

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

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2020
With Supplemental Information Schedules**

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

Annual Financial Statements
 With Independent Auditor's Report
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Member:
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and the major funds of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland and West Carroll Parish Police Juries, as of December 31, 2020, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Fifth Judicial District - Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the Fifth Judicial District - Judicial Expense Fund as of December 31, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As described in Note 7 to the financial statements, operations of the Fifth Judicial District - Judicial Expense Fund are impacted by the pandemic caused by the Coronavirus/COVID-19. The Fifth Judicial District - Judicial Expense Fund is uncertain how and to what extent the pandemic will negatively affect operations, financial position, cash flows, and the ability to provide services. My opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules and notes to required supplementary information, the Schedule of Employer's share of the Net Pension Liability, and the Schedule of Employer Contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fifth Judicial District - Judicial Expense Fund's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head, Justice System Funding Schedules for Collecting/Disbursing, and Justice System Funding Schedules for Receiving

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Entities, as listed in the Table of Contents, as Supplementary Information are presented for the purpose of additional analysis and are not a required part of the financial statements but are required by Act 87 of the Louisiana 2020 Legislative Session.

These schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of compensation, benefits and other payments to agency head, Justice System Funding Schedule for Collecting/Disbursing and Justice System Funding Schedule for Receiving Entities are fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated May 21, 2021, on my consideration of the Fifth Judicial District - Judicial Expense Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fifth Judicial District - Judicial Expense Fund's internal control over financial reporting and compliance.



West Monroe, Louisiana
May 21, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

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

Management's Discussion and Analysis
December 31, 2020

As management of the Fifth Judicial District - Judicial Expense Fund, we offer readers of the Fifth Judicial District - Judicial Expense Fund's financial statements this narrative overview and analysis of the financial activities of the Fifth Judicial District - Judicial Expense Fund for the fiscal year ended December 31, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

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

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

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fifth Judicial District - Judicial Expense Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fifth Judicial District - Judicial Expense Fund are governmental funds.

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fifth Judicial District - Judicial Expense Fund exceeded liabilities by \$364,585. Approximately 1% of the Fifth Judicial District - Judicial Expense Fund's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. The restricted assets are to defray excessive costs incurred in first degree murder cases or very serious felony trials wherein venue has been changed.

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

STATEMENT OF NET POSITION

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$376,033	\$351,690
Receivables	35,146	31,334
Capital assets (net of accumulated depreciation)	<u>1,881</u>	<u>2,508</u>
TOTAL ASSETS	<u>413,060</u>	<u>385,532</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	<u>33,926</u>	<u>107,737</u>
LIABILITIES		
Accounts payable	9,437	4,066
Payroll withholdings payable	15,013	16,985
Net pension liability	<u>1,106</u>	<u>124,323</u>
TOTAL LIABILITIES	<u>25,556</u>	<u>145,374</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	56,845	9,461
NET POSITION		
Invested in capital assets, net of related debt	1,881	2,508
Unrestricted	<u>362,704</u>	<u>266,486</u>
	<u>\$364,585</u>	<u>\$268,994</u>

STATEMENT OF ACTIVITIES

	<u>2020</u>	<u>2019</u>
Judicial:		
Personal services	\$438,802	\$468,663
Operating services	47,294	57,523
Materials and supplies	3,060	3,065
Travel	12,041	18,146
Depreciation expense	627	2,249
Total Program Expenses	<u>501,824</u>	<u>549,646</u>
Program revenues - Charges for services:		
Fees, charges, and commissions	377,582	389,833
Filing fees	<u>17,970</u>	<u>22,290</u>
Total program revenues	<u>395,552</u>	<u>412,123</u>
Net Program Expenses	<u>(106,272)</u>	<u>(137,523)</u>
General revenues		
State funds - Department of Social Services	122,813	135,579
Interest earned	937	1,325
Other revenue	<u>7,555</u>	<u>8,247</u>
Total general revenues	<u>131,305</u>	<u>145,151</u>
Change in Net Position	25,033	7,628
Net Position - Beginning of year	<u>339,552</u>	<u>330,806</u>
Net Position - End of year	<u>\$364,585</u>	<u>\$338,434</u>

Financial Analysis of the Government's Funds

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

As of December 31, 2020, the General Fund's fund balance of \$236,988 showed a decrease of \$12,323 over December 31, 2019. The Hearing Officer Fund's fund balance of \$148,198 showed an increase of \$38,603 over December 31, 2019. The FINS Fund's fund balance of \$1,543 showed a decrease of \$1,524 over December 31, 2019.

General Fund Budgetary Highlights

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

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

There were no material differences between revenues of the original budget and the final budget of the FINS fund. Differences between expenditures of the original budget and the final budget of the FINS fund were primarily due to decreases in materials and supplies and travel and other charges and an increase in operating services.

Capital Asset and Debt Administration

Capital assets. The Fifth Judicial District - Judicial Expense Fund's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$1,881 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases and no decreases in capital assets for the year.

Long-term debt. The Fifth Judicial District - Judicial Expense Fund's has debt outstanding at the end of the year of net pension liability for parochial retirement system of \$1,106.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
 December 31, 2020

ASSETS	
Cash and cash equivalents	\$376,033
Receivables	35,146
Capital assets (net of accumulated depreciation)	<u>1,881</u>
TOTAL ASSETS	<u>\$413,060</u>
DEFERRED OUTFLOW OF RESOURCES	
Pension related	<u>33,926</u>
LIABILITIES	
Liabilities	
Accounts payable	9,437
Payroll withholdings payable	15,013
Net pension liability	<u>1,106</u>
TOTAL LIABILITIES	25,556
DEFERRED INFLOWS OF RESOURCES	
Pension related	56,845
NET POSITION	
Invested in capital assets, net of related debt	1,881
Unrestricted	<u>362,704</u>
TOTAL NET POSITION	<u>\$364,585</u>

The accompanying notes are an integral part of this statement.

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

STATEMENT OF ACTIVITIES
 December 31, 2020

Judicial:	
Personal services	\$438,802
Operating services	47,294
Materials and supplies	3,060
Travel	12,041
Depreciation expense	627
Total Program Expenses	<u>501,824</u>
Program revenues - Charges for services:	
Fees, charges, and commissions	377,582
Filing fees	17,970
Total program revenues	<u>395,552</u>
Net Program Expenses	<u>(106,272)</u>
General revenues:	
State funds - Department of Social Services	122,813
Interest earned	937
Other revenues	7,555
Total general revenues	<u>131,305</u>
Change in Net Position	25,033
Net Position - Beginning of year	<u>339,552</u>
Net Position - End of year	<u>\$364,585</u>

The accompanying notes are an integral part of this statement.

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

GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2020

	...MAJOR FUNDS...			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	HEARING OFFICER FUND	FINS	
ASSETS				
Cash and cash equivalents	\$224,208	\$142,340	\$9,485	\$376,033
Receivables	27,872	7,274		35,146
TOTAL ASSETS	\$252,080	\$149,614	\$9,485	\$411,179
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$1,495		\$7,942	\$9,437
Payroll withholdings payable	13,597	\$1,416		15,013
TOTAL LIABILITIES	15,092	1,416	7,942	24,450
Fund Balance:				
Restricted - Other general government		148,198		148,198
Restricted - Health and welfare			1,543	1,543
Unassigned	236,988			236,988
TOTAL FUND BALANCE	236,988	148,198	1,543	386,729
TOTAL LIABILITIES AND FUND BALANCE	\$252,080	\$149,614	\$9,485	\$411,179

The accompanying notes are an integral part of this statement.

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

For the Year Ended December 31, 2020

Total Fund Balances at December 31, 2020 - Governmental Funds (Statement C)		<u>\$386,729</u>
Deferred outflows of resources		33,926
Cost of capital assets at December 31, 2020	\$86,735	
Less: Accumulated depreciation as of December 31, 2020	<u>(84,854)</u>	<u>1,881</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability		(1,106)
Deferred inflows of resources		<u>(56,845)</u>
Net Position at December 31, 2020 (Statement A)		<u><u>\$364,585</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
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 GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
 and Changes in Fund Balances

For the Year Ended December 31, 2020

	...MAJOR FUNDS...			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	HEARING OFFICER FUND	FINS	
REVENUES				
Intergovernmental:				
State funds - Department of Social Services		\$91,160	\$31,653	\$122,813
Fees, charges, and commissions for services - court costs	\$368,882	8,700		377,582
Filing fees	17,970			17,970
Use of money and property - interest earnings	712	221	4	937
Other revenues	5,653			5,653
Total revenues	<u>393,217</u>	<u>100,081</u>	<u>31,657</u>	<u>524,955</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services	378,319	59,485		437,804
Operating services	46,966	228	100	47,294
Materials and supplies	2,057	1,003		3,060
Travel and other charges	9,975	762	1,304	12,041
Total expenditures	<u>437,317</u>	<u>61,478</u>	<u>1,404</u>	<u>500,199</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(44,100)	38,603	30,253	24,756
OTHER FINANCING SOURCE (Use)				
Operating transfers in	31,777			31,777
Operating transfers out			(31,777)	(31,777)
Total other financing source (use)	<u>31,777</u>	<u>NONE</u>	<u>(31,777)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>(12,323)</u>	<u>38,603</u>	<u>(1,524)</u>	<u>24,756</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>249,311</u>	<u>109,595</u>	<u>3,067</u>	<u>361,973</u>
FUND BALANCES AT END OF YEAR	<u>\$236,988</u>	<u>\$148,198</u>	<u>\$1,543</u>	<u>\$386,729</u>

The accompanying notes are an integral part of this statement.

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

For the Year Ended December 31, 2020

Total net change in fund balances - governmental funds (Statement D)	\$24,756
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(627)
Non-employer contributions to cost-sharing pension plan	1,902
Pension expense	<u>(998)</u>
Change in net position of governmental activities (Statement B)	<u>\$25,033</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
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Notes to the Financial Statements
As of and For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. REPORTING ENTITY

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

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

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

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Notes to the Financial Statements (Continued)

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

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

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses,

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

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

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

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

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

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

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

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

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

Governmental Fund Type - Major Funds

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the district and is used to account for the operations of the district's office. The various fees and charges due to the district's office are accounted for in this fund. General operating expenditures are paid from this fund.

Hearing Officer Fund

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

Families in Need of Services (FINS)

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

D. BASIS OF ACCOUNTING

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

1. Accrual:

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

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures,

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

and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The district considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

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

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

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

Substantially all other revenues are recorded when they become available.

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

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

Expenditures

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

Other Financing Sources (Uses)

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

E. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2020, the district has cash and cash equivalents (book balances) totaling \$376,033.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the judicial expense that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the judicial expense's name. The judicial expense does not have a policy concerning custodial risk.

Cash (bank balance) at December 31, 2020 of \$381,008 is fully secured by federal deposit insurance and pledged securities.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value.

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

at the date of donation. The district maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the district, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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

G. ANNUAL AND SICK LEAVE

The Fifth Judicial District - Judicial Expense Fund has no annual and sick leave policy.

H. RISK MANAGEMENT

The court is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the court maintains commercial insurance policies covering automobiles, workmen's compensation and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2020.

I. PENSION PLANS

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

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

J. EQUITY CLASSIFICATIONS

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

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

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

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

Nonspendable - represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

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

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

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

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

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

The General Fund has an unassigned fund balance of \$236,988. If applicable, the judicial expense would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds. The judicial expense fund considers restricted amounts have been spent when an expenditure has been incurred for the purpose for which both restricted and unrestricted fund balance is available.

K. INTERFUND TRANSACTIONS

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

L. ELIMINATION AND RECLASSIFICATIONS

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

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

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

N. ESTIMATES

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

O. TOTAL COLUMN ON THE BALANCE SHEET

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

2. RECEIVABLES

The following is a summary of receivables at December 31, 2020:

<u>Class of Receivable</u>	
State grants	\$7,274
Local funds	23,358
Fees, charges, and commissions for services:	
Filing fees	1,410
Court costs	<u>3,104</u>
Total	<u>\$35,146</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, December 31, 2019	\$86,735
Additions	NONE
Deletions	<u>NONE</u>
Balance, December 31, 2020	86,735
Less accumulated depreciation	<u>(84,854)</u>
Net Capital Assets	<u>\$1,881</u>

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

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

Parochial Employees' Retirement System of Louisiana (System)

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

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

Summary of Significant Accounting Policies.

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

The System's employer pension schedules were prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of December 31, 2019.

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

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's

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

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

Plan Description.

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

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

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

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

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

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2019. Access to the report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's website, www.la.state.la.us.

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

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2019, the actuarially determined contribution rate was 12.18% of member's compensation for Plan A. However, the actual rate for the fiscal year ended December 31, 2019 was 11.50% for Plan A.

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

For the years ending December 31, 2020 and 2019 the Fifth Judicial District Judicial Expense Fund reported an liability of \$1,106 and \$121,229, respectively for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Fifth Judicial District Judicial Expense Fund s' proportion of the net pension liability was based on a projection of the Fifth Judicial District Judicial Expense Fund s' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers', actuarially determined. At December, 31, 2019, the Fifth Judicial District Judicial Expense Fund s' proportion was .0235 percent, which was an increase of .0031 from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020 and 2019, the Fifth Judicial District Judicial Expense Fund recognized pension expense of \$21,436 and \$47,109, respectively. At December 31, 2019, the Fifth Judicial District Judicial Expense Fund reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$9,905
Changes in assumptions	\$15,452	
Net differences between projected and actual earnings on pension plan		41,474

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

Changes in employers proportion of beginning NPL		\$5,447
Differences between employer and proportionate share of contributions	\$230	19
Subsequent measurement contributions	18,244	
Total	\$33,926	\$56,845

\$18,244 reported as deferred outflows of resources related to pensions resulting from the Fifth Judicial District Judicial Expense Fund s' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	(\$10,120)
2021	(12,027)
2022	(341)
2023	(18,675)
Total	(\$41,163)

Actuarial assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	December 31, 2019
Actuarial cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	6.50%, net of investment expense, including inflation
Projected salary increases	4.75%
Inflation rate	2.40%
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.
Expected remaining service lives	2014 - 4 years, 2015 - 4 years, 2016 - 4 years, 2017 - 4 years, 2018 - 4 years, 2019 - 4 years

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

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the fund and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
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The discounted rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.18% for the year ended December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-term Expected Portfolio Real Rate of Return
Fixed Income	35%	1.05%
Equity	52%	3.41%
Alternatives	11%	0.61%
Real assets	2%	0.11%
Totals	100%	5.18%
Inflation		2.00%
Expected Arithmetic Nominal Return		7.18%

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

Sensitivity of the Fifth Judicial District Judicial Expense Funds' proportionate share of the net pension liability to changes in the discount rate.

The following presents the net pension asset of the participating employers calculated using the discount rate of 6.50%, as well as what the employers' net pension liability as of December 31, 2019, would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Fifth Judicial District Judicial Expense Funds' proportionate share of the net pension liability	\$119,581	\$1,106	(\$1,902)

Payables to the Pension Plan

The financial statements include a payable to the pension plan of \$8,326, which is the legally required contribution due at December 31, 2020. This amount is recorded in accrued expenses.

5. LITIGATION AND CLAIMS

The Fifth Judicial District - Judicial Expense Fund is not involved in any litigation at December 31, 2020, nor is it aware of any unasserted claims.

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

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

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 21, 2021, which is the date the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The

FIFTH JUDICIAL DISTRICT -
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COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Fifth Judicial District - Judicial Expense Fund and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

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

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Fees, charges and commissions for services- court costs	\$377,877	\$362,893	\$368,882	\$5,989
Filing fees	23,000	17,320	17,970	650
Use of money and property - interest earnings	470	695	712	17
Other revenues	5,653	5,653	5,653	
Total revenues	<u>407,000</u>	<u>386,561</u>	<u>393,217</u>	<u>6,656</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services and related benefits	387,906	389,308	378,319	10,989
Operating services	54,300	50,580	46,966	3,614
Materials and supplies	3,900	1,171	2,057	(886)
Travel and other charges	11,800	10,023	9,975	48
Capital outlay	4,000			
Total expenditures	<u>461,906</u>	<u>451,082</u>	<u>437,317</u>	<u>13,765</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(54,906)	(64,521)	(44,100)	20,421
OTHER FINANCING SOURCE				
Operating transfers in	<u>31,770</u>	<u>34,424</u>	<u>31,777</u>	<u>(2,647)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	<u>(23,136)</u>	<u>(30,097)</u>	<u>(12,323)</u>	<u>17,774</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>290,610</u>	<u>243,627</u>	<u>249,311</u>	<u>5,684</u>
FUND BALANCE AT END OF YEAR	<u>\$267,474</u>	<u>\$213,530</u>	<u>\$236,988</u>	<u>\$23,458</u>

See accompanying note to budgetary comparison schedule.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL EXPENSE FUND
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BUDGETARY COMPARISON SCHEDULE
 HEARING OFFICER FUND
 For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State funds - Department of Social Services	\$96,000	\$91,700	\$91,160	(\$540)
Fees, charges, and commissions for services - court costs	9,000	8,300	8,700	400
Use of money and property - interest earnings	200	227	221	(6)
Total revenues	<u>105,200</u>	<u>100,227</u>	<u>100,081</u>	<u>(146)</u>
EXPENDITURES				
Current:				
General government - judicial:				
Personal services and related benefits	59,586	59,486	59,485	1
Operating services	2,800	230	228	2
Materials and supplies	1,150	510	1,003	(493)
Travel and other charges	2,000	1,009	762	247
Capital outlay	1,000	495		495
Total expenditures	<u>66,536</u>	<u>61,730</u>	<u>61,478</u>	<u>252</u>
EXCESS OF REVENUES OVER EXPENDITURES	38,664	38,497	38,603	106
FUND BALANCE AT BEGINNING OF YEAR	<u>91,544</u>	<u>102,205</u>	<u>109,595</u>	<u>7,390</u>
FUND BALANCE AT END OF YEAR	<u>\$130,208</u>	<u>\$140,702</u>	<u>\$148,198</u>	<u>\$7,496</u>

See accompanying note to budgetary comparison schedule.

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

BUDGETARY COMPARISON SCHEDULE
 FINS FUND
 For the Year Ended December 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State funds	\$36,636	\$31,636	\$31,653	\$17
Use of money and property - interest earnings	3	3	4	1
Total revenues	<u>36,639</u>	<u>31,639</u>	<u>31,657</u>	<u>18</u>
EXPENDITURES				
Current:				
General government - judicial:				
Operating services		100	100	
Materials and supplies	700			
Travel and other charges	4,000	1,677	1,304	373
Total expenditures	<u>4,700</u>	<u>1,777</u>	<u>1,404</u>	<u>373</u>
EXCESS OF REVENUES OVER EXPENDITURES	31,939	29,862	30,253	391
OTHER FINANCING USE				
Operating transfer out	(31,770)	(31,777)	(31,777)	
Total other financing use	<u>(31,770)</u>	<u>(31,777)</u>	<u>(31,777)</u>	<u>NONE</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USE	<u>169</u>	<u>(1,915)</u>	<u>(1,524)</u>	<u>391</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>297</u>	<u>5,858</u>	<u>3,067</u>	<u>(2,791)</u>
FUND BALANCE AT END OF YEAR	<u>\$466</u>	<u>\$3,943</u>	<u>\$1,543</u>	<u>(\$2,400)</u>

See accompanying note to budgetary comparison schedule.

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

NOTE TO BUDGETARY COMPARISON SCHEDULES
For the Year Ended December 31, 2020

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

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

**Fifth Judicial District-
Judicial Expense Fund
Parochial Employment Retirement System
Schedule of Employer's Share of Net Pension Liability
December 31, 2020**

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

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

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

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

**Fifth Judicial District-
Judicial Expense Fund
Parochial Employee Retirement System
Schedule of Employer Contributions
December 31, 2020**

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

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

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

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

Other Supplemental Schedules

FIFTH JUDICIAL DISTRICT-
JUDICIAL EXPENSE FUND

Winnsboro, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2020

JOHN C. "CLAY" HAMILTON, CHIEF JUDGE

<u>PURPOSE</u>	<u>AMOUNT</u>
Car Allowance	\$1,066
Other reimbursements - cellphone	1,455

See independent auditor's report.

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

JUSTICE SYSTEM FUNDING SCHEDULE
 COLLECTING/DISBURSING ENTITY
 JUDICIAL EXPENSE FUND
 For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected	NONE	NONE
Add: Collections		
Probation/Parole/Supervision Fees	<u>\$69,061</u>	<u>\$67,024</u>
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	<u>69,061</u>	<u>67,024</u>
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u><u>NONE</u></u>	<u><u>NONE</u></u>

See independent auditor's report.

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

JUSTICE SYSTEM FUNDING SCHEDULE
 COLLECTING/DISBURSING ENTITY
 HEARING OFFICE FUND
 For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended <u>6/30/2020</u>	Second Six Month Period Ended <u>12/31/2020</u>
Beginning Balance of Amounts Collected	NONE	NONE
Add: Collections		
Probation/Parole/Supervision Fees	<u>\$4,050</u>	<u>\$4,650</u>
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	<u>4,050</u>	<u>4,650</u>
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u><u>NONE</u></u>	<u><u>NONE</u></u>

See independent auditor's report.

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

JUSTICE SYSTEM FUNDING SCHEDULE
 RECEIVING ENTITY
 JUDICIAL EXPENSE FUND
 For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended <u>6/30/2020</u>	Second Six Month Period Ended <u>12/31/2020</u>
Receipts From:		
Franklin Parish Sheriff - Criminal Court Costs/Fees	\$4,141	\$1,790
Franklin Parish Sheriff - Criminal Fines-other	30,547	30,568
Richland Parish Sheriff - Criminal Court Costs/Fees	20,897	19,032
Richland Parish Sheriff - Criminal Fines-other	30,548	30,568
West Carroll Parish Sheriff - Criminal Court Costs/Fees	1,780	1,443
West Carroll Parish Sheriff - Criminal Fines-other	30,578	30,568
Franklin Parish Clerk of Court - Criminal Court Costs/Fees	2,730	3,300
Richland Parish Clerk of Court - Criminal Court Costs/Fees	3,945	4,035
West Carroll Clerk of Court - Criminal Court Costs/Fees	<u>2,220</u>	<u>2,145</u>
Subtotal Receipts	<u>\$127,386</u>	<u>\$123,449</u>
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>NONE</u>	<u>NONE</u>

See independent auditor's report.

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

JUSTICE SYSTEM FUNDING SCHEDULE
 RECEIVING ENTITY
 HEARING OFFICE FUND
 For the Year Ended December 31, 2020

CASH BASIS PRESENTATION	First Six Month Period Ended <u>6/30/2020</u>	Second Six Month Period Ended <u>12/31/2020</u>
Receipts From:		
State of Louisiana -		
Other (Hearing Officer Fees - 5% Child Support)	<u>\$47,551</u>	<u>\$45,251</u>
Total: Ending Balance of Amounts collected but not Disbursed/Retained	<u>NONE</u>	<u>NONE</u>

See independent auditor's report.

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

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

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

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards***

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and the major funds of the Fifth Judicial District - Judicial Expense Fund, a component unit of the Franklin, Richland and West Carroll Parish Police Juries as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Fifth Judicial District - Judicial Expense Fund's basic financial statements, and have issued my report thereon dated May 21, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

FIFTH JUDICIAL DISTRICT -
JUDICIAL EXPENSE FUND
PARISHES OF FRANKLIN, RICHLAND
AND WEST CARROLL PARISHES
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2020

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fifth Judicial District - Judicial Expense Fund's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



West Monroe, Louisiana

May 21, 2021

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

Schedule of Audit Results
For the Year Ended December 31, 2020

A. SUMMARY OF AUDIT RESULTS

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2020

There were no findings reported in the audit report for the year ended December 31, 2019.