

**THE ELEVENTH JUDICIAL DISTRICT
JUDICIAL EXPENSE FUND**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2017**

The Eleventh Judicial District - Judicial Expense Fund
 Financial Report
 June 30, 2017

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The Honorable Stephen B. Beasley, District Judge
The Eleventh Judicial District Court – Judicial Expense Fund
P. O. Box 9
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Management is responsible for the accompanying financial statements of the governmental activities and the major funds of the Eleventh Judicial District Court (the Court) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation 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. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head 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. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Budgetary Comparison Schedule on page 20 be presented to supplement the basic financial statements.

Such information is presented for purposes of additional analysis and, although not a required 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 operation, economic, or historical context. This information is the representation of management. We have not performed an audit, review, or compilation on the required supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on such information.

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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.

Johnson, Thomas + Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

December 5, 2017
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Statement of Net Position
June 30, 2017

ASSETS:

Current Assets-	
Cash & Cash Equivalents	\$210,038
Revenue Receivable	<u>13,277</u>
Total Current Assets	<u>\$223,315</u>
Noncurrent Assets-	
Capital Assets (Net)	\$ <u>11,895</u>
Total Assets	<u>\$235,210</u>

LIABILITIES:

Payroll & Related Liabilities	\$ <u>5,675</u>
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NET POSITION:

Net Investment in Capital Assets	\$ 11,895
Unrestricted	<u>217,640</u>
Total Net Position	<u>\$229,535</u>

See accompanying notes and independent accountant's compilation report.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Statement of Activities
For the Year Ended June 30, 2017

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines, Commissions, And Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$191,655</u>	<u>\$32,703</u>	<u>\$133,176</u>	<u>\$4,475</u>	<u>\$ (21,301)</u>
General Revenues:					
					<u>\$ 329</u>
					<u>\$ (20,972)</u>
					<u>250,507</u>
					<u>\$229,535</u>

See accompanying notes and independent accountant's compilation report.

FUND FINANCIAL STATEMENTS

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Balance Sheet-Governmental Funds
June 30, 2017

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>FINS Fund</u>	
ASSETS:			
Cash & Cash Equivalents	\$203,421	\$6,617	\$210,038
Revenue Receivables	<u>10,370</u>	<u>2,907</u>	<u>13,277</u>
Total Assets	<u>\$213,791</u>	<u>\$9,524</u>	<u>\$223,315</u>
LIABILITIES:			
Payroll & Related Liabilities	\$ <u>2,768</u>	<u>\$2,907</u>	\$ <u>5,675</u>
FUND BALANCE:			
Restricted	\$ 0	\$6,617	\$ 6,617
Unassigned	<u>211,023</u>	<u>0</u>	<u>211,023</u>
Total Fund Balance	<u>\$211,023</u>	<u>\$6,617</u>	<u>\$217,640</u>
Total Liabilities and Fund Balance	<u>\$213,791</u>	<u>\$9,524</u>	<u>\$223,315</u>

See accompanying notes and independent accountant's compilation report.

The Eleventh Judicial District - Judicial Expense Fund
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2017

Total Fund Balance for the Governmental Funds at June 30, 2017		\$217,640
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:		
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Equipment, Buildings, and Vehicles	\$ 45,961	
Less: Accumulated Depreciation	<u>(34,066)</u>	<u>11,895</u>
Total Net Position of Governmental Activities at June 30, 2017		<u>\$229,535</u>

See accompanying notes and independent accountant's compilation report.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Statement of Revenues, Expenditures and Changes
in Fund Balances-Governmental Funds
For the Year Ended June 30, 2017

	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>FINS Fund</u>	
REVENUES:			
Bond Fees, Forfeitures and Court Costs	\$ 32,703	\$ 0	\$ 32,703
Intergovernmental-			
State of Louisiana	98,292	34,884	133,176
Sabine Parish Police Jury	4,475	0	4,475
Miscellaneous-			
Interest	<u>320</u>	<u>9</u>	<u>329</u>
Total Revenues	<u>\$135,790</u>	<u>\$34,893</u>	<u>\$170,683</u>
EXPENDITURES:			
Current-			
Judicial-			
Personnel Costs	\$125,717	\$ 0	\$125,717
Operating and Administrative	29,098	0	29,098
Fees Paid to Others	<u>0</u>	<u>34,884</u>	<u>34,884</u>
Total Expenditures	<u>\$154,815</u>	<u>\$34,884</u>	<u>\$189,699</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (19,025)	\$ 9	\$ (19,016)
Fund Balance- Beginning of Period	<u>230,048</u>	<u>6,608</u>	<u>236,656</u>
Fund Balance-End of Period	<u>\$211,023</u>	<u>\$ 6,617</u>	<u>\$217,640</u>

See accompanying notes and independent accountant's compilation report.

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Net Change in Fund Balance-Governmental Funds	\$(19,016)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is	<u>(1,956)</u>
Net Change in Net Position per Statement of Activities	<u>\$(20,972)</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO FINANCIAL STATEMENTS

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2017

Introduction:

The Eleventh Judicial District Court (the Court) was created by LSA-RS 13:996.58. The judge of the Eleventh Judicial District, who is an elected official, has control over the Court and all disbursements made therefrom. The Eleventh Judicial District encompasses Sabine Parish, Louisiana.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Eleventh Judicial District Court includes all funds that are within the oversight responsibility of the Court. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the Court is deemed to be a separate reporting entity. Certain units of local government over which the Court exercises no oversight responsibility, such as the parish police jury, parish school board, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Court.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

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

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2017

C. Fund Accounting-

The accounts of the Court are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

There are two funds that are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or if its total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The major funds of the Court are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund-

FINS

Families in Need of Services (FINS) became effective in all courts having juvenile jurisdiction on July 1, 1994, as Title VII of the Louisiana Children's Code. The FINS process is designed to identify and integrate existing service providers, connect families to needed services, to promote the establishment of new services or programs where gaps in services have been identified. The FINS Fund accounts for the collection and expenditures of maintaining the juvenile jurisdiction.

D. Measurement Focus/Basis of Accounting-

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

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2017

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Court as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are 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 collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Court.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

The Eleventh Judicial District - Judicial Expense Fund
 Parish of Sabine, Louisiana
 Notes to Financial Statements
 June 30, 2017

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Fixtures & Equipment	5-7 years
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Equity Classifications-

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources 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 provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

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

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

- 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;

The Eleventh Judicial District - Judicial Expense Fund
Parish of Sabine, Louisiana
Notes to Financial Statements
June 30, 2017

- 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 General Fund has an unassigned fund balance of \$211,023. FINS has a restricted fund balance of \$6,617. If applicable, the Court would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Eleventh Judicial District Court are subject to the following risk:

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

The Eleventh Judicial District - Judicial Expense Fund
 Parish of Sabine, Louisiana
 Notes to Financial Statements
 June 30, 2017

At June 30, 2017, the Court had \$222,452 in deposits (collected bank balances). These deposits were secured from risk by \$250,000 of federal deposit insurance.

3. Compensated Absences:

Employees of the Eleventh Judicial District Court cannot carry leave forward from year to year. Therefore, there is no entry made for compensated absences.

4. Capital Assets:

Capital Asset balances and activity for the year ended June 30, 2017, is as follows:

<u>Activities</u>	<u>Balance 06-30-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-17</u>
Capital Assets Depreciated:				
Equipment	\$34,965	\$ 0	\$0	\$34,965
Furniture & Fixtures	8,926	0	0	8,926
FINS Equipment	<u>2,070</u>	<u>0</u>	<u>0</u>	<u>2,070</u>
Total Assets	<u>\$45,961</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$45,961</u>
Less, Accumulated Depreciation:				
Equipment	\$21,114	\$ 1,956	\$0	\$23,070
Furniture & Fixtures	8,926	0	0	8,926
FINS Equipment	<u>2,070</u>	<u>0</u>	<u>0</u>	<u>2,070</u>
Total Depreciation	<u>\$32,110</u>	<u>\$ 1,956</u>	<u>\$0</u>	<u>\$34,066</u>
Net Capital Assets	<u>\$13,851</u>	<u>\$(1,956)</u>	<u>\$0</u>	<u>\$11,895</u>

Depreciation expense in the amount of \$1,956 was charged to the General Fund.

5. Pension Plan:

All employees of the Eleventh Judicial District Court participate in the Federal Social Security Program.

6. Litigation:

Management has advised that there is no litigation pending against the Eleventh Judicial District Court at June 30, 2017.

7. Subsequent Events:

Management has evaluated events through December 5, 2017, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

SUPPLEMENTAL INFORMATION SCHEDULES

The Eleventh Judicial District - Judicial Expense Fund
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Fees & Charges for Services	\$ 43,407	\$ 39,507	\$ 32,703	\$(6,804)
Intergovernmental	100,000	102,000	102,767	767
Interest Income	300	300	320	20
Miscellaneous	<u>50</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$143,757</u>	<u>\$141,807</u>	<u>\$135,790</u>	<u>\$(6,017)</u>
EXPENDITURES:				
Current-				
Judicial-				
Personnel Costs	\$151,000	\$130,000	\$125,717	\$ 4,283
Operating and Administrative	<u>36,100</u>	<u>34,546</u>	<u>29,098</u>	<u>5,448</u>
Total Expenditures	<u>\$187,100</u>	<u>\$164,546</u>	<u>\$154,815</u>	<u>\$ 9,731</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (43,343)	\$ (22,739)	\$ (19,025)	\$ 3,714
Fund Balance-Beginning of Year	<u>230,048</u>	<u>230,048</u>	<u>230,048</u>	<u>0</u>
Fund Balance-End of Year	<u>\$186,705</u>	<u>\$207,309</u>	<u>\$211,023</u>	<u>\$ 3,714</u>

See independent accountant's compilation report.

The Eleventh Judicial District – Judicial Expense Fund
Parish of Sabine, Louisiana
Schedule of Compensation, Benefits and Other
Payments to Agency Heads
For the Year Ended June 30, 2017

Agency Head: The Honorable Stephen B. Beasley, Judge

Salaries	\$150,018
Payroll Taxes	2,079
Retirement	17,252
Health Insurance	6,645
Dues	245
Lodging	3,400
Parking	684
Per Diem	1,294
Travel	2,002

See independent accountant's compilation report.