

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2019



WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

JUNE 30, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Honorable Scott Sartin, Judge
Winnsboro City Court
Winnsboro, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Winnsboro City Court (the Court), a component unit of the City of Winnsboro, Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Court's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Other Matters

Supplementary Information

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency heads on page 29 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 and page 21, 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. I have not audited or reviewed such required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on it.

The accompanying budgetary comparison information has been reviewed by us, and based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information, and, accordingly, do not express an opinion on such information.

Maxwell CPA, LLC

Monroe, Louisiana
December 27, 2019

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

WARD 7/WINNSBORO CITY COURT

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2019

Our discussion and analysis of the Winnsboro City Court of Winnsboro, Louisiana (the Court) provides an overview of the Court's activities for the year ended June 30, 2019. Please read it in conjunction with the Court's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Court's financial position, which assists users in assessing the Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenditures connected with the year even if cash has not been received or paid. The Court's financial statements contain only governmental activities. The government-wide financial statements include two statements.

- The **Statement of Net Position** presents all of the Court's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the Court's net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.
- The **Statement of Activities** presents information showing how the Court's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

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 Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Court are divided into two categories: governmental funds and fiduciary 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, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Court's near term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Court.

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, users may better understand the long-term impact of the Court's near-term financing decisions. Due to the nature of the operations there were no differences between the fund financial statements and the government-wide financial statements.

The Court has two governmental funds: General Fund and the Marshal's Fund.

- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the Court. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Court's own programs. The accrual basis of accounting is used for fiduciary funds.

The Court has three fiduciary funds: the Garnishment Fund, the Civil Cost Fund, and the Fines Fund.

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

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Court's financial position. The Court's assets exceed liabilities by \$63,581 and \$63,574 as of June 30, 2019 and 2018, respectively. Of the Court's assets, \$3,894 and \$782 for years ending June 30, 2019 and 2018, respectively, were fixed assets and is not available for future spending.

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current Assets	\$ 60,169	\$ 65,792
Capital Assets	3,894	782
Current Liabilities	<u>(482)</u>	<u>(3,000)</u>
Total Net Position	<u>\$ 63,581</u>	<u>\$ 63,574</u>

Changes in Net Position

The Court's net position increased by \$7 (0%) during the year ended June 30, 2019 compared to an increase of \$2,582 (4%) during the prior year.

FINANCIAL ANALYSIS OF THE COURT'S INDIVIDUAL FUNDS

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

Governmental Funds

The focus of the Court's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Court's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Court's net resources available for spending at June 30, 2019.

As of June 30, 2019, the Court's governmental funds reported a combined ending fund balance of \$59,687, a decrease of \$3,105 compared to the prior year.

General Fund – The General Fund is the primary operating fund of the Court. The Court's share of court costs assessed by the City Court as authorized by Louisiana Statute R.S. 13:1899C, collections of traffic fines, and collections of court-imposed fines remitted to the City Court are all accounted for in this fund. General operating expenditures are paid from this fund. Unassigned fund balance was \$4,197 at the end of the current fiscal year, an increase of \$1,317 from the prior year. The increase in unassigned fund balance is due to the Court reducing operating expenditures to help offset declining revenues.

The ending fund balance of the General Fund is unassigned and available for spending in the coming year.

Marshal's Fund – This fund accounts for the City Marshal of Winnsboro share of court costs assessed by the City Court. Expenditures of the Marshal are paid from this fund. Restricted fund balance was \$55,490 at the end of the current fiscal year, a decrease of \$4,422 (7.4%) from the prior year. The decrease is due to normal operations.

GENERAL FUND BUDGETARY HIGHLIGHTS

The revenues for the year ended June 30, 2019 were \$118,840 less than budgeted while expenditures were \$110,735 less than budgeted leaving an unfavorable variance of \$8,105 for the year.

CAPITAL ASSETS

The Court's investment in capital assets for its governmental activities as of June 30, 2019 totaled \$3,894 (net of accumulated depreciation). There were \$3,502 in additions and no deletions during the year.

CONTACTING THE COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Court's offices at 1308 Cornell Street, Winnsboro, Louisiana 71295.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 59,383
Internal Balances (Net)	786
Capital Assets (net of Accumulated Depreciation)	<u>3,894</u>
 Total Assets	 <u>\$ 64,063</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 482</u>
 Total Liabilities	 482
<u>NET POSITION</u>	
Net Investment in Capital Assets	3,894
Unrestricted	<u>59,687</u>
 Total Net Position	 <u>\$ 63,581</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

<u>ASSETS</u>	<u>General Fund</u>	<u>Marshal's Fund</u>	<u>Total Governmental Funds</u>
Cash	\$ 3,893	\$ 55,490	\$ 59,383
Due from Other Funds	786	-	786
<u>TOTAL ASSETS</u>	<u>\$ 4,679</u>	<u>\$ 55,490</u>	<u>\$ 60,169</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 482	-	\$ 482
<u>FUND BALANCE</u>			
Restricted	-	55,490	55,490
Unassigned Fund Balances	4,197	-	4,197
Total Fund Balances	4,197	55,490	59,687
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 4,679</u>	<u>\$ 55,490</u>	<u>\$ 60,169</u>

See accompanying notes and independent accountant's review report.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUNDS BALANCES TO STATEMENT OF NET POSITION
JUNE 30, 2019

Total Governmental Fund Balances	\$ 59,687
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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.

3,894

Net Position of Governmental Activities	\$ <u>63,581</u>
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WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General</u> <u>Fund</u>	<u>Marshal</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Court Fees, Fines and Costs	\$ 53,562	\$ 14,661	\$ 68,223
Intergovernmental	147,937	-	147,937
Total Revenues	<u>201,499</u>	<u>14,661</u>	<u>216,160</u>
Expenditures:			
Salaries and Retirement	11,414	-	11,414
On Behalf Salaries and Benefits Paid	147,937	-	147,937
Marshal Expenses	-	19,083	19,083
Travel and Conferences	103	-	103
Telephone	6,195	-	6,195
Office and Supplies	28,476	-	28,476
Miscellaneous	2,555	-	2,555
Capital Outlay	3,502	-	3,502
Total Expenditures	<u>200,182</u>	<u>19,083</u>	<u>219,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,317	(4,422)	(3,105)
Other Financing Sources (Uses)			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,317	(4,422)	(3,105)
Fund Balances at Beginning of Year	<u>2,880</u>	<u>59,912</u>	<u>62,792</u>
Fund Balances at End of Year	<u>\$ 4,197</u>	<u>\$ 55,490</u>	<u>\$ 59,687</u>

See accompanying notes and independent accountant's review report.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ (3,105)
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Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	3,502
Depreciation expense	(390)
	3,112

Change in Net Position in Governmental Activities	\$ <u>7</u>
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WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 37,579
<u>TOTAL ASSETS</u>	<u>\$ 37,579</u>
<u>LIABILITIES</u>	
Due to Court	\$ 786
Due to Others	<u>36,793</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 37,579</u>

See accompanying notes and independent accountant's review report.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies

The Winnsboro City Court of Winnsboro, Louisiana, (the "City Court"), is a component unit of the City of Winnsboro, Louisiana. The City Court serves Ward 7 of Franklin Parish, which consists of the City of Winnsboro and surrounding areas. The City Judge is elected for six-year terms.

A. Financial Reporting Entity

As a governing authority of the City, for reporting purposes, the City of Winnsboro, Louisiana, is the financial reporting entity for the city. The financial reporting entity consists of (a) the primary government (city), (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.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the City of Winnsboro, Louisiana 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 city to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organizations is not included because of the nature or significance of the relationship.

Because of item 2 above, the Winnsboro City Court of Winnsboro, Louisiana, was determined to be a component unit of the City of Winnsboro, Louisiana, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the 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 liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

C. Fund Accounting

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the Court are classified into two categories: governmental funds and fiduciary (agency) funds. These funds are described as follows:

Governmental Funds

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

General Fund – The General Fund is the primary operating fund of the Court. The Court's share of court costs assessed by the City Court as authorized by Louisiana Statute R.S. 13:1899C, collections of traffic fines, and collections of court-imposed fines remitted to the City Court are all accounted for in this fund. General operating expenditures are paid from this fund.

Marshal's Fund – This fund accounts for the City Marshal of Winnsboro share of court costs assessed by the City Court. Expenditures of the Marshal are paid from this fund.

Fiduciary Funds

The only funds accounted for in this category by the Court are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

Garnishment Fund - The Marshal's Garnishment Fund accounts for the collection of garnishments and the remittance of these funds to garnishment payees and to the City Court and City Marshal for costs incurred in collecting and distributing the funds.

Fines Fund - This fund accounts for the collection of tickets, fines and restitution and the remittance of these funds to the appropriate payees including to the City Court and City Marshal for court operations.

Civil Cost Fund - This fund accounts for the collection of court costs in connection with civil suits. The plaintiff of each civil suit is required to make an advance payment to cover the cost incurred by the court in processing the suit.

These cash advances remain in this fund until they are earned, at which time they are disbursed to the proper entities, or until the case has been dismissed and the remaining amount refunded.

D. Measurement Focus and Basis of Accounting

Fund Financial Statements

The amounts reflected in the Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Court's operations.

The amounts reflected in the 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 Court considers all revenues available if they are collected within 60 days after the fiscal year end.

Revenues

Recordings, cancellations, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when susceptible to accrual.

Substantially all other revenues are recorded when received by the Court.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Based on the above criteria, court costs, civil fees and other fees, charges, and commissions for service are treated as susceptible to accrual.

Expenditures

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Court.

Other Financing Sources (Uses)

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

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the Court as a whole. These statements include all non-fiduciary activities of the Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs, regardless of when cash is received or disbursed.

Program Revenues

Program revenues included in the Statement of Activities are derived directly from Court users as a fee for services; program revenues reduce the cost of the function to be financed from the Court's general revenues.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of the donation. The Court maintains a threshold level of \$1,000 or more for capitalizing capital assets.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

F. Capital Assets (continued)

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated on the straight-line method over the assets' estimated useful life. Generally, estimated useful lives are as follows:

Computer Equipment	3-5 years
Furniture and Fixtures	5-10 years
Equipment	5-10 years
Renovations	7-20 years

G. Use of Estimates

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

H. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city aldermen and the Court – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city aldermen and the Court remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

H. Fund Equity (continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the court’s “intent” to be used for specific purposes, but are neither restricted nor committed. The court’s management has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the court’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Note 2 - Budgets and Budgetary Accounting

The City Judge prepares a budget on the modified accrual basis for each year prior to the beginning of the fiscal year. At year end all appropriations lapse.

Note 3 - Cash

Custodial Credit Risk – Deposits

The custodial credit risk is the risk that in the event of a bank failure, the Court’s deposits may not be returned to it. The Court’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage.

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 Court that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Court had no custodial risk related to its deposits at June 30, 2019.

At June 30, 2019, the City Court had cash (book balances) totaling \$96,962 as follows.

Bank Balances	\$ <u>118,890</u>
Federal Deposits Insurance	\$ 118,890
Pledged Securities (Uncollateralized)	<u>-</u>
<u>TOTAL</u>	<u>\$ 118,890</u>
 Governmental Funds:	
General Fund	\$ 3,893
Marshal	<u>55,490</u>
Total Governmental Funds	<u>59,383</u>

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 3 - Cash (continued)

Fiduciary (Agency) Funds:	
Garnishments	2,503
Fines	5,410
Civil Court Cost	<u>29,666</u>
Total Fiduciary Funds	37,579
Total – All Funds	<u>\$ 96,962</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Court in a holding or custodial bank that is mutually acceptable to both parties.

Note 4 - Changes in Agency Fund Deposits Due Others

A summary of changes in agency fund deposits due others follows:

	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>End</u> <u>of Year</u>
Agency Funds:				
Garnishments	\$ 2,623	\$ 58,616	\$ 58,736	\$ 2,503
Civil Court Cost	33,605	57,149	61,088	29,666
Fines	<u>7,479</u>	<u>177,589</u>	<u>179,658</u>	<u>5,410</u>
	<u>\$ 43,707</u>	<u>\$ 293,354</u>	<u>\$ 299,482</u>	<u>\$ 37,579</u>

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2019 is as follows:

	<u>June 30, 2018</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u> <u>Balance</u>
Equipment	46,433	3,502	(1,503)	48,432
Furniture and Fixtures	<u>53,795</u>	<u>-</u>	<u>-</u>	<u>53,795</u>
Total at Historical Cost	\$ 100,228	\$ 3,502	\$ (1,503)	\$ 102,227
Less Accumulated Depreciation for:				
Equipment	(46,219)	(272)	1,503	(44,988)
Furniture and Fixtures	<u>(53,227)</u>	<u>(118)</u>	<u>-</u>	<u>(53,345)</u>
Total Accumulated Depreciation	<u>(99,446)</u>	<u>(390)</u>	<u>1,503</u>	<u>(98,333)</u>
<u>Capital Assets, Net</u>	<u>\$ 782</u>	<u>\$ 3,112</u>	<u>\$ -</u>	<u>\$ 3,894</u>

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note 6 - Expenditures of the Court Paid by the City

The Court's administrative office is located in a building owned by the City of Winnsboro. The City of Winnsboro made on-behalf payments for the Court for salaries and fringe benefits and they are recorded as expenditures in the General Fund. The costs of maintaining and operating the building, as required by statute, are paid by the City government and are not included in the accompanying financial statements.

Note 7 - Pension and Retirement Plans

The City Judge is eligible to participate in the Louisiana State Employees' Retirement System (LASERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. LASERS provides benefits for certain elected officials and officials appointed by the governor. A member who has completed 20 years of creditable service is eligible for retirement. Upon retirement, the benefit amount is 2-1/2 percent of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment.

Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. The system also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - State statute requires covered employees to contribute 11.5 percent of their salaries to the system. The City is required to contribute 39 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Winnsboro on behalf payments were \$10,200 while the City Court contributed \$14,601 to the plan for the year ending June 30, 2019.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, 3401 United Plaza Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 922-0600.

Note 8 - Subsequent Events

Subsequent events have been evaluated through December 27, 2019, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Court Fees, Fines and Costs	\$ 335,000	\$ 335,000	\$ 68,223	\$ (266,777)
Intergovernmental	-	-	147,937	147,937
Transfers In	-	-	-	-
Total Revenues	<u>335,000</u>	<u>335,000</u>	<u>216,160</u>	<u>(118,840)</u>
<u>EXPENDITURES</u>				
General Government	<u>330,000</u>	<u>330,000</u>	<u>219,265</u>	<u>110,735</u>
Total Expenditures	<u>330,000</u>	<u>330,000</u>	<u>219,265</u>	<u>110,735</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>				
	5,000	5,000	(3,105)	(8,105)
<u>FUND BALANCE AT BEGINNING OF YEAR</u>				
	<u>58,596</u>	<u>58,596</u>	<u>62,792</u>	<u>4,196</u>
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ 63,596</u>	<u>\$ 63,596</u>	<u>\$ 59,687</u>	<u>\$ (3,909)</u>

See accompanying notes and independent accountant's review report.

OTHER INFORMATION



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Honorable Scott Sartin, Judge
Winnsboro City Court
Winnsboro, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Winnsboro City Court (the Court) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Court's compliance with certain laws and regulations during the year ended June 30, 2019, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000 or public works exceeding \$157,700 and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

No purchases for materials and supplies exceeding \$30,000 were made during the year. No public works expenditures exceeding \$157,700 were made during the year ended June 30, 2019.

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the requested list.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the requested list.

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

None of the employees included on the list of employees provided by management in agreed-upon procedure #3 appeared on the list provided by management in agreed-upon procedure #2 as immediate family members.



5. Obtain a list of all disbursements made during the period under examination; and a list of outside business interest of board members, employees, and board members' and employees' immediate families.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year did not exceed budgeted amounts by more than 5%. However, revenues were 35% less than the budget and the budget was not amended (Finding 19-01).

Accounting and Reporting

8. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:
 - a. Report whether the six disbursements agree to the amount and payee in the supporting documentation.

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

- b. Report whether the six disbursements were coded to the correct fund and general ledger account.

All of the six disbursements were properly coded in the general ledger.

- c. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated approvals in accordance with management's policies and procedures.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

There is no open meeting law applicable to the Winnsboro City Court.

Debt

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

I scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

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

State Audit Law

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

The Court's report was submitted timely in accordance with R.S. 24:513.

Prior-Year Comments

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

Our prior year report, dated December 21, 2018 included a comment about budget variances. The Court is working with their consulting CPA to get this item resolved.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Court's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Maxwell CPA, LLC

Monroe, Louisiana
December 27, 2019

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)**

December 12, 2019

Maxwell CPA, LLC
8649 Hwy 165 N, STE 2
Monroe, LA 71203

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you.

Public Bid Law

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

Yes [X] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [X] No []

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

Yes [X] No []

Budgeting

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

Yes [X] No []

Accounting and Reporting

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

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

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

Yes [X] No []

Meetings

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

Debt

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

Advances and Bonuses

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

Prior-Year Comments

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

General

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

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

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

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

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

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

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

<u>John Scott Martin</u>	Judge	<u>12-12-19</u>	Date
<u>[Signature]</u>	Clerk	<u>12-12-19</u>	Date
_____	Other	_____	Date

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

19-01 Local Budget Act – Unfavorable Variance

Criteria:

Louisiana law requires that budgets must be amended when there are unfavorable variances of over 5% from budget to actual.

Condition:

It was noted that actual revenues on the general fund were below total budgeted revenues by more than five percent.

Cause:

The Court did not amend its budget for the over 5% unfavorable variance.

Effect:

The Court was not in compliance with the Local Government Budget Act.

Recommendation:

If circumstances occur during the year causing unfavorable variances with the adopted budget, the Court should amend the budget.

Management's Corrective Action Plan:

The Winnsboro City Court has consulted with their contracted CPA who will help monitor the budgets more closely and make amendments as it becomes necessary.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Section I- Internal Control and Compliance Material to the Financial Statements

18-01 Local Budget Act – Unfavorable Variance

Condition:

It was noted that actual revenues on the general fund were below the total budgeted revenues by more than five percent.

Recommendation:

If circumstances occur during the year causing unfavorable variances with the adopted budget, the Court should amend the budget.

Status:

See 19-01 in the current year findings.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

WINNSBORO CITY COURT
WINNSBORO, LA
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDING JUNE 30, 2019

Agency Head -
Judge Scott Sartin

Section I

Paid by the City of Winnsboro, Louisiana

Salary	\$	10,200
Benefits - Retirement		-

Paid by the City Court of Winnsboro

Salary	24,472
Benefits - Retirement	14,601
Travel and Per Diem	-

Section II

Paid by Franklin Parish Police Jury

Salary	4,800
	<hr/>
	\$ 54,073
	<hr/> <hr/>