

**FORTY-SECOND JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND  
DeSoto Parish, Louisiana**

**Annual Financial Report**

**For the Year Ended June 30, 2018**

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
**DeSoto Parish, Louisiana**  
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As of and for the Year Ended June 30, 2018

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# Dees Gardner, Certified Public Accountants, LLC

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## Independent Accountant's Review Report

To the Honorable Charles B. Adams, Chief District Judge  
Forty-second Judicial District Court Judicial Expense Fund  
Mansfield, Louisiana 71052

We have reviewed the accompanying financial statements of the governmental activities and the major fund of Forty-second Judicial District Court Judicial Expense Fund, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the Forty-second Judicial District Court Judicial Expense Fund. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

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

### Accountant's Conclusion

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

### Required and Other Supplemental Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

***Report on Other Legal and Regulatory Requirements***

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 30, 2018, on the results of our agreed-upon procedures and issued a report dated December 28, 2018. Also presented as required is the Louisiana Attestation Questionnaire.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
December 28, 2018

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND**  
**DeSoto Parish, Louisiana**

Management's Discussion and Analysis  
For the Year Ending June 30, 2018

This section of the Forty-second Judicial District Court - Judicial Expense Fund's (the Fund) annual financial report presents our discussion and analysis of the Fund's financial performance during the year ending June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Fund's basic financial statements and supplementary information in assessing the efficiency and effectiveness of our stewardship of public resources.

### **FINANCIAL HIGHLIGHTS**

The Forty-second Judicial District Court - Judicial Expense Fund's net position decreased by \$13,006 or 4.53% during the year ended June 30, 2018.

The Fund's revenues of \$420,674 for the year ending June 30, 2018, are an 18.48% decrease from \$516,025 for the year ended June 30, 2017.

During the year ended June 30, 2018, the Fund had expenses of \$433,680, including depreciation, compared to \$476,380 in the year ended June 30, 2017. This reflects a decrease of 8.96% during the year ended June 30, 2018.

### **OVERVIEW OF FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the basic financial statements which include 1) government fund financial statements, 2) government-wide financial statements and 3) notes to the financial statements. The two types of financial statements present the Fund's financial position and results of operations from differing perspectives. A reconciliation is provided to facilitate the comparison between the governmental fund statements and the government-wide statements. The components of the financial statements are described below:

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Fund's most significant activities and are not intended to provide information for the Fund as a whole. Funds are accounting devices that are used to account for specific sources of revenues. Our funds are limited to its *general fund*, which is classified as a Governmental Fund. The *general fund* uses a modified accrual basis of accounting that focuses on near-term inflows, outflows, and balances of spendable resources. Assets reported by the *general fund* are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets. Unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

#### **Government-Wide Financial Statements**

The *government-wide financial statements* report information about the Fund as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. The *statement of net position* presents information of all the Fund's assets and liabilities, with the difference between the two reported as net position. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Fund is improving or deteriorating. The *statement of activities* presents information showing how the net position changed during the most recent period. 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.

## Notes to the Financial Statements

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

### Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*. The Fund adopts an annual budget for the general fund. A budgetary comparison statement is provided to demonstrate budgetary compliance.

### Other Supplemental Information

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

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net position may serve over time as a useful indicator of the Judicial Expense Fund's financial position. The Fund's total net position changed from a year ago, decreasing from \$287,199 to \$274,193. The largest portion of the Fund's net position, \$260,437 (94.98%) as of June 30, 2018, is unrestricted and may be used to meet the ongoing obligations to the citizens of DeSoto Parish.

The Fund continues to maintain a high level of liquidity with \$276,645 (106.22%) of the Fund's unrestricted net position invested in demand deposits with various financial institutions as of June 30, 2018. Accounts receivable increased 7.59% from \$36,614 to \$39,392. Accounts payable decreased 4.10% from \$57,980 to \$55,600. At June 30, 2018, \$13,756 (5.02%) of the Fund's net position reflects capital assets with a historical cost of \$189,914 and accumulated depreciation of \$176,158.

A summary of the Statement of Net Position is below:

ASSETS	Governmental Activities	
	June 30, 2018	June 30, 2017
Cash and cash equivalents	\$ 211,025	\$ 222,469
LAMP account	65,620	64,719
Accounts receivable	39,392	36,614
Capital assets, net	13,756	21,377
Total Assets	<u>\$ 329,793</u>	<u>\$ 345,179</u>
LIABILITIES		
Accounts payable	\$ 55,600	\$ 57,980
Total Liabilities	<u>\$ 55,600</u>	<u>\$ 57,980</u>
NET POSITION		
Net investment in capital assets	\$ 13,756	\$ 21,377
Unrestricted	260,437	265,822
Total Net Position	<u>\$ 274,193</u>	<u>\$ 287,199</u>

An analysis of the government-wide Statement of Activities is presented as follows:

	For the year ended June 30, 2018	For the year ended June 30, 2017
Program Revenues	\$ 419,226	\$ 513,254
General Revenues	1,448	2,771
Total Revenues	<u>420,674</u>	<u>516,025</u>
Expenses:		
Judicial: Administrative	106,720	126,814
FINS	30,897	30,897
Probation	292,556	296,689
Restitution	3,507	21,980
Total Expenses	<u>433,680</u>	<u>476,380</u>
Increase/(Decrease) in Net Position	(13,006)	39,645
Net Position beginning	287,199	247,554
Net Position ending	<u>\$ 274,193</u>	<u>\$ 287,199</u>

As the accompanying presentation demonstrates, the Fund has decreased its reserves by \$13,006 or 4.53% at June 30, 2018. Approximately 69% (\$290,322) of the Fund's total revenues were derived through charges for services compared to 76% (\$389,647) in the year ended June 30, 2017.

Beginning July, 2014, the DeSoto Parish Police Jury Criminal Court fund began reimbursing the Judicial Expense Fund for the Juvenile Probation Officer's Salary that they pay to the DeSoto Parish Sheriff. Total receipts for this salary reimbursement for the year end June 30, 2018 was \$89,088 or 21.18% of total revenues.

The Fund received \$39,816 (9%) and \$33,086 (6%) of its total revenues from a Louisiana state FINS grant during the years ended June 30, 2018, and June 30, 2017, respectively.

The Fund's expenses decreased \$42,700 (8.96%) to \$433,680 for the year ended June 30, 2018 from \$476,380 for the year ended June 30, 2017.

#### FINANCIAL ANALYSIS OF THE FUND'S FUND

For the year ended June 30, 2018, differences between the government-wide presentation and the fund financial statements were depreciation changes associated with capital assets.

#### BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Fund complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-RS 39:1301 et seq.). The Fund's budget was amended during the year ended June 30, 2018. The actual revenues were \$90,277 (27.32%) more than the budgeted amounts and actual expenditures were \$5,041 (1.18%) less than the budgeted amounts.

## **CAPITAL ASSET ADMINISTRATION**

The Fund did not purchase any capital assets during the year ended June 30, 2018.

## **DEBT ADMINISTRATION**

For the year ended June 30, 2018, there is no debt activity and no debts are outstanding at year-end.

## **ECONOMIC FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

For the fiscal year ending June 30, 2019, the following factors were considered when the budget was prepared:

- General and program revenues will remain consistent with the prior year.
- Other expenditures are expected to remain steady with the prior year.

## **REQUEST FOR INFORMATION**

This report is designed to provide a general overview of the Forty-second Judicial District – Judicial Expense Fund, DeSoto Parish, Louisiana, and seeks to demonstrate the Judicial Expense Fund's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Judge Charles Adams, P. O. Box 1299, Mansfield, Louisiana, 71052.

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

**STATEMENT A**

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND**

**DeSoto Parish, Louisiana**

**STATEMENT OF NET POSITION**

June 30, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 211,025
LAMP deposits	65,620
Accounts receivable	39,392
Capital assets (net)	<u>13,756</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>329,793</u></b>
<b>LIABILITIES</b>	
Accounts, salaries, and other payables	\$ 2,676
Due to DeSoto Parish Sheriff	<u>52,924</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>55,600</u></b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 13,756
Unrestricted	<u>260,437</u>
<b>TOTAL NET POSITION</b>	<b>\$ <u><u>274,193</u></u></b>

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

**STATEMENT B**

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND**

**DeSoto Parish, Louisiana**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2018

	Program Revenues			Net (Expenses) Revenues and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Administrative	\$ 106,720	\$ 189,674	\$ 89,088	\$ 172,042
Probation	292,556	95,029	-	(197,527)
FINS	30,897	-	39,816	8,919
Restitution	3,507	5,619	-	2,112
Total Governmental Activities	\$ 433,680	\$ 290,322	\$ 128,904	(14,454)
General Revenues:				
				1,072
				376
				1,448
			Change in Net Position	(13,006)
			Net Position Beginning	287,199
			Net Position Ending	\$ 274,193

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

## FUND FINANCIAL STATEMENTS

**STATEMENT C**

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND**  
**DeSoto Parish, Louisiana**  
**BALANCE SHEET, GOVERNMENTAL FUND**  
 June 30, 2018

<b>ASSETS</b>	<u>GENERAL FUND</u>
Cash and cash equivalents	\$ 211,025
LAMP deposits	65,620
Accounts receivable	<u>39,392</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>316,037</u></u></b>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts, salaries, and other payables	\$ 2,676
Due to other governments	<u>52,924</u>
Total Liabilities	<u><u>55,600</u></u>
Fund Balances:	
Assigned	
FINS	35,023
Probation	110,347
CNF	8,371
Unassigned	<u>106,696</u>
Total Fund Balances	<u><u>260,437</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u><u>316,037</u></u></b>

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

**STATEMENT D**

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND  
DeSoto Parish, Louisiana**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances for Governmental Funds (Statement C)	\$	260,437
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds. Those assets consist of:

Furniture, fixtures and equipment (\$189,914), net of accumulated depreciation (\$176,158).		<u>13,756</u>
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Total Net Position of Governmental Activities (Statement A)	\$	<u><u>274,193</u></u>
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The notes to the financial statements are an integral part of this statement.  
See the accompanying independent accountant's review report.

**STATEMENT E**

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND**  
**DeSoto Parish, Louisiana**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-**  
**GOVERNMENTAL FUND**  
For the Year Ended June 30, 2018

	<u>GENERAL FUND</u>
<b>Revenues:</b>	
Bond fees, forfeitures, and court costs	\$ 189,674
Restitution collected	5,619
Probation and related fees	95,029
Intergovernmental:	
Grant - State FINS	39,816
Parish juvenile officer salary reimbursement	89,088
Miscellaneous	376
Interest earnings	1,072
	<u>420,674</u>
Total Revenues	<u>420,674</u>
<b>Expenditures:</b>	
Current:	
Judicial Administration	
Personnel and related benefits	48,655
Operating and administrative	52,030
Probation	291,867
FINS	30,000
Restitution paid to others	3,507
Capital outlays	-
	<u>426,059</u>
Total Expenditures	<u>426,059</u>
Excess (Deficiency) of Revenues over Expenditures before Other Financing Sources	<u>(5,385)</u>
Fund balance, beginning of year	265,822
Fund balance, end of year	\$ 260,437

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

STATEMENT F

FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND  
DeSoto Parish, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances- Total Governmental Funds (Statement E) \$ (5,385)

Governmental funds report capital outlays as expenditures and the sales price of assets as revenue. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and gain or loss on disposition of assets is recorded.

Capital outlays (\$0) is less than depreciation (\$7,621) in the current period. (7,621)

Change in Net Assets of Governmental Activites (Statement B) \$ (13,006)

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

## NOTES TO THE FINANCIAL STATEMENTS

# FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND

DeSoto Parish, Louisiana

Notes to the Financial Statements

June 30, 2016

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## INTRODUCTION

The Forty-second Judicial District Court – Judicial Expense Fund (the Fund) was created by LSA-RS 13:996.65. The purpose of the fund is to provide sufficient funding to expedite efficient operation of the court. In general, the fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration of the court.

The Forty-second Judicial District Court (the District) was created by LSA-RS 13:477(42). The District is comprised of DeSoto Parish with the courthouse and judges offices in Mansfield. The District's purpose is general jurisdiction judgeship for the approximately 27,340 people in the parish. The voters of the parish elect the two judges of the District to six-year terms. The two elected judges, who have all general trial jurisdiction throughout the district, are Judge Charles Adams and Judge Amy McCartney. There are no full-time employees paid by the Fund.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Forty-second Judicial District Court – Judicial Expense Fund have been prepared in conformity with governmental accounting principles generally accepted (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999; Statement 63, *Financial Reporting of Deferred Outflows of Resources, and Net Position* and Statement 65, *Items Previously Reported as Assets and Liabilities*. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*.

The significant accounting policies established in GAAP and used by the Forty-second Judicial District Court – Judicial Expense Fund are discussed below.

### A. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. For financial reporting purposes, in conformance with GASB Statement No. 14, the Judicial Expense Fund includes all funds that are within the oversight responsibility of the Forty-second District Court. Based on consideration of the foregoing criteria, the Forty-second Judicial District Court – Judicial Expense Fund is deemed to be a separate reporting entity.

### B. BASIS OF PRESENTATION

The Forty-second Judicial District Court – Judicial Expense Fund's basic financial statements consists of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

### **Government-Wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
June 30, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. BASIS OF PRESENTATION (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Judicial Expense Fund's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements**

The accounts of the Fund are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The minimum number of funds is maintained consistent with legal and managerial requirements.

A fund is considered major if it is the primary operating fund of the entity. The only and major fund of the Judicial Expense Fund is classified as a governmental fund and is described below:

General Fund. The General Fund, as provided by Louisiana Revised Statute 47:1906 is the primary operating fund of the Fund and is used to account for the operations of the Fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Fund's policy.

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, transfers of assets, deferred outflows of resources, liabilities, and deferred inflows of resources—are recognized in the accounts and reported in the financial statements.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or non-current) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their statement of revenues, expenditures, and changes in fund balance reports sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of available spendable financial resources during a given period. This approach is then reconciled, through adjustment, to a government-wide view of the operations.

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
June 30, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

C. MEASUREMENT FOCUS/ BASIS OF ACCOUNTING (continued)

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting.

D. ASSETS, LIABILITIES, AND EQUITY

**Cash and Investments**

Cash includes amounts in demand deposits and interest-bearing demand deposits. The cash includes amounts in time deposits and investments with original maturities of 90 days or less as cash equivalents. Under state law (LSA R.S. 33:2955), the Judicial Expense Fund may deposit funds with a fiscal agent organized under Louisiana law or any other state of the United States, or under the laws of the United States. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

**Receivables / Payables**

Receivables consist of all revenues earned at year-end and not yet received. Major receivables for the governmental activities include fines and bond forfeitures. All receivables are current and therefore due within one year. Allowances are reported when accounts are proven to be uncollectible. There are no allowances reported.

Payables consist of necessary and ordinary expenses of the Fund. Due to the Sheriff is probation officer salary reimbursements payable.

**Capital Assets**

Capital Assets which include computer and office equipment and furniture and fixtures are reported in the government-wide financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives, ranging from five to ten years depending upon the expected durability of the particular asset. Depreciation of all exhaustible capital assets is recorded as an expense in the statement of net position. The Judicial Expense Fund maintains a threshold level of \$1,000 or more for capitalizing capital assets for reporting purposes.

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
June 30, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

D. ASSETS, LIABILITIES, AND EQUITY (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

Capital assets and depreciation expenses are reported in the Statement of Net Position and Statement of Activities. In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition.

Assets purchased under the FINS Grant Program are currently being accounted for by the Forty-second Judicial District Court – Judicial Expense Fund. However, under the provisions of the Grant contracts the assets are the property of the State of Louisiana. The State of Louisiana has instructed the Forty-second Judicial District Court – Judicial Expense Fund to maintain control and ownership. The State of Louisiana, Office of Social Services retains reversion rights in those assets.

**Equity Classifications**

*Net Position*

The Fund classifies net position in the government-wide financial statements, as follows:

- Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Fund's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Fund.

The Expense Fund's policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

*Fund Balances*

In accordance with GASB 54, the Fund classifies fund balances in governmental funds as follows:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally and contractually required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors or higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed* – Amounts constrained by the Judicial Expense Fund itself. To be reported as committed, amounts cannot be used for any other purpose unless the Judges take the action to remove or change the constraint.
- *Assigned* – Amounts the Judicial Expense Fund intends to use for a specific purpose. Intent can be expressed by an official or body to which the governing body delegates the authority.
- *Unassigned* – All amounts not included in other spendable.

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
June 30, 2016

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

D. ASSETS, LIABILITIES, AND EQUITY (continued)

The Expense Fund would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

The General Fund, the Fund's only governmental fund, has an unassigned fund balance of \$106,696.

E. ESTIMATES

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

**2. CASH**

At June 30, 2018, the Forty-second Judicial District Court – Judicial Expense Fund has cash (book balances) totaling \$276,645.

Interest bearing demand deposits	\$ 167,828
Demand deposits	43,197
LAMP	<u>65,620</u>
	<u>\$ 276,645</u>

The cash of the Forty-second Judicial District Court – Judicial Expense Fund is subject to the following risks:

*Custodial Credit Risk:* Custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At June 30, 2018, the Forty-second Judicial District Court – Judicial Expense Fund has \$217,707 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Cash held at June 30, 2018, also includes \$65,620, invested with the Louisiana Asset Management Pool (LAMP), a local government investment pool. The Louisiana Asset Management Pool is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. LAMP, Inc. is not registered with the SEC as an investment company, but is subject to the regulatory oversight of the state treasurer and the board of directors.

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**

DeSoto Parish, Louisiana

Notes to the Financial Statements

June 30, 2016

**2. CASH (continued)**

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Judicial Expense Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Fund diversifies its investments by security type and institution. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

*Credit Risk:* Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. The Judicial Expense Fund complies with Louisiana Statutes (LSA R. S. 33:2955). The investments are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP is rated AAA by Standard and Poor's.

**3. ACCOUNTS RECEIVABLE**

Accounts Receivable at June 30, 2018 consists of the following:

Fines and court costs	\$	14,664
Parish salary reimbursement		<u>24,728</u>
	\$	<u><u>39,392</u></u>

**4. CAPITAL ASSETS**

A summary of the Forty-second Judicial District Court – Judicial Expense Fund's capital assets at June 30, 2018, follows:

	Balance 6/30/2017	Additions	Deletions/ Reclassifications	Balance 6/30/2018
<u>Governmental Activities:</u>				
Capital assets, being depreciated				
Equipment	\$ 28,363	\$ -	\$ -	\$ 28,363
Computers	64,700	-	-	64,700
Furniture and fixtures	82,601	-	-	82,601
Vehicles	14,250	-	-	14,250
Total capital assets, being depreciated	<u>\$ 189,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,914</u>
Less accumulated depreciation for				
Equipment	\$ 28,364	\$ -	\$ -	\$ 28,364
Computers	46,291	6,540	-	52,831
Furniture and fixtures	80,109	606	-	80,715
Vehicles	13,773	475	-	14,248
Total accumulated depreciation	<u>168,537</u>	<u>\$ 7,621</u>	<u>\$ -</u>	<u>176,158</u>
Total capital assets being depreciated, net	<u>\$ 21,377</u>			<u>\$ 13,756</u>

Depreciation expense of \$7,621 for the year ended June 30, 2018, was charged to the following functions:

Administrative	\$	6,034
Probation		690
FINS		<u>897</u>
	\$	<u><u>7,621</u></u>

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
DeSoto Parish, Louisiana  
Notes to the Financial Statements  
June 30, 2016

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**5. JOINT VENTURE**

The Misdemeanor Probation program entered into an agreement with the DeSoto Parish Sheriff to reimburse the salary, payroll taxes, group insurance, retirement, and workman's compensation of the probation officers. The fund reimbursed the Sheriff's office \$196,764. Beginning July, 2014, the DeSoto Parish Police Jury Criminal Court Fund, in the form of a court order, began reimbursing the Judicial Expense Fund for the juvenile probation officer's salary only. The Police Jury reimbursed the Judicial Expense Fund \$89,088.

**6. LITIGATION**

Management has advised that there is no litigation pending against the Forty-second Judicial District Court—Judicial Expense Fund at June 30, 2018.

**7. EXPENDITURES OF THE JUDICIAL EXPENSE FUND PAID BY OTHERS**

The accompanying financial statements do not include certain salary or administrative expenditures of the District Court paid out of the funds of the DeSoto Parish Police Jury or directly by the State.

**8. SUBSEQUENT EVENTS**

Management has performed an evaluation of the Judicial Expense Fund's activities through December 28, 2018, and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

**FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND**  
**DeSoto Parish, Louisiana**  
**BUDGETARY COMPARISON SCHEDULE -- GENERAL FUND**

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Final Budget to Actual Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Bond fees, forfeitures, and court costs	\$ 290,070	\$ 196,077	\$ 189,674	\$ (6,403)
Restitution collected	19,555	5,618	5,619	1
Probation and related fees	87,305	90,416	95,029	4,613
Intergovernmental:				
Grant - State FINS	39,816	33,180	39,816	6,636
Parish juvenile officer salary reimbursement	-	-	89,088	89,088
Miscellaneous	338	4,093	376	(3,717)
Interest earnings	3,960	1,013	1,072	59
	<u>441,044</u>	<u>330,397</u>	<u>420,674</u>	<u>90,277</u>
<b>Total Revenues</b>				
<b>Expenditures:</b>				
Current:				
Administrative				
Personnel and related benefits	60,831	49,608	48,655	953
Operating and administrative	61,595	51,701	52,030	(329)
Probation	293,535	293,808	291,867	1,941
FINS	30,000	30,000	30,000	-
Restitution paid to others	16,497	5,983	3,507	2,476
Capital outlays	4,000	-	-	-
	<u>466,458</u>	<u>431,100</u>	<u>426,059</u>	<u>5,041</u>
<b>Total Expenditures</b>				
<b>Excess (Deficiency) of Revenues over Expenditures</b>	(25,414)	(100,703)	(5,385)	95,318
Fund balance, beginning of year	265,822	265,822	265,822	-
Fund balance, end of year	<u>\$ 240,408</u>	<u>\$ 165,119</u>	<u>\$ 260,437</u>	<u>\$ (95,318)</u>

**FORTY-SECOND JUDICIAL DISTRICT COURT – JUDICIAL EXPENSE FUND**  
**DeSoto Parish, Louisiana**

**NOTE TO BUDGETARY COMPARISON SCHEDULE**

As of and for the Year Ended June 30, 2018

**Budgetary Information**

The Forty-second Judicial District Court –Judicial Expense Fund's budget is prepared in accordance with accounting principles generally accepted in the United States of America.

The Louisiana Local Government Budget Act provides that "the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year-end. The budget comparison schedule presents the original adopted budget and the final amended budget.

Budgeted revenues did not exceeded actual revenues. Actual expenditures exceeded budgeted expenditures by less than a five percent variance. The budget was amended during the year ended June 30, 2018. The Judicial Expense Fund is in compliance with the Louisiana Local Government Budget Act.

The Forty-second Judicial District Court –Judicial Expense Fund's follows these budget procedures:

The Chief Judge prepares a proposed budget for the fund on the modified accrual basis of accounting. Due to the uncertainties of the budgeting, at least one of the judges is involved in the transfer of funds from one program or function to another or for increased expenditures resulting from revenues exceeding amounts estimated. All budgetary appropriations lapse at the end of each fiscal year. Per R.S. 39:1307, the budget is to be made available for public inspection prior to the 15<sup>th</sup> day of the new fiscal year by a public hearing. At least ten days prior to the public hearing, a notice is published that a public meeting is to be held, including the date, time, and place of the hearing.

## OTHER SUPPLEMENTAL INFORMATION

FORTY-SECOND JUDICIAL DISTRICT COURT - JUDICIAL EXPENSE FUND  
 DeSoto Parish, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the Year Ended June 30, 2018

**Charles B. Adams, Chief Judge**

Purpose:		
Salary	\$	-
Benefits- Insurance		7,053
Benefits- retirement		-
Benefits- other		2,616
Car Allowance		-
Vehicle provided by government		-
Per diem		-
Reimbursements		-
Travel		-
Registration fees		995
Conference travel		-
Continuing professional education fees		-
Cellphone and internet		-
Dues		-
Meals		52
Total	\$	<u>10,716</u>

See the independent accountant's review report.

OTHER REPORTS REQUIRED BY  
LOUISIANA GOVERNMENTAL AUDIT GUIDE



# Dees Gardner, Certified Public Accountants, LLC

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Deborah D. Dees, CPA/CFF  
Maura Dees Gardner, CPA, CFE

122 Jefferson Street  
Mansfield, Louisiana  
318-872-3007

## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Charles B. Adams, Chief District Judge  
Forty-second Judicial District Court Judicial Expense Fund  
Mansfield, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed upon by the management of the Forty-second Judicial District Judicial Expense Fund and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Forty-second Judicial District Judicial Expense Fund's compliance with certain laws and regulations during the year ended June 30, 2018, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Forty-second Judicial District Judicial Expense Fund is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable, and report whether the expenditures were made in accordance with these laws.

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$154,450.

### Code of Ethics for Public Officials and Public Employees

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

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

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

Management provided us with the required list.

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

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

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

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

### **Budgeting**

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

Management provided us with a copy of the original budget.

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

The original budget was adopted on June 23, 2017. It was amended once during the year.

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

We compared the revenues and expenditures of the final budget to actual revenue and expenditures. Actual revenues for the year exceeded budgeted amounts. Total actual expenditures were less than budgeted amounts.

### **Accounting and Reporting**

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

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

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

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

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

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

Inspection of documentation supporting the selected disbursements indicated four of the six disbursements indicated approvals from one of the judges. Two of the disbursements tested did not indicate approval on the invoice.

Recommendation: Management should review invoices before they are submitted for payment and sign and date that the invoice has been properly approved.

Management's Response: The two invoices without approval were early in the fiscal year before the prior year's audit which included an exception in the State-wide Agreed Upon Procedures on this matter. One of the judges will review the invoices before being submitted for payment. They will acknowledge their proper approval by signature and date on the invoice.

## **Meetings**

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

Not Applicable

## **Debt**

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

We scanned deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2018.

## **Advances and Bonuses**

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

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

## **State Audit Law**

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

The report was filed timely.

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

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

## **Other Matters, Concerns, Suggestions, Recommendations, and/ or Comments**

15. Discuss any other matters, concerns, suggestions, recommendations and/ or comments determined during the performance of attestation procedures.

None.

## Prior-Year Comments and Recommendations

16. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved.

There was one finding reported for the year ending June 30, 2017.

- a) The Judicial Expense Fund had finding for an inadequate segregation of duties. The segregation of duties is partially resolved. New controls are going to be implemented for the duties of collections and depositing of collections.

This agreed-upon procedures engagement was conducted 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*, issued by the United States Comptroller General. We were 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 the District's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Dees Gardner, Certified Public Accountants, LLC*

Dees Gardner, Certified Public Accountants, LLC  
Mansfield, Louisiana  
December 28, 2018

## LOUISIANA ATTESTATION QUESTIONNAIRE

December 28, 2018

Dees Gardner, Certified Public Accountants, LLC  
122 Jefferson Street  
Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 28, 2018, and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

### Public Bid Law

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

Yes [] No [  ]

### Code of Ethics for Public Officials and Public Employees

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

Yes [] No [  ]

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

Yes [] No [  ]

### Budgeting

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

Yes [] No [  ]

### Accounting and Reporting

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

Yes [] No [  ]

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

Yes [] No [  ]

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

Yes [] No [  ]

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

Yes [] No [  ]

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

Yes [] No [  ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No [  ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No [  ]

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No [  ]

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [] No [  ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No [  ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No [  ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No [  ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No [  ]

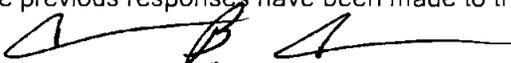
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No [  ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No [  ]

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

 \_\_\_\_\_ Chief Judge December 28, 2018 Date