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**23<sup>RD</sup> JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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**23<sup>RD</sup> JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

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## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Judges of the 23<sup>RD</sup> Judicial District  
Gonzales, Louisiana

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the 23<sup>RD</sup> Judicial District Judicial Expense Fund (the District), a component unit of the Ascension Parish Council as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2019, and the respective changes in financial position thereof 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 and budgetary comparison schedules on pages 3-8 and 21-23 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 District's basic financial statements. The schedules of compensation, benefits and other payments to agency heads are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2020, on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Gonzales, Louisiana  
June 15, 2020

## **23<sup>RD</sup> JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2019**

This section of 23<sup>RD</sup> Judicial District Judicial Expense Fund's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended December 31, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read it in conjunction with the District's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The District's total net position of \$1,496,616 decreased by 19.7 percent over the course of this year's operations.
- During the year, the District's expenses were \$366,720 more than the \$581,600 generated in charges for court fees, operating grants, and other revenue.
- The District's expenses, including the special items, increased by \$425,528 or 81.4 percent as a result of the special items noted for two payments of \$225,000 (Child Support fund) and \$178,743 (General fund) for the construction of the new courthouse.
- Current year revenues increased compared to prior year by 1.1 percent to \$581,600.
- The General Fund reported fund balance of \$536,127, decrease of 23.5 percent from last year.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts - management's discussion and analysis (this section), the financial statements, required supplementary information, and other supplementary information. The financial statements include two kinds of statements that present different views of the District.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District's government, reporting the District's operations in more detail than the government-wide statements.
  - The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.



**23<sup>RD</sup> JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2019**

Figure A-1

Major Features of the District's Government-wide and Fund Financial Statements

	<u>Government-wide Statements</u>	<u>Governmental Funds</u>
Scope	Entire District government	The activities of the District
Required financial statements	<ul style="list-style-type: none"><li>• Statement of net position</li><li>• Statement of activities</li></ul>	<ul style="list-style-type: none"><li>• Balance sheet</li><li>• Statement of revenues, expenditures, and changes in fund balance</li></ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of Inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

## **23<sup>RD</sup> JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2019**

#### **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in accordance in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position-the difference between the District's assets and liabilities is one way to measure the District's financial health, or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the growth of Ascension Parish.

The government-wide financials of the District include:

- Governmental activities - most of the District's basic services are included here, such as operating activities. Court fees, operating grants, and interest finance most of these activities.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has only governmental funds as described below:

- Governmental funds-Most of the District's basic services are included in the governmental fund, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.



**23<sup>RD</sup> JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net position.** The District's net position decreased between fiscal years 2019 and 2018 to \$1,496,616 (See Table A-1)

**Table A-1**

**Statement of Net Position-Governmental Activities**

	<b>2019</b>	<b>2018</b>
Cash and other assets	\$ 1,502,530	\$ 1,835,119
Capital assets, net	65,932	93,027
<b>Total assets</b>	<b>1,568,462</b>	<b>1,928,146</b>
Current liabilities	71,846	64,810
<b>Total liabilities</b>	<b>71,846</b>	<b>64,810</b>
 Net investment in capital assets	 65,932	 93,027
Restricted:		
Families in need of services	89,107	80,038
Child support services	805,450	989,360
Unrestricted	536,127	700,911
<b>Total Net Position</b>	<b>\$ 1,496,616</b>	<b>\$ 1,863,336</b>

Net position of the District's governmental activities decreased 19.7 percent or \$366,720 during the year. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements decreased from \$700,911 at December 31, 2018, to \$536,127 at the end of the current year end.

**Changes in net position.** The District's total revenues increased by \$6,414 to \$581,600. (See Table A-2). Approximately 88 percent of the District's revenues comes from charges for services. Another 11 percent is from grants and the remaining is for interest income and miscellaneous income.

The total cost of all programs and services increased by \$425,528 mainly as a result of the two payments made in the amounts of \$225,000 and \$178,743 from Child Support and General Fund; respectively, made for the construction of the new courthouse. Total costs were \$948,320. The District's expenses cover all services performed by its office.

## 23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

### MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

#### **Governmental Activities**

Revenues for the District's governmental activities increased 1.1 percent or by \$6,414 and total expenses increased by 81 percent to \$948,320 for the year. The District made contributions totaling \$403,743 during the year to help fund the cost of construction of the new courthouse. The revenue generated for 2019 was less than the total cost of operations as depicted in Table A-2.

**Table A-2**  
**Changes in District's Net Position**

<b>Revenues</b>	<b>2019</b>	<b>2018</b>
Program revenues:		
Charges for services	\$ 513,265	\$ 506,800
Operating grants	63,192	63,430
General revenues:		
Miscellaneous	-	1,411
Interest income	5,143	3,545
<b>Total revenues</b>	<b>581,600</b>	<b>575,186</b>
Expenses		
Other operating	544,577	522,792
<b>Total expenses</b>	<b>544,577</b>	<b>522,792</b>
<b>Excess before special item</b>	<b>37,023</b>	<b>52,394</b>
<b>Special item:</b>		
Courthouse contributions	403,743	-
(Decrease) Increase in net position	\$ (366,720)	\$ 52,394

#### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As the District completed this year, its governmental funds reported a fund balance of \$1,430,684, decrease from last year of \$339,625.

#### **General Fund Budgetary Highlights**

The General fund's budget was amended to increase expenditures by \$178,000, which reflects the cost of the contribution made to Ascension Parish Government for the construction of the new courthouse which was considered a special item. Revenues remained consistent and were not amended.

## **23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2019**

#### **CAPITAL ASSETS**

At the end of 2019, the District had \$65,932 net investment in capital assets. (See Table A-3).

**Table A-3**  
**District's Capital Assets**  
**(net of depreciation)**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
Equipment	\$ 41,647	\$ 58,529
Furniture & Fixtures	24,285	34,498
Total	<u>\$ 65,932</u>	<u>\$ 93,027</u>

This year's major capital assets additions include:

- The FINS fund purchased new laptop computers totaling \$6,345.
- The Child Support fund purchased one new laptop costing \$841.
- Disposal of obsolete equipment totaled \$8,813.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District is dependent on court costs for 21 percent of its revenues and 67 percent from administrative fees collected from the Department of Social Services for child support services. The economy is not expected to generate any significant growth. Court was closed for a short period of time during COVID-19 and the impact on revenues is that it is reasonably possible to decline in the general fund. Therefore, the District's future revenues are expected to remain relatively consistent with current years.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about the report or need additional financial information, contact Patricia Douglas at the Judicial Administrative Office, 828 South Irma Blvd, Gonzales, LA 70737.



**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

**ASSETS**

Cash	\$ 1,039,275
Certificates of deposit	417,070
Receivables from other governments	46,185
Capital assets, net of accumulated depreciation	65,932
TOTAL ASSETS	<u>\$ 1,568,462</u>

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Accounts payable	\$ 2,105
Due to other governments	69,741
TOTAL CURRENT LIABILITIES	<u>71,846</u>

**NET POSITION**

Net investment in capital assets	65,932
Restricted:	
Families in need of services	89,107
Child support services	805,450
Unrestricted	536,127
TOTAL NET POSITION	<u>1,496,616</u>

TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,568,462</u>
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The accompanying notes are an integral part of this financial statement.

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

FUNCTION/PROGRAM	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and Change in Net Position Governmental Unit
Governmental activities:				
General government	\$ 124,796	\$ 121,637	\$ -	\$ (3,159)
Families in Need of Service	51,515	-	63,192	11,677
Child Support	368,266	391,628	-	23,362
Total governmental activities	<u>\$ 544,577</u>	<u>\$ 513,265</u>	<u>\$ 63,192</u>	<u>31,880</u>
General Revenues:				
Interest				<u>5,143</u>
Total general revenues				<u>5,143</u>
Excess before special item				37,023
Special item:				
Courthouse contributions				<u>(403,743)</u>
Change in net position				(366,720)
Net position- January 1, 2019				<u>1,863,336</u>
Net position- December 31, 2019				<u><u>\$ 1,496,616</u></u>

The accompanying notes are an integral part of this financial statement.

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

**ASSETS**

	<u>General Fund</u>	<u>Families in Need of Service</u>	<u>Child Support</u>	<u>Total Governmental Funds</u>
Cash	\$ 109,009	\$ 93,257	\$ 837,009	\$ 1,039,275
Certificates of deposit	417,070	-	-	417,070
Receivable from other governments	11,953	-	34,232	46,185
Total assets	<u>\$ 538,032</u>	<u>\$ 93,257</u>	<u>\$ 871,241</u>	<u>\$ 1,502,530</u>

**LIABILITIES AND FUND BALANCES**

Liabilities				
Accounts payable	\$ 1,905	\$ 200	\$ -	\$ 2,105
Due to other governments	-	3,950	65,791	69,741
Total liabilities	<u>1,905</u>	<u>4,150</u>	<u>65,791</u>	<u>71,846</u>
Fund balances				
Unassigned	536,127	-	-	536,127
Restricted:				
Families in need of service	-	89,107	-	89,107
Child support services	-	-	805,450	805,450
Total fund balances	<u>536,127</u>	<u>89,107</u>	<u>805,450</u>	<u>1,430,684</u>
Total liabilities and fund balances	<u>\$ 538,032</u>	<u>\$ 93,257</u>	<u>\$ 871,241</u>	<u>\$ 1,502,530</u>

The accompanying notes are an integral part of this financial statement.



**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

Total fund balances- Governmental Funds	\$ 1,430,684
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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 current financial resources and,  
therefore, are not reported in the governmental funds:

Cost of capital assets at December 31, 2019	196,957	
Less: accumulated depreciation as of December 31, 2019	<u>(131,025)</u>	<u>65,932</u>

Total net position at December 31, 2019 - Governmental Activities	<u><u>\$ 1,496,616</u></u>
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The accompanying notes are an integral part of this financial statement.

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**

**YEAR ENDED DECEMBER 31, 2019**

	General Fund	Families in Need of Service	Child Support	Total Governmental Funds
<b><u>REVENUES</u></b>				
Court fees	\$ 121,637	\$ -	\$ -	\$ 121,637
State grant	-	63,192	-	63,192
Department of Social Services	-	-	391,628	391,628
Interest income	4,270	-	873	5,143
	<u>125,907</u>	<u>63,192</u>	<u>392,501</u>	<u>581,600</u>
Total Revenues	<u>125,907</u>	<u>63,192</u>	<u>392,501</u>	<u>581,600</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	111,948	47,778	350,571	510,297
Capital outlay	-	6,345	840	7,185
	<u>111,948</u>	<u>54,123</u>	<u>351,411</u>	<u>517,482</u>
Total Expenditures	<u>111,948</u>	<u>54,123</u>	<u>351,411</u>	<u>517,482</u>
Excess of Revenues over Expenditures	13,959	9,069	41,090	64,118
<b><u>SPECIAL ITEM</u></b>				
Courthouse contribution	178,743	-	225,000	403,743
	<u>178,743</u>	<u>-</u>	<u>225,000</u>	<u>403,743</u>
Net change in fund balance	(164,784)	9,069	(183,910)	(339,625)
Fund Balances, January 1, 2019	700,911	80,038	989,360	1,770,309
	<u>700,911</u>	<u>80,038</u>	<u>989,360</u>	<u>1,770,309</u>
Fund Balances, December 31, 2019	<u>\$ 536,127</u>	<u>\$ 89,107</u>	<u>\$ 805,450</u>	<u>\$ 1,430,684</u>

The accompanying notes are an integral part of this financial statement.

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES TO CHANGES IN NET POSITION OF**  
**GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2019**

Net change in fund balances	\$ (339,625)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets:

Capital outlay capitalized	7,185
Depreciation expense for year ended December 31, 2019	(32,349)
Loss on disposal of assets	<u>(1,931)</u>

Change in Net Position- Governmental Activities	<u><u>\$ (366,720)</u></u>
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The accompanying notes are an integral part of this financial statement.



## **23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

#### **INTRODUCTION**

The 23<sup>RD</sup> Judicial District Judicial Expense Fund was established in 1995 under Act No. 435 which was an amendment to Title 13 of the Louisiana Revised Statutes on 1950. The Expense Fund was established for the purpose of paying expenses for the court deemed necessary by the Judges for efficient operations of the court.

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. REPORTING ENTITY**

GASB Codification Section 2100, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The district court judges are independently elected officials. However, the Judicial District is fiscally dependent on the Ascension Parish Council for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the Judicial District is fiscally dependent on the Council, the Judicial District was determined to be a component unit of the Ascension Parish Council, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Judicial District and do not present information on the Ascension Parish Council, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

##### **B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING**

###### **BASIS OF PRESENTATION**

The accompanying financial statements of the 23rd Judicial District Judicial Expense Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

###### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):**

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary net activities. Governmental activities generally are financed through charges for court fees, intergovernmental revenues and other nonexchange transactions. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Section N50.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs 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.

## **23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING (continued)**

###### **FUND FINANCIAL STATEMENTS (FFS):**

The fund financials statements provide information about the District's funds. Separate statement for each fund category are presented. The emphasis of fund financial statements is on major governmental funds.

The District reports the following major governmental funds:

**General Fund-** The General fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. The General fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

**Families in Need of Services-** This special revenue fund is designed to bring together and offer resources and services to help families of juveniles who are at risk of delinquency.

**Child Support Fund-** The Child Support fund is a special revenue fund that accounts for the proceeds of administrative court fees collected from enforcement of support obligations.

##### **C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

###### **GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):**

The GWFS are reported using the economic resources measurement focus. The government wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, and donations. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

###### **FUND FINANCIAL STATEMENTS (FFS):**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year end. Court fees, grants, administrative fees, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.



**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. BUDGETS AND BUDGETARY ACCOUNTING**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to December 15, the District completes and submits an operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing those expenditures.
2. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
3. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Budgeted amounts are as originally adopted, or as amended by the District. Individual amendments were not material in relation to the original appropriations.
5. All annual appropriations lapse at fiscal yearend.

**E. CASH**

Cash includes amounts in demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**F. CAPITAL ASSETS**

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual cost is not available. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	3-7
Furniture & Fixtures	5-7



## 23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **G. CERTIFICATES OF DEPOSIT**

State statutes authorize the District to invest in any direct obligation of the United States Treasury, other debt secured or guaranteed by the full faith and credit of the United States, certificates of deposit of any bank in Louisiana, mutual funds which are registered with the Securities and Exchange Commission and invest in securities of the U. S. government or its agencies, guaranteed investment contracts issued by banks or insurance companies or investment grade commercial paper of domestic U. S. Corporations.

##### **H. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS**

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

**Net investment in capital assets-** consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflow of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

**Restricted net position-** net position is considered restricted if its use is constrained to a particular purpose. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

**Unrestricted net position-** consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

##### **I. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

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

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

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

**Assigned-** represents balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.

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

## **23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **I. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)**

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, the District's office reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for committed, assigned, and unassigned amounts are available, the District's office reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

##### **J. ESTIMATES**

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

#### **2. CASH**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2019, the District's bank balance was secured from risk by federal deposit insurance and pledged securities and was not exposed to custodial credit risk.

#### **3. CERTIFICATES OF DEPOSIT**

The District holds certificates of deposits at various financial institutions. The certificates of deposit have maturities ranging from nine to twelve months. The District's certificates of deposit have a book value of \$417,070 as of December 31, 2019.

#### **4. OPERATING LEASE**

The 23<sup>rd</sup> Judicial District Court Families in Need of Services Program leases office space for \$1,000 per month under a 2-year term. Payments under this lease totaled \$11,800 for the year ended December 31, 2019. Future minimum rental payments required under the lease as of December 31, 2019 are as follows:

2020	\$12,000
2021	<u>1,000</u>
Total	<u>\$13,000</u>

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2019, are as follows:

	<u>Equipment</u>	<u>Furniture &amp; Fixtures</u>	<u>Total</u>
Cost of Capital Assets			
December 31, 2018	\$ 114,728	\$ 83,857	\$ 198,585
Additions	7,185	-	7,185
Disposals	(7,083)	(1,730)	(8,813)
Cost of Capital Assets, December 31, 2019	<u>\$ 114,830</u>	<u>\$ 82,127</u>	<u>\$ 196,957</u>
Accumulated depreciation,			
December 31, 2018	\$ 56,199	\$ 49,359	\$ 105,558
Additions	22,233	10,116	32,349
Disposals	(5,249)	(1,633)	(6,882)
Accumulated depreciation, December 31, 2019	<u>73,183</u>	<u>57,842</u>	<u>131,025</u>
Capital Assets, net of accumulated depreciation, December 31, 2019	<u>\$ 41,647</u>	<u>\$ 24,285</u>	<u>\$ 65,932</u>

For the year ended December 31, 2019, depreciation expense was \$ 32,349. Depreciation expense was allocated to general government, families in need of service, and child support in the amounts of \$11,276, \$3,396, and \$17,677; respectively.

**6. SPECIAL ITEM**

During the year, the District contributed \$225,000 and \$178,743 from the Child Support and General Fund; respectively, to Ascension Parish Government for the construction of the new courthouse.

**7. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 15, 2020, noting that the COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closings of businesses. The related financial impact cannot be reasonably estimated at this time.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>REVENUES</u></b>			
Court fees	\$ 120,000	\$ 120,000	\$ 121,637
Interest	-	-	4,270
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>125,907</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	132,500	132,500	111,948
Capital outlay	<u>2,000</u>	<u>2,000</u>	-
Total Expenditures	<u>134,500</u>	<u>134,500</u>	<u>111,948</u>
Excess of Revenues (over) under Expenditures	(14,500)	(14,500)	13,959
<b><u>SPECIAL ITEM</u></b>			
Courthouse contribution	<u>-</u>	<u>178,000</u>	<u>178,743</u>
Net change in fund balance	(14,500)	(192,500)	(164,784)
Fund Balance, January 1, 2019	<u>700,911</u>	<u>700,911</u>	<u>700,911</u>
Fund Balance, December 31, 2019	<u>\$ 686,411</u>	<u>\$ 508,411</u>	<u>\$ 536,127</u>



**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**BUDGETARY COMPARISON SCHEDULE**  
**FAMILIES IN NEED OF SERVICE**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>REVENUES</u></b>			
State grant	\$ 63,192	\$ 63,192	\$ 63,192
Total Revenues	<u>63,192</u>	<u>63,192</u>	<u>63,192</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	54,798	54,798	47,778
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>6,345</u>
Total Expenditures	<u>59,798</u>	<u>59,798</u>	<u>54,123</u>
Excess of Revenues over Expenditures	3,394	3,394	9,069
Fund Balance, January 1, 2019	<u>80,038</u>	<u>80,038</u>	<u>80,038</u>
Fund Balance, December 31, 2019	<u>\$ 83,432</u>	<u>\$ 83,432</u>	<u>\$ 89,107</u>

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**BUDGETARY COMPARISON SCHEDULE**

**CHILD SUPPORT FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b><u>REVENUES</u></b>			
Department of Social Services	\$ 370,000	\$ 370,000	\$ 391,628
Interest	1,000	1,000	873
Total Revenues	<u>371,000</u>	<u>371,000</u>	<u>392,501</u>
<b><u>EXPENDITURES</u></b>			
Current:			
General government	385,000	385,000	350,571
Capital outlay	10,000	10,000	840
Total Expenditures	<u>395,000</u>	<u>395,000</u>	<u>351,411</u>
Excess of Revenues (over) under Expenditures	(24,000)	(24,000)	41,090
<b><u>SPECIAL ITEM</u></b>			
Courthouse contribution	<u>-</u>	<u>225,000</u>	<u>225,000</u>
Net change in fund balance	(24,000)	(249,000)	(183,910)
Fund Balance, January 1, 2019	<u>989,360</u>	<u>989,360</u>	<u>989,360</u>
Fund Balance, December 31, 2019	<u>\$ 965,360</u>	<u>\$ 740,360</u>	<u>\$ 805,450</u>

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEADS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head

Honorable Jason Verdigets, Chief Judge, Division A

<b>Purpose</b>	<b>Amount</b>
Car allowance	\$ 7,200
Dues	100
Per diem	1,700
Registration fees	1,595
Conference travel	3,273
Special meals	-
Total	<u>\$ 13,868</u>

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEADS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head

Honorable Thomas Kleibert, Jr., Judge, Division B

<b>Purpose</b>	<b>Amount</b>
Car allowance	\$ 7,200
Dues	445
Per diem	2,550
Registration fees	735
Conference travel	823
Special meals	76
Total	<u>\$ 11,829</u>



**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEADS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head

Honorable Katherine Tess Stromberg, Judge, Division C

<b>Purpose</b>	<b>Amount</b>
Car allowance	\$ 7,200
Dues	1,010
Per diem	1,666
Registration fees	1,320
Conference travel	2,764
Special meals	-
Total	<u>\$ 13,960</u>

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**

**TO AGENCY HEADS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head

Honorable Jessie M. LeBlanc, Judge, Division D

<b>Purpose</b>	<b>Amount</b>
Car allowance	\$ 7,200
Dues	588
Per diem	1,972
Registration fees	2,695
Conference travel	4,972
Special meals	360
Total	<u>\$ 17,787</u>

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS**  
**TO AGENCY HEADS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

Agency Head

Honorable Alvin Turner, Jr., Judge, Division E

<b>Purpose</b>	<b>Amount</b>
Car allowance	\$ 7,200
Dues	685
Per diem	916
Registration fees	2,530
Conference travel	2,457
Special meals	232
Total	<u>\$ 14,020</u>



**INDEPENDENT AUDITORS' 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**

To the Honorable Judges of the 23<sup>RD</sup> Judicial District  
Gonzales, 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 and each major fund of the 23<sup>RD</sup> Judicial District Judicial Expense Fund, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the 23<sup>RD</sup> Judicial District Judicial Expense Fund's basic financial statements, and have issued our report thereon dated June 15, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 23<sup>RD</sup> District Judicial Expense Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 23<sup>RD</sup> Judicial District Judicial Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the 23<sup>RD</sup> Judicial District Judicial Expense Fund'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 23<sup>RD</sup> Judicial District Judicial Expense Fund'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*.



**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.



Gonzales, Louisiana

June 15, 2020

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SCHEDULE OF FINDINGS AND RESPONSES**

**YEAR ENDED DECEMBER 31, 2019**

**SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of the 23<sup>RD</sup> Judicial District Judicial Expense Fund were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are on the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statement of 23<sup>RD</sup> Judicial District Judicial Expense Fund which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**FINDINGS-FINANCIAL STATEMENT AUDIT**

None

**COMPLIANCE**

None

**23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED DECEMBER 31, 2019**

**FINDINGS- FINANCIAL STATEMENT AUDIT**

None

**COMPLIANCE**

None