0	\$199,433	14.50%
2016	\$26,803	\$26,803	\$0	\$206,176	13.00%
2017	\$23,226	\$23,226	\$0	\$185,806	12.50%
2018	\$19,310	\$19,310	\$0	\$167,912	11.50%

* - 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.

Other Supplemental Schedules

FIFTH JUDICIAL DISTRICT-
JUDICIAL EXPENSE FUND

Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2018

STEVEN DEAN, CHIEF JUDGE

PURPOSE	AMOUNT
Car Allowance	\$7,200
Other reimbursements - travel	776

**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, GLEN ROBERTS,
TERRY DOUGHTY, AND JAMES STEPHENS,
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, the financial statements of the governmental activities and the major funds of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland and West Carroll Parish Police Juries as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Fifth Judicial District - Judicial Expense Fund's basic financial statements, and have issued my report thereon dated June 29, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fifth Judicial District - Judicial Expense Fund'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 - Judicial Expense Fund's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fifth Judicial District - Judicial Expense Fund'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. However, material weaknesses may exist that have not been identified.

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
PARISHES OF FRANKLIN, RICHLAND,
WEST CARROLL PARISHES

Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2018

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fifth Judicial District - Judicial Expense Fund'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 - Judicial Expense Fund'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 - Judicial Expense Fund'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
June 29, 2019

FIFTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland, and West Carroll, Louisiana

Schedule of Findings and Responses
For the Year Ended December 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the general purpose financial statements of the Fifth Judicial District - Judicial Expense Fund.
2. No instances of noncompliance material to the financial statements of the Fifth Judicial District - Judicial Expense Fund were disclosed during the audit.
3. No significant deficiencies 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 - JUDICIAL EXPENSE FUND
Parishes of Franklin, Richland, and West Carroll, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2018

There were no findings reported in the audit report for the year ended December 31, 2017.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 329-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Accountant's Report on Applying Agreed-Upon Procedures

Fifth Judicial District Court
6566 Main Street
Winnsboro, LA 71295

To the Fifth Judicial District Court

I have performed the procedures enumerated below, which were agreed to by the management of the Fifth Judicial District Court and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. Management of Fifth Judicial District Court is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted 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, I 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.

The procedures and associated findings are as follows:

AGREED-UPON PROCEDURES

WRITTEN POLICIES AND PROCEDURES

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - 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, including receiving, recording, and preparing deposits
- E. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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, and (5) monitoring card usage.
- 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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- J. Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - ▶ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The judges for the Fifth Judicial District Court meet quarterly in accordance with the agency by-laws. The fiscal officer prepares the financial statements and presents budget to actual comparisons at each meeting. Non-budgetary financial information is also presented at meetings.

BANK RECONCILIATIONS

3. Obtain a listing of client 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 selected each 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);
 - C) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The agency provided me with a certified list of all bank accounts. October, 2018 was randomly selected to be tested. For the 5 bank accounts selected for testing it was determined that the bank reconciliations were performed by the fiscal officer and reviewed by the Chief 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 that are 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 with 3 cash drawers. They do not accept cash. The fiscal officer at the Winnsboro location of the Judicial Expense office has surety bonds 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. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

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).
- E) Trace the actual deposit per the bank statement to the general ledger.

The Fifth Judicial District Court does not use pre-numbered receipts. 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 initialing 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 Fifth Judicial District Court does not use a purchase order system or purchase requisitions. The fiscal officer initiates all purchases and the Chief Judge approves all purchases. The fiscal officer adds all new vendors upon approval by the Judges. The judges review and approve all invoices. The fiscal officer initiates and signs all checks and the Chief Judge reviews and approves all expenditures. The fiscal officer mails all check payments.

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 that the disbursement matched the related original invoice/billing statement.

- 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 reviews and approves all invoices before checks are written, the Chief Judge reviews and approves after checks are written. The fiscal officer initiates the disbursement checks and signs all checks. The Chief Judge reviews and approves all disbursements. The fiscal officer reconciles all bank statements and the Chief Judge reviews the reconciliations.

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 does not have any credit cards.

- 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, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- B) Observe that finance charges and late fees were not assessed on the selected statements.

The agency 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).

The agency 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 form/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, agree the reimbursement rate to 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 that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The agency is using the established rate and that is being paid to the employees. Amounts tested for reimbursement at per diem rates had the proper documentation. It was noted the expenditures were for business purposes. All reimbursements were supported by proper documentation. No meal charges were tested. The fiscal officer and chief judge review and approve all travel reimbursements.

CONTRACTS

- 15. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

PAYROLL AND PERSONNEL

- 16. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 17. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.
- 18. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

19. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

ETHICS (EXCLUDING NONPROFITS)

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

A) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

B) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

The agency provided support for ethics training for the 5 employees randomly selected. The agency had written documentation to show that the employees have read the agency policy concerning the ethics policy.

DEBT SERVICE

21. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current period.

22. The Fifth Judicial District Court had no exceptions in the prior year AUP testing, therefore this section was excluded from testing for the current 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 a link to the notice was posted on the website.

I was not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

A handwritten signature in blue ink, appearing to read "Mary Jo Finley".

Mary Jo Finley, CPA
June 29, 2019



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

June 29, 2019

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

Re: 2018 Application of Agreed-Upon Procedures

Dear Sir:

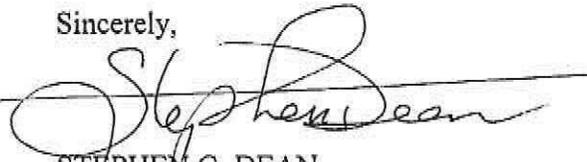
We respond to the application of the AUPs as follows, to-wit:

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