

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
EDGARD, LOUISIANA**

Annual Financial Statements

December 31, 2019



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## **Independent Auditor's Report**

To the Chief Judge and Judges  
of the Fortieth Judicial District Court  
St. John the Baptist Parish  
Edgard, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Court'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**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court as of December 31, 2019, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis beginning on page 5 and the budgetary comparison information on page 28 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The schedules of compensation, benefits, and other payments to agency heads, as required by Louisiana Revised Statute (LRS) 24:513 A(3), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020, on our consideration of the Fortieth Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
June 29, 2020

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Management's Discussion and Analysis**

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This discussion and analysis of the Fortieth Judicial District Court's (the Court) financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Overview of the Financial Statements**

This 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 governmental activities as a whole and present a longer-term view of the finances. The balance sheet and statement of revenues, expenditures, and changes in fund balances - governmental funds (fund financial statements) tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Our auditor has provided assurance in their independent auditor's report that the basic financial statements are fairly stated.

**Government-Wide Financial Statements (GWFS)**

One of the most important questions asked about the Court's finances is, "Is the Court as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position and changes in it. You can think of net position - the difference between assets and liabilities - as one way to measure the financial health, or financial position. Over time, increases or decreases in net position are one indicator of whether the Court's financial health is improving or deteriorating.

**Fund Financial Statements (FFS)**

The fund financial statements provide detailed information about the most significant funds - not as a whole. Some funds are required to be established by state laws. The Fortieth Judicial District Court uses the governmental type fund. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation at the bottom of the fund financial statements, or in a separate schedule.



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Management's Discussion and Analysis**

The Court also uses the fiduciary type fund to account for its administration of a Cy Pres account. The fiduciary activities are reported in the statement of fiduciary net position. These funds are not available to the Court to finance its operations and, therefore, are not included in the GWFS. The Court is responsible for ensuring that the assets reported by this fund are distributed to charitable causes.

**Financial Highlights**

The Court's financial statements provide these insights into the results of this year's operations:

- As a result of this year's operations, assets exceeded liabilities by \$704,544 (net position).
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$5,250 including the cost of office equipment and furniture, net of accumulated depreciation.
  - (2) Unrestricted net position of \$343,114, representing the portion available to maintain the continuing obligations to citizens and creditors.
  - (3) Restricted net position of \$356,180, representing the restricted resources for the Adult Drug Court and Families in Need of Services (FINS).
- Total spending for all judicial activities was \$501,600, for the year, which was \$58,221 more than the program revenues of \$443,379 for these activities.
- The governmental funds reported total ending fund balance of \$699,294, of which \$356,180 was restricted and \$343,114 was considered unassigned. This compares to the prior year ending fund balance of \$718,574, showing a decrease of \$19,280 during the current year.

**Financial Analysis as a Whole**

The statement of net position and the statement of activities report on only one type of activity - governmental activities. Most of the basic program and support services are reported as this type. Operating grants and contributions and criminal and civil fees finance most of these activities.

Our analysis below focuses on the net position of the governmental-type activities:

**Condensed Statements of Net Position  
December 31, 2019 and 2018**

	2019	2018	Dollar Change	Total Percent Change
Current and Other Assets	\$ 756,728	\$ 750,425	\$ 6,303	0.84%
Capital Assets	5,250	7,870	(2,620)	-33.29%
<b>Total Assets</b>	<b>761,978</b>	<b>758,295</b>	<b>3,683</b>	<b>0.49%</b>
Current Liabilities	57,434	31,851	25,583	80.32%
<b>Total Liabilities</b>	<b>57,434</b>	<b>31,851</b>	<b>25,583</b>	<b>80.32%</b>
Net Investment in Capital Assets	5,250	7,870	(2,620)	-33.29%
Restricted	356,180	363,306	(7,126)	-1.96%
Unrestricted	343,114	355,268	(12,154)	-3.42%
<b>Total Net Position</b>	<b>\$ 704,544</b>	<b>\$ 726,444</b>	<b>\$ (21,900)</b>	<b>-3.01%</b>

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Management's Discussion and Analysis**

Net position decreased by \$21,900 as a result of this year's operations. The balance in net position represents the accumulated results of all past years' operations.

**Condensed Statements of Net Position  
For the Years Ended December 31, 2019 and 2018**

	2019	2018	Dollar Change	Total Percent Change
<b>Program Revenues</b>				
Operating Grants and Contributions	\$ 337,086	\$ 344,146	\$ (7,060)	-2.05%
Charges for Services - Court Revenues	106,293	130,347	(24,054)	-18.45%
<b>Total Program Revenues</b>	<b>443,379</b>	<b>474,493</b>	<b>(31,114)</b>	<b>-6.56%</b>
<b>Program Expenses</b>				
Current	498,512	498,820	(308)	-0.06%
Depreciation - Unallocated	3,088	3,578	(490)	-13.69%
<b>Total Program Expenses</b>	<b>501,600</b>	<b>502,398</b>	<b>(798)</b>	<b>-0.16%</b>
<b>Net Program Loss</b>	<b>(58,221)</b>	<b>(27,905)</b>	<b>(30,316)</b>	<b>-108.64%</b>
<b>General Revenues</b>	<b>36,321</b>	<b>25,856</b>	<b>10,465</b>	<b>40.47%</b>
<b>Change in Net Position</b>	<b>(21,900)</b>	<b>(2,049)</b>	<b>(19,851)</b>	<b>968.81%</b>
<b>Net Position</b>				
Beginning of the Year	726,444	728,493	(2,049)	-0.28%
End of the Year	\$ 704,544	\$ 726,444	\$ (21,900)	-3.01%

Total revenues for the year in governmental activities were \$479,700 (\$443,379 in program revenues and \$36,321 in general revenues). The total cost of all judicial programs and services was \$501,600, with no new programs added this year.

**Judges**

Division A - Honorable Madeline Jasmine  
Division B - Honorable Kirk Vaughn (Judge *Ad Hoc*)  
Division C - Honorable J. Sterling Snowdy

**Financial Analysis of Individual Funds**

The Fortieth Judicial District Court uses funds to help it control and manage money for particular purposes. Looking at individual funds helps one consider whether the Court is being accountable for the resources provided to it, but may also provide more insight into the overall financial health.

The governmental funds reported a combined fund balance of \$699,294. This reflects a decrease of \$19,280. This decrease is primarily the result of the events and programs described within the analysis of the governmental activities.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Management's Discussion and Analysis**

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**Some of the Changes in Major Funds**

Most of the General Fund's revenue (\$106,293, or 77%) was from fees generated from criminal and civil cases. Other significant revenue of \$28,522, or 21%, was from Supreme Court reimbursements. The major expenditures in the General Fund were for library expenses (\$66,560), professional fees (\$34,426), and office supplies (\$17,746). The General Fund's fund balance of \$355,268, available at the beginning of the year, decreased by \$12,154 to end the year, with an unassigned fund balance of \$343,114.

Another major fund is the Adult Drug Court Fund. Almost all of the revenue (\$288,546, or 98%) was in the form of grants from the State of Louisiana, St. John the Baptist Parish, and the federal government. The major expenditures in the Adult Drug Court Fund were for administrative services (\$226,600), drug testing and laboratory expenses (\$18,627), building rent (\$17,074), and payroll taxes (\$17,117). The beginning fund balance of \$350,759 decreased by \$4,264 to end the year, with a fund balance of \$346,495.

The final major fund is the Families in Need of Services Fund. Roughly all of the revenue (\$48,540, or 100%) was in the form of grants from the State of Louisiana, St. John the Baptist Parish, and the federal government. The major expenditure in the Families in Need of Services Fund was for salary reimbursement (\$50,241).

**Capital Assets**

The net investment in capital assets for governmental activities as of December 31, 2019 and 2018 was \$5,250 and \$7,870, respectively, as shown on the following table:

<b>Furniture and Equipment</b>	<b>2019</b>	<b>2018</b>
Division A	\$ 75,131	\$ 75,132
Division B	63,069	63,069
Division C	61,691	61,688
Adult Drug Court	27,828	27,484
Families in Need of Services	2,658	2,658
Juvenile Probation	4,363	4,363
Total Cost	<u>234,740</u>	<u>234,394</u>
Less: Accumulated Depreciation	<u>229,490</u>	<u>226,524</u>
<b>Net Capital Assets</b>	<b>\$ 5,250</b>	<b>\$ 7,870</b>
<b>Depreciation Expense</b>	<b>\$ 3,088</b>	<b>\$ 3,578</b>

This year, there was depreciation of \$3,088, reflecting the net decrease in capital assets. More detailed information about the capital assets is presented in Note 5 to the financial statements.

**Budgets**

The original budget for all funds was amended once during the year.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Management's Discussion and Analysis**

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**Economic Factors and Next Year's Budgets and Rates**

The management of the Fortieth Judicial District Court has approved the 2020 budget. There are no major changes expected to the budget compared to this year's budget. Expenditures are expected to remain approximately the same since there are no changes in staffing levels or major purchases anticipated.

**Contacting Financial Management**

This financial report is designed to provide a general overview of the Fortieth Judicial District Court's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Honorable Judge Sterling Snowdy  
P.O. Box 308  
Edgard, LA 70049  
Phone Number: 985-497-5580

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Net Position  
December 31, 2019**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 439,225
Receivables	38,274
Investment in Certificates of Deposit	279,229
Capital Assets (Net of Accumulated Depreciation)	<u>5,250</u>
<b>Total Assets</b>	<u>761,978</u>
<b>Liabilities</b>	
Accounts Payable	45,524
Accrued Expenses	<u>11,910</u>
<b>Total Liabilities</b>	<u>57,434</u>
<b>Net Position</b>	
Net Investment in Capital Assets	5,250
Restricted	356,180
Unrestricted	<u>343,114</u>
<b>Total Net Position</b>	<u><u>\$ 704,544</u></u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Activities  
For the Year Ended December 31, 2019**

	<b>Governmental Activities</b>
<b>Program Expenses</b>	
Public Safety - Court System	
Salaries and Related Benefits	\$ 305,023
Contractual Services	137,206
Materials and Supplies	44,890
Lodging and Registration Fees	10,280
Depreciation	3,088
Miscellaneous Expense	1,113
	<hr/>
<b>Total Program Expenses</b>	<b>501,600</b>
	<hr/>
<b>Program Revenues</b>	
Operating Grants and Contributions	337,086
Charges for Services - Court Revenues	106,293
	<hr/>
<b>Total Program Revenues</b>	<b>443,379</b>
	<hr/>
<b>Net Program Expense</b>	<b>(58,221)</b>
	<hr/>
<b>General Revenues</b>	
Supreme Court Reimbursements	28,522
Judicial Probation Fees	5,401
Interest Income	2,398
	<hr/>
<b>Total General Revenues</b>	<b>36,321</b>
	<hr/>
<b>Change in Net Position</b>	<b>(21,900)</b>
	<hr/>
<b>Net Position, Beginning of Year</b>	<b>726,444</b>
	<hr/>
<b>Net Position, End of Year</b>	<b>\$ 704,544</b>
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The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	General Fund	Special Revenue Funds			Total Governmental Funds
	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Non- Major Fund	
<b>Assets</b>					
Cash and Cash Equivalents	\$ 64,746	\$ 359,969	\$ 14,510	\$ -	\$ 439,225
Receivables	14,507	23,767	-	-	38,274
Due from Other Funds	150	-	-	-	150
Investments in Certificates of Deposit	279,229	-	-	-	279,229
<b>Total Assets</b>	<b>\$ 358,632</b>	<b>\$ 383,736</b>	<b>\$ 14,510</b>	<b>\$ -</b>	<b>\$ 756,878</b>
<b>Liabilities</b>					
Accounts Payable	\$ 15,518	\$ 25,331	\$ 4,675	\$ -	\$ 45,524
Accrued Expenses	-	11,910	-	-	11,910
Due to Other Funds	-	-	150	-	150
<b>Total Liabilities</b>	<b>15,518</b>	<b>37,241</b>	<b>4,825</b>	<b>-</b>	<b>57,584</b>
<b>Fund Balances</b>					
Restricted	-	346,495	9,685	-	356,180
Unassigned	343,114	-	-	-	343,114
<b>Total Fund Balances</b>	<b>343,114</b>	<b>346,495</b>	<b>9,685</b>	<b>-</b>	<b>699,294</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 358,632</b>	<b>\$ 383,736</b>	<b>\$ 14,510</b>	<b>\$ -</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

	5,250
<b>Net Position of Governmental Activities</b>	<b>\$ 704,544</b>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2019**

	General Fund	Special Revenue Funds			Total Governmental Funds
	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Non- Major Fund	
<b>Revenues</b>					
Grants	\$ -	\$ 288,546	\$ 48,540	\$ -	\$ 337,086
Criminal Fees	80,886	-	-	-	80,886
Supreme Court Reimbursements	28,522	-	-	-	28,522
Civil Fees	25,407	-	-	-	25,407
Judicial Probation Fees	-	5,401	-	-	5,401
Interest and Miscellaneous	2,389	-	9	-	2,398
<b>Total Revenues</b>	<b>137,204</b>	<b>293,947</b>	<b>48,549</b>	<b>-</b>	<b>479,700</b>
<b>Expenditures</b>					
Current					
Administrative Service	-	226,600	-	-	226,600
Library	66,560	-	488	-	67,048
Salary Reimbursement	11,065	-	50,241	-	61,306
Professional Fees	34,426	2,275	600	-	37,301
Office Supplies	17,746	6,882	-	-	24,628
Testing and Laboratory	-	18,627	-	-	18,627
Payroll Taxes	-	17,117	-	-	17,117
Office Rent/Lease	-	17,074	-	-	17,074
Utilities	3,244	6,269	-	-	9,513
Travel Expenses	4,650	1,129	-	-	5,779
Other Rent/Lease	4,527	-	-	-	4,527
Conferences and Dues	4,104	400	-	-	4,504
Repairs and Maintenance	795	2,355	-	-	3,150
Jury and Court Lunches	1,390	-	-	-	1,390
Other Operating Expenses	651	564	53	29	1,297
Advertising and Public Relations	49	-	-	-	49
General Insurance (Recovery)	-	(1,423)	-	-	(1,423)
Capital Outlay	151	342	-	-	493
<b>Total Expenditures</b>	<b>149,358</b>	<b>298,211</b>	<b>51,382</b>	<b>29</b>	<b>498,980</b>
<b>Net Change in Fund Balances</b>	<b>(12,154)</b>	<b>(4,264)</b>	<b>(2,833)</b>	<b>(29)</b>	<b>(19,280)</b>
<b>Fund Balances</b>					
<b>Beginning of Year</b>	<b>355,268</b>	<b>350,759</b>	<b>12,518</b>	<b>29</b>	<b>718,574</b>
<b>End of Year</b>	<b>\$ 343,114</b>	<b>\$ 346,495</b>	<b>\$ 9,685</b>	<b>\$ -</b>	<b>\$ 699,294</b>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2019**

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

Net Change in Fund Balances - Total Governmental Funds	\$ (19,280)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.	(2,593)
The net effect of miscellaneous transactions involving capital assets to decrease net position.	<u>(27)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ (21,900)</u></u></b>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Statement of Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019**

	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash and Cash Equivalents	\$ 3,803
<b>Total Assets</b>	<u>\$ 3,803</u>
<b>Liabilities</b>	
Due to Others	\$ 3,803
<b>Total Liabilities</b>	<u>\$ 3,803</u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 1. Description**

The Fortieth Judicial District Court (the Court) was created by Act No. 52 of the 1984 Regular Louisiana Legislative Session as a level of the judicial branch of government and is charged with trying all cases that involve the government and with the administration of justice within its jurisdiction, which encompasses all of St. John the Baptist Parish (the Parish). The Fortieth Judicial District is comprised of three (3) independently elected judges with six-year terms.

**Note 2. Summary of Significant Accounting Policies**

**Basis of Presentation**

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

**Reporting Entity**

The Fortieth Judicial District Court judges are independently elected officials. However, the Court is fiscally dependent on St. John the Baptist Parish Government for office space, courtrooms, and related utility costs, as well as partial funding of salaries.

The accompanying financial statements present information only on the funds maintained by the Court and do not present information on St. John the Baptist Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Government-Wide Financial Statements (Continued)**

*Program Revenues*

Program revenues reduce the cost of the function to be financed from the general revenues. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by the program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

**Fund Accounting**

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Separate financial statements are provided for the major governmental funds.

*Judicial Expense Fund (General Fund)*

The Judicial Expense Fund was created by the State of Louisiana Act No. 52, House Bill No. 39 of the 1984 Regular Legislative Session. It authorized collection from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum not to exceed fifteen dollars. In all criminal cases, there shall be collected an amount not to exceed seven dollars and fifty cents from every defendant who is convicted after a trial or other plea of guilty or who forfeits his bond. These costs are to be in addition to all other fines, costs, or forfeitures imposed by law. Act 834, Section 571.11 of the 1993 Regular Legislative Session, authorizes all judgments of bond forfeitures resulting from the posting of surety bonds in criminal proceedings in the State of Louisiana shall be collected by the district attorney. The district attorney shall distribute ten percent of all funds collected to the court fund of the parish where the bond was posted. In general, the funds may be used for any purpose or purposes connected with the incidental services or related to proper administration or function of the offices of the individual judges.

*Adult Drug Court Fund*

This special revenue fund receives revenue in the form of grants from the State of Louisiana, St. John the Baptist Parish, and the federal government through the Temporary Assistance for Needy Families (TANF) program.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Continued)**

*Families in Need of Services Fund (FINS)*

This special revenue fund receives revenue in the form of grants from the Louisiana Supreme Court through the Families in Need of Services Assistance Program. The fund uses revenue to help provide early judicial intervention to prevent delinquency and child abuse.

*Fiduciary Funds*

Fiduciary funds are used to account for assets held by the Court in a trustee capacity. The Court maintains an agency fund to report the balance of a Cy Pres account, which is used for cash held by the Court for distribution to charitable causes.

**Fund Financial Statements**

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Court or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten percent of the corresponding total for all governmental funds.

The amounts reflected in the fund financial statements are based on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (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 Court considers all revenues available if they are collected within sixty 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 are 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* - Grants, court fines and fees, and interest are recorded when earned and measurable.

*Expenditures* - The major expenditures are recorded when the related liability is incurred.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Cash and Cash Equivalents and Investments**

Under state law, the Court may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

The Court defines cash and cash equivalents to include cash on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less when purchased.

**Receivables**

Receivables are recorded for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months. No allowance for uncollectible accounts has been established as all receivables are considered collectible.

**Capital Assets**

All capital assets of the Court are recorded at historical cost and are reported on the government-wide financial statements. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. All capital assets, other than land, are depreciated using the straight-line method over five to seven years.

**Equity Classifications**

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Court's policy is to apply restricted net position first.



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 2. Summary of Significant Accounting Policies (Continued)**

**Equity Classifications (Continued)**

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - Consists of amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - Consists of all other amounts not included in other spendable classifications.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unassigned resources are available.

**Interfund Transactions**

Permanent re-allocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**Use of Estimates**

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

**Budget Policies**

The Court has adopted an annual budget for its governmental funds (which include the Judicial Expense Fund, Adult Drug Court Fund, FINS Fund, and Juvenile Probation Fund) on a basis consistent with generally accepted accounting principles for all governmental funds. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Court. Budgeted amounts in the accompanying financial statements include all amendments. The Court does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

**Impact of Recently Issued Accounting Pronouncements**

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 3. Cash and Cash Equivalents**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be recovered. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2019, Division A of the Court had a bank balance of \$126,250 exposed to custodial credit risk. As of December 31, 2019, the balance exposed to custodial credit risk was fully collateralized.

Under state law, 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 no less than the amount on deposit with the fiscal agent bank. 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. The custodial bank must advertise and sell the pledged securities within ten days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**Note 4. Receivables**

The receivables at December 31, 2019, are summarized below:

<b>Class of Receivable</b>	<b>Judicial Expense Fund</b>	<b>Adult Drug Court Fund</b>	<b>FINS Fund</b>	<b>Total</b>
Intergovernmental				
Grants	\$ -	\$ 23,767	\$ -	\$ 23,767
Court Costs and Fees	14,507	-	-	14,507
<b>Total</b>	<b>\$ 14,507</b>	<b>\$ 23,767</b>	<b>\$ -</b>	<b>\$ 38,274</b>

Management considers all of the receivables outstanding at December 31, 2019 to be fully collectible. Accordingly, no provision for uncollectible accounts has been recorded.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

**Note 5. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

<b>Furniture and Equipment</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Division A	\$ 75,132	\$ -	\$ (1)	\$ 75,131
Division B	63,069	-	-	63,069
Division C	61,688	151	(148)	61,691
Adult Drug Court	27,484	344	-	27,828
FINS	2,658	-	-	2,658
Juvenile Probation	4,363	-	-	4,363
<b>Total Cost</b>	<b>234,394</b>	<b>495</b>	<b>(149)</b>	<b>234,740</b>
Less: Accumulated Depreciation	226,524	3,088	(122)	229,490
<b>Capital Assets, Net</b>	<b>\$ 7,870</b>	<b>\$ (2,593)</b>	<b>\$ (27)</b>	<b>\$ 5,250</b>

**Note 6. Compensated Absences**

**Vacation Leave**

The Judges of the Court establish vacation policies for their respective employees. All other employees generally earn vacation according to the following length of employment:

One Year of Employment	-	One Week Vacation
Two Years of Employment	-	Two Weeks Vacation
Five Years of Employment	-	Three Weeks Vacation
Fifteen Years of Employment	-	Four Weeks Vacation

In general, unused vacation time cannot be carried over from one calendar year to the next, and employees are required to use vacation time in the year earned. Upon termination, unused vacation time is paid to all employees in good standing with the Court.

**Sick Leave**

Employees are allocated up to eighteen days of sick leave each year based on length of employment and are allowed to carry forward a balance of unused sick leave days no greater than ninety days; however, accumulated sick time is not paid upon termination.

At December 31, 2019, no liability has been recorded for compensated absences since management considers the balance to be immaterial.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 7. Risk Management**

The Court is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters. To protect against these risks, the Court has purchased commercial or other insurance for the losses to which it is exposed.

**Note 8. Pension Plans**

The employees of the Court belong to the Parochial Employees' Retirement System of Louisiana (the Plan). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by St. John the Baptist Parish Government. The Court reimburses the Parish for amounts in excess of what it is required to pay.

**Note 9. Operating Lease**

The Court leases copier equipment for each division. These leases have been classified as operating leases and, as such, rental payments have been recorded as operating expenditures. The Division C copier and the office space for the Adult Drug Court in LaPlace, Louisiana, are rented on a monthly basis without definitive lease terms; therefore, they are not included in the long-term lease schedule below.

Total rent expense for the year ended December 31, 2019 was \$21,601. Future minimum lease payments are as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2020	\$ 1,826
2021	<u>960</u>
<b>Total</b>	<b><u>\$ 2,786</u></b>

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH**

**Notes to Financial Statements**

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**Note 10. Changes in Agency Fund**

The following is a summary of changes in the agency fund:

	<b>Agency Funds</b>
<b>Balances, Beginning of Year</b>	\$ 3,980
Additions	-
Reductions	(177)
<b>Balances, End of Year</b>	<u>\$ 3,803</u>

**Note 11. Excess of Expenditures Over Appropriations**

During the year ended December 31, 2019, the governmental funds' actual expenditures of \$498,980 exceeded its budgeted appropriations of \$457,250, resulting in an unfavorable variance of \$41,730.

**Note 12. Subsequent Events**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Court operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Court.

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
Governmental Funds  
For the Year Ended December 31, 2019**

	Budgetary Amounts		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Grants	\$ 298,400	\$ 269,750	\$ 337,086	\$ 67,336
Criminal Fees	95,000	70,000	80,886	10,886
Supreme Court Reimbursements	49,540	50,000	28,522	(21,478)
Civil Fees	20,000	23,000	25,407	2,407
Judicial Probation Fees	-	-	5,401	5,401
Interest and Miscellaneous	17,100	21,100	2,398	(18,702)
<b>Total Revenues</b>	<b>480,040</b>	<b>433,850</b>	<b>479,700</b>	<b>45,850</b>
<b>Expenditures</b>				
Current				
Administrative Service	202,000	210,000	226,600	(16,600)
Library	55,000	55,000	67,048	(12,048)
Salary Reimbursement	57,000	54,900	61,306	(6,406)
Professional Fees	35,000	31,000	37,301	(6,301)
Office Supplies	25,000	19,000	24,628	(5,628)
Testing and Laboratory	25,000	14,000	18,627	(4,627)
Payroll Taxes	15,850	17,700	17,117	583
Office Rent/Lease	18,000	17,000	17,074	(74)
Utilities	15,000	8,500	9,513	(1,013)
Travel Expenses	6,000	7,800	5,779	2,021
Other Rent/Lease	4,000	4,000	4,527	(527)
Conferences and Dues	7,000	5,000	4,504	496
Repairs and Maintenance	4,000	3,500	3,150	350
Jury and Court Lunches	2,500	1,800	1,390	410
Other Operating Expenses	3,400	1,850	1,297	553
Advertising and Public Relations	1,500	500	49	451
Supplemental Pay	1,250	-	-	-
Treatment Services	2,500	600	-	600
General Insurance (Recovery)	4,000	4,600	(1,423)	6,023
Capital Outlay	5,000	500	493	7
<b>Total Expenditures</b>	<b>489,000</b>	<b>457,250</b>	<b>498,980</b>	<b>(41,730)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (8,960)</b>	<b>\$ (23,400)</b>	<b>(19,280)</b>	<b>\$ 4,120</b>
<b>Fund Balance</b>				
Beginning of Year			<u>718,574</u>	
End of Year			<u>\$ 699,294</u>	

See independent auditor's report.

**OTHER SUPPLEMENTARY INFORMATION**



**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedules of Compensation, Benefits, and Other Payments  
to Agency Heads  
For the Year Ended December 31, 2019**

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**Agency Head**  
Honorable Madeline Jasmine, Judge, Division A

<b>Purpose</b>	<b>Amount Paid by the Court*</b>
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$1,770
Conference Travel	\$2,506
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

\* Amounts paid to the Judge by other entities such as the Louisiana Supreme Court are not required to be reported by the Court.

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedules of Compensation, Benefits, and Other Payments  
to Agency Heads (Continued)  
For the Year Ended December 31, 2019**

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**Agency Head**  
Various Interim Judges, Division B

<b>Purpose</b>	<b>Amount Paid by the Court*</b>
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$360
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

\* Amounts paid to the Judge by other entities such as the Louisiana Supreme Court are not required to be reported by the Court.

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedules of Compensation, Benefits, and Other Payments  
to Agency Heads (Continued)  
For the Year Ended December 31, 2019**

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**Agency Head**  
Honorable J. Sterling Snowdy, Judge, Division C

<b>Purpose</b>	<b>Amount Paid by the Court*</b>
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$1,974
Conference Travel	\$2,169
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

\* Amounts paid to the Judge by other entities such as the Louisiana Supreme Court are not required to be reported by the Court.

See independent auditor's report.

**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**

Independent Auditor's Report

To the Chief Judge and Judges  
of the Fortieth Judicial District Court  
St. John the Baptist Parish  
Edgard, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Court's basic financial statements, and have issued our report thereon dated June 29, 2020.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2019-001.

**Fortieth Judicial District Court's Response to Findings**

The Fortieth Judicial District Court's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA  
June 29, 2020

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Schedule of Findings and Responses  
For the Year Ended December 31, 2019**

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**Section I. Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiency(ies) identified?	None
Noncompliance material to financial statements noted?	Yes

Federal Awards

Not applicable

**Section II. Financial Statement Findings**

**2019-001 Budget Compliance**

<i>Criteria:</i>	Louisiana Revised Statutes 39:1310-1311
<i>Condition:</i>	During our audit procedures, we noted that the 2019 amended budget had an unfavorable variance of 9% for expenditures. The unfavorable variance of 9% exceeds the 5% threshold in which the budget needs an additional amendment.
<i>Cause:</i>	Although management amended its budget once in 2019, the fourth quarter expenditures were higher than anticipated due to one case with significantly higher costs relative to the typical costs incurred.
<i>Effect:</i>	Noncompliance with the Local Government Budget Act.
<i>Recommendation:</i>	We recommend implementing a process to propose revisions to the budget when actual expenditures exceed budgeted amounts by more than 5% and making the appropriate amendments when necessary.
<i>Management's Response:</i>	The Court will implement a process to perform an additional review after year-end to propose revisions to the budget when actual expenditures exceed budgeted amounts by more than 5%.

**Section III. Federal Awards Findings and Questioned Costs**

Not applicable.

**FORTIETH JUDICIAL DISTRICT COURT  
ST. JOHN THE BAPTIST PARISH  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2019**

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**Financial Statement Findings**

None.

**Federal Awards Findings and Questioned Costs**

Not applicable.

## AGREED-UPON PROCEDURES REPORT

Fortieth Judicial District Court

Independent Accountant's Report  
on Applying Agreed-Upon Procedures

**For the Period of January 1, 2019 - December 31, 2019**

To the Chief Judge and the Judges of the  
Fortieth Judicial District Court  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Fortieth Judicial District Court (the Court) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 to December 31, 2019. The Court's management is responsible for those C/C areas identified in the SAUPs.

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.

Our procedures and results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.



- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: We obtained the Court's policies and procedures and noted a credit card policy and travel policy. There are no formal written policies for budgeting, purchasing, disbursements, receipts, payroll, contracting, ethics, and disaster recovery/business continuity. The Court does not have any debt.

### ***Bank Reconciliations***

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2. 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 each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We obtained from management a listing of bank accounts and management's representation that the listing was complete. Management also identified the entity's main operating accounts; since each division has a main operating account, there are three main operating accounts. We tested a total of 7 accounts. For all accounts, bank reconciliations were prepared within two months of the related statement closing date. Although bank reconciliations are performed by an outsourced accountant for segregation of duties, there was no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks had reviewed each bank reconciliation. There were no outstanding reconciling items more than twelve months old.

### ***Collections***

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- 3. 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).

Results: We obtained 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 was complete.

- 4. 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.

Results: For procedures c) and d), no exceptions were noted. For procedure a) above, we noted that for the drug court location, employees responsible for cash collections share a cash drawer. We noted for procedure b) above, all employees that collect cash/money orders also make deposits.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: Employees who have access to cash are not covered by bond or insurance policy for theft.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #2 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). 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.

Results: For procedures c) and e), no exceptions were noted. While performing procedures a) and b), we noted 2 of the deposits selected did not have receipts. While performing procedure d) above, we noted there was no way for us to determine when the checks were received; therefore, we could not determine the number of days from receipt to deposit.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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7. 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).

Results: We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.

8. For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: There were no written policies and procedures for non-payroll disbursements. At least two employees are involved in initiating a purchase request, approving, and placing an order. Two employees are also involved in processing and approving payments to vendors. Procedure c) above is not applicable due to the lack of vendor files associated with the manual check-writing process. For procedure d) above, we did note that the employees responsible for processing payments also mail them.

9. For each location selected under #7 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 #8, as applicable.

Results: No exceptions were noted as a result of these procedures.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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10. 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.

Results: We obtained 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, and management's representation that the listing is complete.

11. 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.

Results: There was no evidence that the monthly statements were reviewed and approved in writing by someone other than the authorized card holder. For procedure b) above, we noted one late fee was assessed.

12. Using the monthly statements or combined statements selected under #11 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).

Results: No exceptions were noted as a result of these procedures.

### ***Travel and Expense Reimbursement***

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

Results: We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. There were no exceptions noted for procedures b) and c). For procedure a) above, 3 of the 5 reimbursements tested used the incorrect mileage rate for reimbursement. For procedure d), each reimbursement was not reviewed and approved in writing by someone other than the person receiving the reimbursement.

### ***Payroll and Personnel***

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

Results: We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We noted that 2 of the 5 employees tested had evidence in their personnel files showing that the pay rate was approved and that it matched the pay rate paid. The other 3 employees selected did not have evidence in their personnel files to support the pay rate paid.

15. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #14 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: No exceptions were noted as a result of these procedures.

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

Results: We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the listing is complete. No employees were terminated during the fiscal period.

17. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Management represented that all necessary contributions were automatically withdrawn and submitted by the required deadlines every payroll period.

### ***Ethics (excluding nonprofits)***

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18. Using the 5 randomly selected employees/officials from procedure #14 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates that 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.

Results: Documentation demonstrates ethics training was completed by all employees in 2019. For procedure b), we noted no formal ethics policy.

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*. 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 those C/C areas identified in the SAUPs. 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 those C/C areas identified in the SAUPs, and the results 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 cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA  
June 29, 2020

**Management Response**  
**Fortieth Judicial District Court**  
**For the Period of January 1, 2019 - December 31, 2019**

To Whom it May Concern,

The Judges of the Fortieth Judicial District Court are responsible for responding to the results of the preceding agreed-upon procedures report. Management's responses are as follows:

**Written Policies and Procedures**

**Results:** We obtained the Court's policies and procedures and noted a credit card policy and travel policy. There are no formal written policies for budgeting, purchasing, disbursements, receipts, payroll, contracting, ethics, and disaster recovery/business continuity. The Court does not have any debt.

**Management Response:** Management will review and consider whether a written policy is necessary to include budgeting, purchasing, disbursements, receipts, payroll, contracting, ethics, and disaster recovery/business continuity.

**Bank Reconciliations**

**Results:** We obtained from management a listing of bank accounts and management's representation that the listing is complete. Management also identified the entity's main operating accounts; since each division has a main operating account, there are three main operating accounts. We tested a total of 7 accounts. Bank reconciliations were prepared within two months of the related statement closing date. Although bank reconciliations are performed by an outsourced accountant for segregation of duties, there is no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. There were no outstanding reconciling items more than twelve months old.

**Management Response:** Management has deemed the act of using an outsourced accounting firm to prepare bank reconciliations an effective use of the segregation of duties. Management will consider the need to revise its practice and policy.

**Collections**

**Results:** For procedures c) and d), no exceptions were noted. For procedure a) above, we noted that for the drug court location, employees responsible for cash collections share a cash drawer. We noted for procedure b) above, all employees that collect cash/money orders also make deposits.

**Management Response:** Management has established controls surrounding collection of payments at the drug court location to compensate for the risks associated with employees sharing a cash drawer; these controls have been in place throughout the period covered by the procedures. First, the court utilizes a log of money orders received at this location; this provides verification and reconciliation of the deposits. Additionally, the drug court location only accepts money orders payable to the court. Lastly, the cash drawer is frequently locked when not in use; management will ensure consistent locking of the cash drawer going forward.



**Results:** Employees who have access to cash are not covered by bond or insurance policy for theft.

**Management Response:** Management will consider a policy to address the above stated items.

**Results:** For procedures c) and e) no exceptions were noted. While performing procedures a) and b) we noted 2 of the deposits selected did not have receipts. While performing procedure d) above, we noted there was no way for us to determine when the checks were received; therefore we could not determine the number of days from receipt to deposit.

**Management Response:** Management will consider a policy to address the above stated items.

### **Non-Payroll Disbursements**

**Results:** At least two employees are involved in initiating a purchase request, approving, and placing an order. There are not two employees involved in processing and approving payments to vendors. Procedure c) above is not applicable due to the lack of vendor files associated with the manual check-writing process. For procedure d) above, we did note that the employees responsible for processing payments also mail them.

**Management Response:** Management will consider a policy to address the above stated items.

### **Credit Cards/Debit Cards**

**Results:** There was no evidence that the monthly statements were reviewed and approved in writing by someone other than the authorized card holder. For procedure b) above, there were no exceptions noted. For procedure b) above, we noted a late fee was assessed.

**Management Response:** Management will have someone other than the card holder approve monthly statements when possible. Management will ensure timely payment of credit cards in the future.

### **Travel and Expense Reimbursement**

**Results:** We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. There were no exceptions noted for procedures b) and c). For procedure a) above, 3 of the 5 reimbursements tested used the incorrect mileage rate for reimbursement. For procedure d), each reimbursement was not reviewed and approved in writing by someone other than the person receiving the reimbursement.

**Management Response:** Management will encourage all travel and expense reimbursements to be reviewed and approved by someone other than the person receiving the reimbursement if possible. Management will also ensure the proper mileage reimbursement rate is used going forward.

### **Payroll and Personnel**

**Results:** We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We noted that two of the five employees

tested had evidence in their personnel files showing that the pay rate was approved and that it matched the pay rate paid. The other three employees selected did not have evidence in their personnel files to support the pay rate paid.

**Management Response: Management will inquire about the Parish's tracking system and review its method of tracking pay rates moving forward.**

## **Ethics**

**Results:** Documentation demonstrates ethics training was completed by all employees in 2019. For procedure b), we noted no formal ethics policy.

**Management Response: Management will review and consider whether a written policy is necessary to include budgeting, purchasing, disbursements, receipts, payroll, contracting, and ethics.**

The Judges of the Court will diligently pursue resolution to these matters by December 31, 2020.