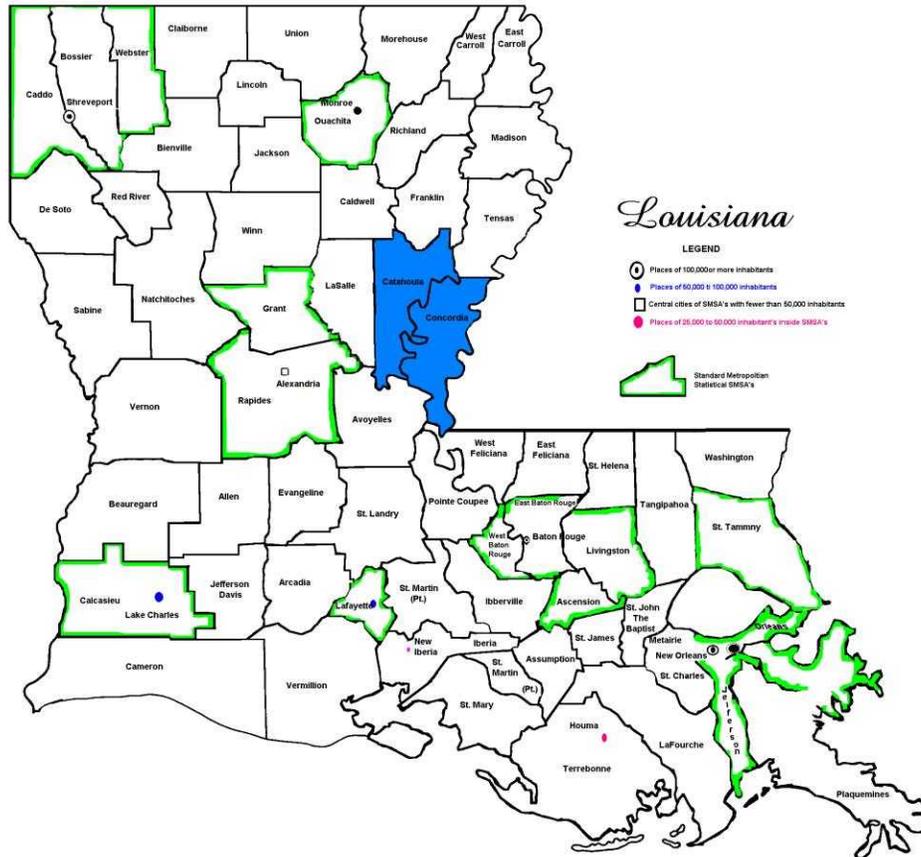


**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Basic Financial Statements
December 31, 2017**

**JUDICIAL EXPENSE FUND
& AND FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**



* The Judicial Expense Fund of the Seventh Judicial District Court was established by Act No. 916 of the 1985 Session of the Louisiana Legislature and began operating in November of 1986. The Judicial Expense Fund is controlled by the judge of the Seventh Judicial District Court and was established and may be used for any purpose connected with, incidental to, or related to the proper administration or function of the court or the office of the judge thereof, and is in addition to any and all other funds, salaries, expense, or other monies that were or hereafter will be provided, authorized, or established by law for any of the aforesaid purposes.

* The FINS program exists in all courts in Louisiana that had juvenile jurisdiction on July 1, 1994. The State of Louisiana designed the program to bring together resources for the purpose of helping families (troubled youths and their parents) to remedy self-destructive behaviors by juveniles and/or other family members. The primary purposes of this program are (a) to use the authority of the courts in providing maximum available services to families in need of services and (b) to use formal court proceedings only after all other alternatives have been exhausted. The goal of the FINS program is to reduce formal juvenile court involvement, while generating appropriate community services to benefit the child and improve family relations.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

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INDEPENDENT AUDITOR'S REPORT

Judicial Expense Fund & Families in Need of Services (FINS) Fund
for the Seventh Judicial District Court
Parishes of Catahoula & Concordia, State of Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Funds' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and each major fund of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Expense Fund and Families in Need of Service (FINS) Fund of the Seventh Judicial District Court's basic financial statements. The accompanying other supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2018, on our consideration of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The

purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana

June 21, 2018

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$192,692 (*net position*). This is a \$27,782 increase from last year, mainly due to an increase in cash and investments in the amount of \$31,014.
- The District had total revenues of \$264,804. This is a \$5,729 decrease from last year's revenues, mainly due to a decrease in charges for services in the amount of \$7,176.
- The District had total expenditures of \$210,541, which is a \$14,167 increase from last year's expenditures, mainly due to an increase in general costs in the amount of \$16,304.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

MD&A

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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Comparative Statement of Net Position Governmental Funds

The following table represents a Comparative Statement of Net Position as of December 31, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 140,444	\$ 171,458	22.1
Receivables (Net)	8,506	11,535	35.6
Capital Assets, Net of Accumulated Depreciation	23,055	17,438	-24.4
Total Assets	<u>172,005</u>	<u>200,431</u>	16.5
Liabilities			
Accounts, Salaries, & Other Payables	7,095	7,739	9.1
Total Liabilities	<u>7,095</u>	<u>7,739</u>	9.1
Net Position			
Net Investment in Capital Assets	23,055	17,438	24.4
Unrestricted	140,106	170,829	21.9
Restricted	1,749	4,425	153.0
Total Net Position	<u>\$ 164,910</u>	<u>\$ 192,692</u>	16.9

MD&A

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended December 31, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Revenues:			
Charges for Services	\$ 229,086	\$ 221,910	-3.1
Operating Grants	36,393	42,744	17.5
Intergovernmental Revenue	5,054	150	-97.0
Total Revenues	<u>270,533</u>	<u>264,804</u>	-2.1
Expenditures:			
Salaries/Personnel Costs	147,219	148,289	0.7
General	45,948	62,252	35.5
Capital Outlay	3,207	-0-	-100.0
Total Expenditures	<u>196,374</u>	<u>210,541</u>	7.2
Excess Revenues Over (Under) Expenditures	<u>74,159</u>	<u>54,263</u>	-26.8
Other Financing Sources			
Interest Income	54	104	92.6
Capital Grants	-0-	-0-	0.0
Total Other Financing Sources	<u>54</u>	<u>104</u>	92.6
Increase (Decrease) in Fund Balance	74,213	54,367	-26.7
Prior Period Adjustment	-0-	(20,968)	100.0
Beginning Fund Balance	67,642	141,855	109.7
Ending Fund Balance	<u>\$ 141,855</u>	<u>\$ 175,254</u>	23.5

CAPITAL ASSETS

Capital Assets – Governmental Fund

At December 31, 2017, the District had \$17,438 invested in capital assets, including the following:

Capital Assets at Year-End

	<u>2016</u>	<u>2017</u>
Furnishings & Equipment	\$ 125,599	\$ 125,599
Accumulated Depreciation	(102,544)	(108,161)
Total Capital Position (Net)	<u>\$ 23,055</u>	<u>\$ 17,438</u>

MD&A

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Yolanda McClure, Judicial Administrator, at phone number (318) 744-5414.

BASIC FINANCIAL STATEMENTS

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Statement of Net Position
December 31, 2017**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets	
Cash & Cash Equivalents	\$ 159,654
Investments	11,804
Receivables (Net of Allowances for Uncollectibles)	11,535
Total Current Assets	182,993
Non-Current Assets	
Capital Assets (Net)	17,438
Total Non-Current Assets	17,438
TOTAL ASSETS	200,431
LIABILITIES	
Current Liabilities	
Accounts, Salaries, & Other Payables	7,739
Total Current Liabilities	7,739
TOTAL LIABILITIES	7,739
NET POSITION	
Net Investment in Capital Assets	17,438
Unrestricted	170,829
Restricted	4,425
TOTAL NET POSITION	\$ 192,692

The accompanying notes are an integral part of this statement.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Statement of Activities
For the Year Ended December 31, 2017**

GOVERNMENTAL ACTIVITIES	<u>Expenses</u>	PROGRAM REVENUES			<u>Net (Expenses)/ Revenue</u>	NET (EXPENSES) REVENUES & CHANGE IN NET POSITION PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Net (Expenses)/ Revenue</u>	<u>Governmental Activities</u>
General	\$ (175,940)	\$ 221,910	\$ -0-	\$ -0-	\$ 45,970	\$ 45,970
FINS	(40,218)	-0-	42,744	-0-	2,526	2,526
Total	<u>\$ (216,158)</u>	<u>\$ 221,910</u>	<u>\$ 42,744</u>	<u>\$ -0-</u>	<u>\$ 48,496</u>	<u>48,496</u>
				Interest Income		104
				Miscellaneous Revenue		150
				TOTAL GENERAL REVENUES		<u>254</u>
				CHANGE IN NET POSITION		48,750
				PRIOR PERIOD ADJUSTMENT		(20,968)
				NET POSITION-BEGINNING		164,910
				NET POSITION-ENDING	\$	<u>192,692</u>

The accompanying notes are an integral part of this statement.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Balance Sheet, Governmental Funds
December 31, 2017**

	GENERAL FUND	FINS	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 155,229	\$ 4,425	\$ 159,654
Investments	11,804	-0-	11,804
Receivables (Net of Allowances for Uncollectibles)	11,535	-0-	11,535
TOTAL ASSETS	178,568	4,425	182,993
 LIABILITIES & FUND BALANCE			
LIABILITIES			
Accounts, Salaries, & Other Payables	7,739	-0-	7,739
TOTAL LIABILITIES	7,739	-0-	7,739
 FUND BALANCES			
Unassigned	170,829	-0-	170,829
Restricted	-0-	4,425	4,425
TOTAL FUND BALANCES	170,829	4,425	175,254
 TOTAL LIABILITIES & FUND BALANCE	 \$ 178,568	 \$ 4,425	 \$ 182,993

The accompanying notes are an integral part of this statement.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Reconciliation of the Balance Sheet
To the Statement of Net Position
Year Ended December 31, 2017**

Total fund balance – governmental funds	\$	175,254
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		-0-
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the balance sheet – governmental funds.		17,438
Total net position of governmental activities	\$	192,692

The accompanying notes are an integral part of this statement.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures, & Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017**

	<u>GENERAL FUND</u>	<u>FINS</u>	<u>TOTAL</u>
REVENUES			
Charges For Services	\$ 221,910	\$ -0-	\$ 221,910
Operating Grants	-0-	42,744	42,744
Intergovernmental Revenue	-0-	150	150
TOTAL REVENUES	<u>221,910</u>	<u>42,894</u>	<u>264,804</u>
EXPENDITURES			
Salaries/Persommel Costs	111,689	36,600	148,289
Office Expense	11,433	2,846	14,279
Travel & Meals	8,637	222	8,859
Professional Fees	2,740	550	3,290
Cellular Phone	4,525	-0-	4,525
Insurance	23,685	-0-	23,685
Miscellaneous	7,614	-0-	7,614
Capital Outlay	-0-	-0-	-0-
TOTAL EXPENDITURES	<u>170,323</u>	<u>40,218</u>	<u>210,541</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>51,587</u>	<u>2,676</u>	<u>54,263</u>
OTHER FINANCING SOURCES (USES)			
Interest Income	104	-0-	104
Capital Grant	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	<u>104</u>	<u>-0-</u>	<u>104</u>
NET CHANGE IN FUND BALANCE	51,691	2,676	54,367
PRIOR PERIOD ADJUSTMENT	(20,968)	-0-	(20,968)
FUND BALANCES-BEGINNING	140,106	1,749	141,855
FUND BALANCES-ENDING	<u>\$ 170,829</u>	<u>\$ 4,425</u>	<u>\$ 175,254</u>

The accompanying notes are an integral part of this statement.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2017**

Net change in fund balance – total governmental funds	\$	54,367
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Amounts reported for governmental activities in the Statement of Activities are different because:

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	-0-	
Principal Paid	-0-	
	-0-	-0-

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount which capital outlays exceeded depreciation in the current period.

Capital Outlays	-0-	
Depreciation	(5,617)	
	(5,617)	
Change in net position of governmental activities	\$	48,750

The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

The Judicial Expense Fund of the Seventh Judicial District Court was established by Act No. 916 of the 1985 Session of the Louisiana Legislature and began operating in November of 1986. The Judicial Expense Fund is controlled by the judge of the Seventh Judicial District Court and was established and may be used for any purpose connected with, incidental to, or related to the proper administration or function of the court or the office of the judge thereof, and is in addition to any and all other funds, salaries, expense, or other monies that were or hereafter will be provided, authorized, or established by law for any of the aforesaid purposes. The Judicial Expense Fund's revenues are derived from court costs assessed in criminal cases of the Seventh Judicial District Court and are collected by the sheriff.

The Seventh Judicial District Court Families in Need of Services (FINS) Program was created July 1, 1994 as set forth in Title VII, Article 726-790 of the Louisiana Children's Code. The Seventh Judicial District Court Families in Need of Services (FINS) Program is comprised of the following judicial components: 7th Judicial District Court.

The FINS program exists in all courts in Louisiana that had juvenile jurisdiction on July 1, 1994. The State of Louisiana designed the program to bring together resources for the purpose of helping families (troubled youths and their parents) to remedy self-destructive behaviors by juveniles and/or other family members. The primary purposes of this program are (a) to use the authority of the courts in providing maximum available services to families in need of services and (b) to use formal court proceedings only after all other alternatives have been exhausted. The goal of the FINS program is to reduce formal juvenile court involvement, while generating appropriate community services to benefit the child and improve family relations.

The Judicial Expense Fund and Families in Need of Services (FINS) Fund are part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget. In addition, the nature and significance of the relationship between the district court and the police jury is such that exclusion from the police jury's financial statements would render the financial statements incomplete or misleading. Therefore, these funds are component units of the Catahoula Parish Police Jury and the Concordia Parish Police Jury.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the Judicial Expense Fund.

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

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue 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 soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fees associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

The Judicial Expense Fund and Families in Need of Services (FINS) Fund report the following governmental funds:

- The General Fund is the District’s primary operating fund. It accounts for all financial resources of the entity, except those required to be accounted for in the FINS fund.
- The Families in Need of Services Fund (FINS) is a special revenue fund and is restricted for activities only related to Families in Need of Services (FINS).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance 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 Balances report 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 is then reconciled, through adjustment, to a government-wide view of the District’s operations. (See the reconciliation statements).

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The amounts reflected in the General Fund in the FFS 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

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. “Available” means collectible within the current period or within 60 days after year end. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector and intermediary collecting government.

Intergovernmental revenues are recorded when the District is entitled to the funds.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Expenditures

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

Equity Classifications – In the Government-Wide Financial Statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets – Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position – Net position with constraints placed on their 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.

Unrestricted Net Position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

C. CASH & INVESTMENTS (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

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, 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.

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.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

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 Entity that the fiscal agent bank has failed to pay deposit 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 Entity's name.

Deposits

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year-end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the District or by its agent in the District's name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- ***Category 3*** – Uncollateralized.

<u>Bank</u>	<u>Bank Balance At 12/31/2017</u>
Catahoula-LaSalle Bank	\$ 170,265
Concordia Bank & Trust Co.	4,425
Delta Bank	161
Total	\$ <u>174,851</u>

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Total All Banks Market Value</u>
FDIC (Category 1)	\$ 174,851
Securities (Category 2)	-0-
Total	\$ <u>174,851</u>

Deposits were fully secured as of December 31, 2017.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

D. VACATION, SICK LEAVE & COMPENSATED ABSENCES

The Judicial Expense Fund and Families in Need of Services (FINS) Fund have no leave policies.

E. USE OF ESTIMATES

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

2. RECEIVABLES

The receivables at December 31, 2017, are detailed below:

Probation Fees	\$	7,345
Costs		3,350
Suits		840
Total	\$	<u>11,535</u>

Allowance for doubtful accounts, if any, is considered immaterial and is not presented.

3. CHANGES IN GENERAL FIXED ASSETS

A summary of change in general fixed assets follows:

		<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Ending Balance</u>
Furnishings & Equipment	\$	125,599	\$	-0-	\$	-0-	\$	125,599
Accumulated Depreciation		<u>(102,544)</u>		<u>(5,617)</u>		<u>-0-</u>		<u>(108,161)</u>
Net Fixed Assets	\$	<u>23,055</u>	\$	<u>(5,617)</u>	\$	<u>-0-</u>	\$	<u>17,438</u>

Fixed assets are depreciated using the straight-line method using the following useful lives:

Equipment	5-10 Years
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**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

4. ACCOUNTS PAYABLE

The accounts payable at December 31, 2017, are detailed below:

Accounts Payable	\$ 748
Accrued Salaries & Payroll Taxes Payable	<u>6,991</u>
Total	\$ <u>7,739</u>

5. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to correct prior year equity.

REQUIRED SUPPLEMENTAL INFORMATION

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**Statement of Revenues, Expenditures & Changes in Fund Balances
Budget and Actual
Governmental Funds
For the Year Ended December 31, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Charges For Services	\$ 219,060	\$ 219,060	\$ 221,910	\$ 2,850
Operating Grants	-0-	-0-	42,744	42,744
Other	39,500	39,500	150	(39,350)
TOTAL REVENUES	258,560	258,560	264,804	6,244
EXPENDITURES				
Salaries/Personnel Costs	158,000	158,000	148,289	9,711
Office Expense	10,275	10,275	14,279	(4,004)
Travel & Meals	9,100	9,100	8,859	241
Insurance	23,700	23,700	23,685	15
Professional Fees	3,700	3,700	3,290	410
Cellular Phone	4,500	4,500	4,525	(25)
Other Administration	-0-	-0-	7,614	(7,614)
Capital Outlay	3,300	3,300	-0-	3,300
TOTAL EXPENDITURES	212,575	212,575	210,541	2,034
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	45,985	45,985	54,263	8,278
OTHER FINANCING SOURCES (USES)				
Interest Income	-0-	-0-	104	104
Capital Grant	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	-0-	-0-	104	104
NET CHANGE IN FUND BALANCE	\$ 45,985	\$ 45,985	54,367	\$ 8,382
PRIOR PERIOD ADJUSTMENT			(20,968)	
FUND BALANCES-BEGINNING			141,855	
FUND BALANCES-ENDING			\$ 175,254	

See independent auditor's report.

OTHER INFORMATION

**Judicial Expense Fund & Families in Need of Services
Fund of the Seventh Judicial District Court
Parishes of Catahoula & Concordia
State of Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2017**

Honorable Judge John Reeves-Chief Justice

Purpose	Amount
Salary (Note 1)	\$ -0-
Benefits-Insurance (Note 1)	-0-
Benefits-Retirement	-0-
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	3,990
Travel	1,298
Registration Fees	800
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

Note 1: The Judge is an elected official and is an employee of the Louisiana Supreme Court.
The salary and benefits are paid by the Louisiana Supreme Court.

See independent auditor's report.



OTHER REPORTS

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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

Judicial Expense Fund & Families in Need of Services (FINS) Fund
for the Seventh Judicial District Court
Parishes Of Catahoula & Concordia, State of Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court's basic financial statements, and have issued our report thereon dated June 21, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. **[2017-1 Outstanding Items on Bank Reconciliation]**

Compliance and Other Matters

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

Judicial Expense Fund & Families in Need of Services (FINS) Response to Findings

Judicial Expense Fund & Families in Need of Services' (FINS) response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Judicial Expense Fund & Families in Need of Services' (FINS) response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
June 21, 2018

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
DECEMBER 31, 2017**

We have audited the financial statements of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court, Catahoula and Concordia Parishes, Louisiana, as of and for the year ended December 31, 2017, and have issued our report thereon dated June 21, 2018. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of December 31, 2017, resulted in an unmodified opinion.

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification Of Major Programs: (Not Applicable)

CFDA Number (s)	Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
(CONTINUED)
DECEMBER 31, 2017**

Section II Financial Statement Findings

2017-1 Outstanding items on bank reconciliation

Condition: There are several old outstanding items on the bank reconciliation.

Criteria: Good internal controls require that old outstanding items be periodically cleared from the bank reconciliation to prevent misstatement of cash.

Cause of condition: Not clearing old outstanding items from the bank reconciliation.

Potential effect of condition: Misstatement of cash balance.

Recommendation: Outstanding items more than six months old should be investigated or cleared from the bank reconciliation.

Client response/corrective action: Outstanding items more than six months old will be investigated or cleared from the bank reconciliation.

Section III Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year comments.

**JUDICIAL EXPENSE FUND
& FAMILIES IN NEED OF SERVICES (FINS) FUND
OF THE SEVENTH JUDICIAL DISTRICT COURT
PARISHES OF CATAHOULA & CONCORDIA
STATE OF LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Judicial Expense Fund and Families in Need of Services (FINS) Fund of the Seventh Judicial District Court, Catahoula and Concordia Parishes, Louisiana have provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2016.

PRIOR YEAR FINDINGS

No findings to report.