

**EIGHTH JUDICIAL DISTRICT COURT
JUDICIAL EXPENSE FUND
WINNFIELD, LOUISIANA**

**ANNUAL FINANCIAL REPORT
December 31, 2016**

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

A Component Unit of the Winn Parish Police Jury

Winnfield, Louisiana

Financial Statements

And Independent Auditor's Reports

As of and for the Year Ended December 31, 2016

Table of Contents

Independent Auditor's Report	1-3
Required Supplemental Information – Part I:	
Management's Discussion and Analysis	4-10
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet – Governmental Funds.....	13
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Notes to the Financial Statements	17-30

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND

A Component Unit of the Winn Parish Police Jury

Winnfield, Louisiana

Financial Statements

And Independent Auditor's Reports

As of and for the Year Ended December 31, 2016

Table of Contents – (Continued)

Required Supplemental Information – Part II:

Budgetary Comparison Schedules:

General Fund	31-32
Special Revenue Fund – Hearing Officer Fund.....	33
Special Revenue Fund – Probation Fund.....	34
Notes to Budgetary Comparison.....	35

Other Supplemental Information:

Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	36
---	----

Other Reports Required by *Government Auditing Standards* and the Louisiana Audit Guide

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 <i>Government Auditing Standards</i>	37-38
---	-------

Audit Findings:

Schedule of Audit Findings	39-40
----------------------------------	-------

INDEPENDENT AUDITOR'S REPORT



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

Maura Dees Gardner, CPA, CFE

122 Jefferson Street

Mansfield, Louisiana

318-872-3007

Independent Auditor's Report

The Honorable Jacque D. Derr, District Judge
Eighth Judicial District Court Judicial Expense Fund
Winnfield, Louisiana 71483

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana, a component unit of the Winn Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 the governmental activities and each major fund of the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana, as of December 31, 2016, 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 information on pages 4-10 and 31-35 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 Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated, in all material respects, in relation to the 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 23, 2017, on our consideration of the Eighth Judicial District Court Judicial Expense Fund'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 Eighth Judicial District Court Judicial Expense Fund's internal control over financial reporting and compliance.

Dees Gardner, CPAs, LLC

Dees Gardner, CPAs, LLC
Mansfield, Louisiana
June 23, 2017

REQUIRED SUPPLEMENTAL INFORMATION PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

EIGHTH JUDICIAL DISTRICT COURT

**State of Louisiana
Winnfield, Louisiana**

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana, (hereafter referred to as the “Judicial Expense Fund”) we offer the readers of the Judicial Expense Fund’s financial statements this narrative overview and analysis of the financial activities of the Judicial Expense Fund as of and for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the Judicial Expense Fund’s basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Judicial Expense Fund experienced an increase in its net position by 26.63% (\$9,144) during the fiscal year ended December 31, 2016. As of December 31, 2016, the assets of the Judicial Expense Fund exceeded its liabilities by \$43,480. Of this amount \$43,267 (99.51%) is reported as “unrestricted net position” and represents the amount available to be used to meet the Judicial Expense Fund’s ongoing obligations to the citizens of Winn Parish, Louisiana. This increase in net position is primarily due to the following:

- Total revenue for the Judicial Expense Fund decreased \$16,821 (6%) for year ended December 31, 2016. Intergovernmental revenue from the Winn Parish Police Jury decreased \$9,200 and the State Child Support fees decreased \$7,099.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Judicial Expense Fund’s basic financial statements. The Judicial Expense Fund’s basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

This report also contains additional required supplementary information (budgetary comparison schedules) and other supplementary information in addition to the basic financial statements. These components are described below:

Basic Financial Statements

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

Government-wide Financial Statements

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

- The *statement of net position* presents all of the Judicial Expense Fund's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Judicial Expense Fund's net position may serve as a useful indicator of whether the financial position of the Judicial Expense Fund is improving or deteriorating.
- The *statement of activities* presents information showing how the Judicial Expense Fund's net position changed during the most recent year using the full accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between direct expenses and program revenues for each function of the Judicial Expense Fund.

These two statements report the Judicial Expense Fund's net position and changes in it. You can think of the Judicial Expense Fund's net position-the difference between assets and liabilities- as one way to measure the Judicial Expense Fund's financial health, or financial position.

The government-wide financial statements can be found immediately following this discussion and analysis.

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

The fund financial statements focus on individual parts of the Judicial Expense Fund, reporting operations in more detail than the government-wide statements. The funds of the Judicial Expense Fund are categorized as governmental funds.

- *Governmental funds.* The services provided by the Judicial Expense Fund are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the

government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Judicial Expense Fund's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Judicial Expense Fund's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Judicial Expense Fund.

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

The Judicial Expense Fund has three governmental funds: the General Fund, the Hearing Officer Fund, and the Probation Fund. The General Fund, the Hearing Officer Fund, and the Probation Fund are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances.

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

Notes to the Financial Statements

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

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the General Fund, the Hearing Officer Fund, and the Probation Fund. The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Annual budgets are prepared on the cash basis of accounting.

Other Supplementary Information

The schedule of compensation, benefits and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

The Judicial Expense Fund's net position totaled \$43,480 and \$34,336 as of December 31, 2016 and 2015, respectively, an increase of \$9,144 (26.63%).

As of December 31, 2016, \$213 (0.5%) of the Judicial Expense Fund's net position, reflects the Judicial Expense Fund's investment in capital assets such as computer equipment, office equipment, and furniture and fixtures, less any related debt used to acquire those assets that is still outstanding, compared to \$396 (1.15%) as of the close of the prior fiscal year. The Judicial Expense Fund uses these capital assets to provide services to the citizens of Winn Parish; consequently, these assets are not available for future spending.

The largest portion of the Judicial Expense Fund's net position, \$43,267 (99.51%) and \$33,940 (98.85%) as of December 31, 2016 and 2015, respectively, is unrestricted and may be used to meet the Judicial Expense Fund's ongoing obligations to citizens and creditors at the discretion of the District Judge of the Eighth Judicial District.

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
ASSETS		
Cash and cash equivalents	\$ 48,761	\$ 41,911
Accounts receivable	13,949	11,128
Capital assets, net	213	396
Total Assets	<u>\$ 62,923</u>	<u>\$ 53,435</u>
LIABILITIES		
Accounts payable	\$ 19,443	\$ 19,099
Total Liabilities	<u>\$ 19,443</u>	<u>\$ 19,099</u>
NET POSITION		
Net investment in capital assets	\$ 213	\$ 396
Unrestricted	43,267	33,940
Total Net Position	<u>\$ 43,480</u>	<u>\$ 34,336</u>

Changes in Net Position

The Judicial Expense Fund's net position increased \$9,144 (26.63%) during the year ended December 31, 2016, compared to an increase of \$23,466 (215.88%) during the year ended December 31, 2015.

Approximately 39.29% (\$102,410) of the Judicial Expense Fund's total revenues was derived through charges for services in 2016 compared to 37.25% (\$103,352) in 2015. The Judicial Expense Fund received \$158,246 (60.71%) of its total revenues through operating grants and contributions during 2016 compared to \$174,125 (62.75%) during 2015.

	For the year ended December 31, 2016	For the year ended December 31, 2015
Program Revenues:	\$	\$
Charges for services	102,410	103,352
Operating grants and contributions	158,246	174,125
Total Revenues	<u>260,656</u>	<u>277,477</u>
Expenses:		
Judicial	<u>251,512</u>	<u>254,011</u>
Total Expenses	<u>251,512</u>	<u>254,011</u>
Increase/(Decrease) in Net Position	9,144	23,466
Net Position beginning	34,336	10,870
Net Position ending	<u>\$ 43,480</u>	<u>\$ 34,336</u>

FINANCIAL ANALYSIS OF THE INDIVIDUAL FUNDS

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

Governmental Funds

The focus of the Judicial Expense Fund's government funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Judicial Expense Fund's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Judicial Expense Fund's net resources available for spending at the end of the year.

As of the end of the current year, the Judicial Expense Fund's governmental funds reported a combined ending fund balance of \$43,267, an increase of \$9,327 (27.5%) compared to the prior year.

The General Fund is the chief operating fund of the Judicial Expense Fund. Unassigned fund balance was \$3,187 at the end of the current year compared to \$3,979 at the end of the prior year, a decrease of \$792 (19.9%).

The Hearing Officer Fund, a special revenue fund, is used to account for the proceeds and use of funds derived through the assessment of a 5% fee on non-support cases processed through the state's Child Support Enforcement Program. The fund balance assigned to hearing officer costs was \$38,922 as of December 31, 2016, compared to \$28,852 as of December 31, 2015, an increase of \$10,070 (34.9%).

The Probation Fund, a special revenue fund, is used to account for the proceeds and use of funds derived through fees for monitoring payment of fines and court costs by individuals on probation. The fund balance assigned to employee benefits was \$1,158 as of December 31, 2016, compared to \$1,109 at the end of the prior period, an increase of \$49 (4.4%).

GENERAL FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budgetary policy of the Judicial Expense Fund complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.)

The Judicial Expense Fund's General Fund budget for 2016 was amended once.

Revenues and other sources available for expenditure were the same as the budgeted amounts.

Expenditures and other uses were \$16,943 (6.7%) less than the amount originally budgeted.

CAPITAL ASSET ADMINISTRATION

The Judicial Expense Fund's investment in capital assets for governmental activities as of December 31, 2016, totaled \$85,206, net of accumulated depreciation of \$84,993 leaving a book value of \$213. This investment in capital assets consists of computers and related peripheral equipment, other office equipment, and furniture and fixtures. Depreciation charges for the year totaled \$183 compared to \$233 for the prior year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budgets for the fiscal year ended December 31, 2017 were prepared:

- Revenues are expected to remain consistent with the prior year.
- Expenses are expected to remain consistent with the prior year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Judicial Expense Fund and seeks to demonstrate the Judicial Expense Fund's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District Judge of the Eighth Judicial District, P.O. Box 71, Winnfield, Louisiana 71483 or by calling (318) 628-4596.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Statement of Net Position

December 31, 2016

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 48,761
Receivables	13,949
Capital assets, net of accumulated depreciation	213
Total Assets	<u>62,923</u>
Liabilities:	
Accounts payable	5,158
Payroll taxes and withholding payable	5,999
Employee benefits payable	7,819
Compensated absences payable	467
Total Liabilities	<u>19,443</u>
Net Position:	
Invested in capital assets	213
Unrestricted	43,267
Total Net Position	<u>\$ 43,480</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Statement of Activities

For the Year Ended December 31, 2016

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenues and Change in Net Position</u>
Governmental Activities:					
Judicial	\$ 251,512	\$ 102,410	\$ 158,246	\$ -	\$ 9,144
Change in net position					9,144
Net Position at Beginning of Year					<u>34,336</u>
Net Position at End of Year					<u>\$ 43,480</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

FUND FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Balance Sheet
Governmental Funds

December 31, 2016

	Major Funds			Total Governmental Funds
	General Fund	Hearing Officer Fund	Probation Fund	
Assets:				
Cash and cash equivalents	\$ 11,432	\$ 35,671	\$ 1,658	\$ 48,761
Receivables	10,698	3,251	-	13,949
Total Assets	\$ 22,130	\$ 38,922	\$ 1,658	\$ 62,710
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	4,658	\$ -	\$ 500	5,158
Payroll taxes and withholding payable	5,999	-	-	5,999
Employee benefits payable	7,819	-	-	7,819
Compensated absences payable	467	-	-	467
Total liabilities	18,943	-	500	19,443
Fund Balances:				
Assigned to:				
Employee benefits payable	-	-	1,158	1,158
Hearing officer costs	-	38,922	-	38,922
Unassigned	3,187	-	-	3,187
Total fund balances	3,187	38,922	1,158	43,267
Total Liabilities and Fund Balances	\$ 22,130	\$ 38,922	\$ 1,658	\$ 62,710

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position of
Governmental Activities on the Statement of Net Position

December 31, 2016

Fund Balances - Total Governmental Funds	\$ 43,267
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Add - capital assets	85,206
Deduct - accumulated depreciation	<u>(84,993)</u>
Net Position of Governmental Activities	<u><u>\$ 43,480</u></u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2016

	Major Funds			Total Governmental Funds
	General Fund	Hearing Officer Fund	Probation Fund	
Revenues:				
Intergovernmental revenues:				
State grants	\$ 25,212	\$ 46,234	\$ -	\$ 71,446
Winn Parish Police Jury- Criminal Court Fund	86,800	-	-	86,800
Fees, charges, and commissions for services:				
Court costs	27,680	-	-	27,680
Fines and forfeitures	60,165	-	14,565	74,730
Other revenue	-	-	-	-
Total revenues	<u>199,857</u>	<u>46,234</u>	<u>14,565</u>	<u>260,656</u>
Expenditures:				
Current:				
Accounting and audit services	5,250	-	-	5,250
Contract services	600	-	-	600
Employee benefits	31,461	-	14,516	45,977
Library	2,019	-	-	2,019
Office costs	42,580	604	-	43,184
Seminars, conferences	75	-	-	75
Payroll taxes	3,176	-	-	3,176
Salaries	151,048	-	-	151,048
Total expenditures	<u>236,209</u>	<u>604</u>	<u>14,516</u>	<u>251,329</u>
Excess (deficiency) of revenues over expenditures	<u>(36,352)</u>	<u>45,630</u>	<u>49</u>	<u>9,327</u>
Other Financing Sources (Uses):				
Transfers in	35,560	-	-	35,560
Transfers out	-	(35,560)	-	(35,560)
Total Other Financing Sources (Uses)	<u>35,560</u>	<u>(35,560)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(792)	10,070	49	9,327
Fund Balances at Beginning of Year	3,979	28,852	1,109	33,940
Fund Balances at End of Year	<u>\$ 3,187</u>	<u>\$ 38,922</u>	<u>\$ 1,158</u>	<u>\$ 43,267</u>

The notes to the financial statements are an integral part of this statement.
See the accompany independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds	\$ 9,327
--	----------

Amounts reported for governmental activities in the
statement of activities are different because:

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.

Deduct - depreciation expense	(183)
-------------------------------	-------

Change in net position of governmental activities	<u><u>\$ 9,144</u></u>
---	------------------------

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

NOTES TO THE FINANCIAL STATEMENTS

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

INTRODUCTION

The Eighth Judicial District Court Judicial Expense Fund was established by Act 916 of the 1985 Session of the Louisiana Legislature to be effective January 1, 1986. The Act provides for the collection of fees in the form of court costs and fines. The Winn Parish Clerk of Court places all sums collected or received under this Act in a separate account over which the judge of the Eighth Judicial District controls all disbursements made there from. The Act provides that these monies may be used to pay salaries for court reporters and such secretarial, clerical, research, administrative, or other personnel as are deemed necessary to expedite the business and function of court. In addition, the judge may utilize these monies of the Judicial Expense Fund to pay all or any part of the cost of establishing or maintaining a law library for the court, or for buying or maintaining any type of equipment, supplies, or other items consistent with or germane to the efficient operation of the court, except for the payment of judge's salary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting methods and procedures adopted by the Eighth Judicial District Court Judicial Expense Fund, Winnfield, Louisiana, (the "Judicial Expense Fund") conform to generally accepted accounting principles (GAAP) as applied to governmental entities. The Judicial Expense Fund applies all relevant Government Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting reporting standards. GAAP, as applicable to governments, also conforms to requirements of Louisiana R.S. 24:517 and the guides set forth in the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

The following notes to the financial statements are an integral part of the Judicial Expense Fund's financial statements.

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially responsible, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability.

These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and / or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Judicial Expense Fund is a part of the district court system. The district court judge is an independently elected official. However, because the district court system is fiscally dependent on the police jury, and the police jury is legally responsible for funding the operation of the district court and for provision of office space and courtrooms, the Judicial Expense Fund was determined to be a component unit of the Winn Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Eighth Judicial District Court Judicial Expense Fund and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Judicial Expense Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

C. Fund Accounting

The Judicial Expense Fund uses funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The funds are grouped into one fund type as described below:

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

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

Special Revenue Funds: Special revenue funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditure for specific purposes. The Judicial Expense Fund has two special revenue funds:

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

- **Hearing Officer Fund** - accounts for a five percent (5%) fee assessed in non-support cases that are processed through the state's Child Support Enforcement Program. These fees are used to pay the salary of the hearing officer appointed by the judge of the Eighth Judicial District to hear support related matters as well as to fund other expenditures incurred in connection with this function.
- **Probation Fund** - accounts for \$25 per case fees assessed for monitoring payment of fines and court costs paid by individuals on probation. The fees are used to pay health insurance benefits for employees monitoring the payments of assessed court costs and fines.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Government-wide Financial Statements (GWFS)

The statement of net position and the statement of activities report information on all of the financial activities of the Judicial Expense Fund as a whole. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of the Judicial Expense Fund's activities is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting and Measurements Focus (Continued)

Government-wide Financial Statements (GWFS) (Continued)

A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues reduce the cost of the function to be financed by the Judicial Expense Fund's general revenues. Program revenues included in the statement of activities are (1) derived directly from fees and charges paid by court users who purchase, use or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions, and (3) capital grants and contributions. For identifying to which function a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which includes interest earned and other items not properly included in program revenues.

Fund Financial Statements (FFS)

The fund financial statements report financial information by major and nonmajor funds. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. Nonmajor funds are aggregated and presented in a single column.

A fund is considered major if it is the primary operating fund of the Judicial Expense Fund or if it meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least five percent (5%) of the total for all funds.
- b. The Judicial District Expense Fund's management believes that the fund is particularly important to the financial statement users.

The Judicial Expense Fund considers all of its funds to be major funds.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting and Measurements Focus (Continued)

Fund Financial Statements (FFS) (Continued)

The amounts reflected in the fund financial statements 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 reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Judicial Expense Fund's operations.

The amounts reflected in the fund financial statements 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 Judicial Expense Fund 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. The governmental funds use the following practices in recording revenues and expenditures:

Revenues:

Court costs, fines and forfeitures are recognized as income in the year settled.

Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching requirements, in which the Judicial Expense Fund must provide local resources to be used for a specified purpose; and expenditure requirements, in which resources are provided to the Judicial Expense Fund on a reimbursement basis.

Substantially all other revenues are recorded when received by the Judicial Expense Fund.

Based on the above criteria, state grants, court costs, and fines and forfeitures are treated as susceptible to accrual.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting and Measurements Focus (Continued)

Fund Financial Statements (FFS) (Continued)

Expenditures:

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Judicial Expense Fund.

Purchases of capital assets in the governmental funds are recorded as expenditures when purchased. Governmental fund capital assets are reported at cost, net of accumulated depreciation, only in the government-wide financial statements.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, and savings deposits. Cash equivalents include short term, highly liquid investments with original maturities of 90 days or less when purchased. Under state law, the Judicial Expense Fund may deposit funds in demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable. At December 31, 2016, no amounts were deemed to be uncollectible.

G. Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost less accumulated depreciation. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

The Judicial Expense Fund maintains a threshold level of \$200 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	3-5 years
Furniture and fixtures	7 years

Capital assets are recorded as expenditures in the governmental funds at the time purchased. No depreciation expense is recorded in the fund financial statements.

H. Compensated Absences

The Judicial Expense Fund has the following policy relating to vacation, sick and personal leave:

Personal leave is earned at the rate of one day per month and is cumulative to a maximum of two (2) days.

Sick leave is earned at the rate of one day per month and is cumulative to a maximum of twenty-four (24) days.

Two weeks of vacation leave is earned each year.

Any accumulated vacation leave which is not taken by December 31 of each year will be forfeited.

H. Compensated Absences (Continued)

There was a total of \$467 of accumulated unpaid compensated absences as of December 31, 2016, computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the General Fund.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Interfund Transactions

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund. Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

J. Use of Estimates

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

K. Fund Equity

The Judicial Expense Fund has implemented GASB Statement No. 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 governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Judicial Expense Fund is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

In the fund financial statements, governmental fund balance is presented in five possible categories:

- ***Nonspendable*** – resources which cannot be spent because they are either (a) not in spendable form (such as prepaid items) or; (b) legally or contractually required to be maintained intact.
- ***Restricted*** – resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Fund Equity (Continued)

- ***Committed*** – resources which are subject to limitations or constraints to specific purposes the government imposes upon itself at its highest level of decision making (the district judge). These amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- ***Assigned*** – resources neither restricted nor committed for which the district judge has a stated intended use.
- ***Unassigned*** – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The district judge establishes (and modifies and rescinds) fund balance commitments and assignments.

The Judicial Expense Fund 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.

L. Net Position

The Judicial Expense Fund has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In the government-wide financial statements the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and is reported in three components:

- ***Net investment in capital assets*** - Consists of the historical cost of capital assets net of accumulated depreciation and reduced by any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Net Position (Continued)

- ***Restricted net position*** - Consists of assets that are restricted by the Judicial Expense Fund's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state) and by other contributors (less related liabilities and deferred inflows of resources).

- ***Unrestricted net position*** - Consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Judicial Expense Fund's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

When an expense is incurred that can be paid using either restricted or unrestricted resource (net position) the Judicial Expense Fund's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

2. CASH AND CASH EQUIVALENTS

At December 31, 2016, the Judicial Expense Fund had cash and cash equivalents (book balances) totaling \$48,761 consisting of demand deposits with financial institutions. These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The cash equivalents of the Judicial Expense Fund are subject to the following risks:

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. At year end, the Judicial Expense Fund had collected bank balances of \$52,852 which was fully protected by federal depository insurance.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

3. RECEIVABLES

Receivables at December 31, 2016, consisted of court costs and fees and grant revenues, which were earned during December 2016, but not remitted by the collecting agency until after year-end.

	General Fund	Hearing Officer Fund	Total
Winn Parish Clerk of Court--Civil Fees	\$ 410	\$ -	\$ 410
Winn Parish Sheriff--Fines and Forfeitures	5,014	-	5,014
Winn Parish Sheriff--Bench Warrants	690	-	690
State of Louisiana--FINS grant	4,584	-	4,584
State of Louisiana--Office of Family Support	-	3,251	3,251
Totals	\$ 10,698	\$ 3,251	\$ 13,949

4. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance 6/30/2015	Additions	Deletions	Balance 6/30/2016
Governmental Activities:				
Capital assets, being depreciated				
Office furniture	\$ 7,989	\$ -	\$ -	\$ 7,989
Office equipment	77,217	-	-	77,217
Total capital assets, being depreciated	\$ 85,206	\$ -	\$ -	\$ 85,206
Less accumulated depreciation for				
Office furniture	\$ 7,917	\$ 57	\$ -	\$ 7,974
Office equipment	76,893	126	-	77,019
Total accumulated depreciation	84,810	183	-	84,993
Total capital assets being depreciated, net	\$ 396			\$ 213

For the year ended December 31, 2016, depreciation expense of \$183 was charged to the judicial function of governmental activities.

5. OPERATING TRANSFERS

In the ordinary course of business, the Judicial Expense Fund routinely transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfer In	Transfer Out	Amount
General Fund	Hearing Officer Fund	\$ 35,560

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

6. PENSION PLAN

Plan Description. The administrative assistants and receptionist of the Eighth Judicial District Court are members of the Parochial Employees' Retirement System of Louisiana (Plan A), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Although the Judicial Expense Fund reports and pays the pension plan directly, they are reported in the plan under the Winn Parish Police Jury. Therefore, the Eighth Judicial District Court is not required to report under GASB 68.

All employees working at least 28 hours per week and all elected parish officials are eligible to participate. Under Plan A. Employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4169, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 13% of annual covered payroll. Contributions to the retirement system also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Eighth Judicial District Court Judicial Expense Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The Eighth Judicial District Court Judicial Expense Fund's contributions to the system for the years ending December 31, 2016, 2015, and 2014 were \$18,187, \$20,155, and \$22,240, respectively, and were equal to the required contributions for each year.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Financial Statements
December 31, 2016

7. RELATED PARTY TRANSACTIONS

Procedures, observations and inquires did not disclose any material related party transactions for the fiscal year ended December 31, 2016.

8. EXPENDITURES MADE AND SERVICES PROVIDED BY THE WINN PARISH POLICE JURY

The Winn Parish Police Jury provides the Judicial Expense Fund with office facilities and the related utility costs for such facilities. These costs are not determinable and are not included in the accompanying basic financial statements.

9. LITIGATION

The Eighth Judicial District Court Judicial Expense Fund was not involved in any litigation at December 31, 2016.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 23, 2017, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION PART II

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual Amounts (Budgetary Basis)	
Revenues:						
Intergovernmental revenues:						
State grants	\$ 26,877	\$ 25,212	\$ 25,212	\$ -	\$ 25,212	-
Winn Parish Police Jury- Criminal Court Fund	95,000	86,800	86,800	-	86,800	-
Fees, charges, and a commissions for services:						
Court costs	26,435	28,400	27,680	720	28,400	-
Fines and forfeitures	60,165	60,165	60,165	-	60,165	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>208,477</u>	<u>200,577</u>	<u>199,857</u>	<u>720</u>	<u>200,577</u>	<u>-</u>
Expenditures:						
Current:						
Accounting and audit services	5,000	5,750	5,250	500	5,750	-
Contract services	1,900	600	600	-	600	-
Employee benefits	45,373	42,192	31,461	521	31,982	10,210
Library	2,500	3,037	2,019	(1,018)	1,001	2,036
Office costs	52,638	47,592	42,580	1,614	44,194	3,398
Seminars, conferences	-	-	75	-	75	(75)
Payroll taxes	2,400	3,137	3,176	(1,413)	1,763	1,374
Salaries	138,999	151,000	151,048	(48)	151,000	-
Total expenditures	<u>248,810</u>	<u>253,308</u>	<u>236,209</u>	<u>156</u>	<u>236,365</u>	<u>16,943</u>
Excess (deficiency) of revenues over expenditures	<u>(40,333)</u>	<u>(52,731)</u>	<u>(36,352)</u>	<u>564</u>	<u>(35,788)</u>	<u>16,943</u>

(Continued)

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts		Variance With Final Budget Positive (Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
				Actual Amounts (Budgetary Basis)		
Other Financing Sources (Uses):						
Transfers in	\$ 39,008	\$ 35,560	\$ 35,560	\$ -	\$ 35,560	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	39,008	35,560	35,560	-	35,560	-
Net Change in Fund Balances	(1,325)	(17,171)	(792)	564	(228)	16,943
Fund Balances at Beginning of Year	3,979	3,979	3,979	-	3,979	-
Fund Balances at End of Year	\$ 2,654	\$ (13,192)	\$ 3,187	\$ 564	3,751	\$ 16,943

The notes to the financial statements are an integral part of this statement.
 See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Budgetary Comparison Schedule
Special Revenue Fund – Hearing Officer Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	Adjustments to Budgetary Basis	Actual Amounts (Budgetary Basis)	
Revenues:						
Intergovernmental revenues:						
State grants	\$ 53,630	\$ 47,277	\$ 46,234	\$ 1,043	\$ 47,277	-
Expenditures:						
Current:						
Refunds	-	604	604	-	604	-
Total expenditures	-	604	604	-	604	-
Excess (deficiency) of revenues over expenditures	53,630	46,673	45,630	1,043	46,673	-
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(47,620)	(35,560)	(35,560)	-	(35,560)	-
Total other financing sources (uses)	(47,620)	(35,560)	(35,560)	-	(35,560)	-
Net Change in Fund Balance	6,010	11,113	10,070	1,043	11,113	-
Fund Balances at Beginning of Year	28,852	28,852	28,852	-	28,852	-
Fund Balances at End of Year	\$ 34,862	\$ 39,965	\$ 38,922	\$ 1,043	\$ 39,965	-

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Budgetary Comparison Schedule
Special Revenue Fund – Probation Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts		Variance With Final Budget Positive (Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		
				Actual Amounts (Budgetary Basis)		
Revenues:						
Fees, charges, and commissions for services:						
Fines and forfeitures	\$ 15,600	\$ 14,565	\$ 14,565	\$ -	\$ 14,565	-
Total revenues	<u>15,600</u>	<u>14,565</u>	<u>14,565</u>	<u>-</u>	<u>14,565</u>	<u>-</u>
Expenditures:						
Current:						
Employee benefits	15,500	14,016	14,516	(500)	14,016	-
Miscellaneous	20	-	-	-	-	-
Total expenditures	<u>15,520</u>	<u>14,016</u>	<u>14,516</u>	<u>(500)</u>	<u>14,016</u>	<u>-</u>
Net Change in Fund Balance	80	549	49	500	549	-
Fund Balances at Beginning of Year	1,109	1,109	1,109	-	1,109	-
Fund Balances at End of Year	<u>\$ 1,189</u>	<u>\$ 1,658</u>	<u>\$ 1,158</u>	<u>500</u>	<u>\$ 1,658</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Notes to Budgetary Comparison
December 31, 2016

The proposed budgets for the December 31, 2016, fiscal year were made available for public inspection at the office of the Eighth Judicial District Court on December 4, 2015. The proposed budgets for the General Fund and the Special Revenue Funds (Hearing Officer Fund and Probation Fund) are prepared on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). All appropriations lapse at year-end.

The Louisiana Local Government Budget Act provides that “the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year”. The “total estimated funds available” is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. The budgets were not amended for the year ended December 31, 2016.

Through the budget, the Judicial Expense Fund allocates its resources and establishes its priorities. The annual budget assures the efficient and effective uses of the Judicial Expense Fund’s economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of Judicial Expense Fund’s performance. The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end. The district judge may revise or amend the budget at his discretion. Management may not amend the budget.

OTHER SUPPLEMENTAL INFORMATION

EIGHTH JUDICIAL DISTRICT COURT JUDICIAL EXPENSE FUND
A Component Unit of the Winn Parish Police Jury

Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2016

Jacque D. Derr - District Judge:	Amount paid by
Purpose	<u>Judicial Expense Fund</u>
Salary	\$ -
Benefits- Insurance	-
Benefits- retirement	-
Benefits- other	-
Car Allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	\$ -

Note 1. The Judge is an elected official and is an employee of the Louisiana Supreme Court. The amounts paid by the Louisiana Supreme Court are not included in the financial statements.

The notes to the financial statements are an integral part of this statement.
See the accompanying independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE LOUISIANA GOVERNMENTAL AUDIT GUIDE**

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



Dees Gardner, Certified Public Accountants, LLC

Deborah D. Dees, CPA/CFF

Maura Dees Gardner, CPA, CFE

122 Jefferson Street

Mansfield, Louisiana

318-872-3007

**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***

The Honorable Jacque D. Derr, District Judge
Eighth Judicial District Court Judicial Expense Fund
Winnfield, Louisiana 71483

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 Eighth Judicial District Court Expense Fund, Winnfield, Louisiana, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Eighth Judicial District Court Expense Fund's basic financial statements, and have issued our report thereon dated June 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Eighth Judicial District Court 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 Eighth Judicial District Court Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Eighth Judicial District Court Expense Fund's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of audit findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of audit findings to be a material weakness. Item 16-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Eighth Judicial District Court 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 is required to be reported under *Government Auditing Standards*..

The Eighth Judicial District Court Expense Fund's Response to Findings

The Eighth Judicial District Court Expense Fund's responses to the findings identified in our audit are described in the accompanying management's corrective action plan. The Eighth Judicial District Court Expense Fund's 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 result 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 Eighth Judicial District Court Expense Fund and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is a public document and its distribution is not limited.

Dees Gardner, CPAs, LLC

Dees Gardner, CPAs, LLC
Mansfield, Louisiana
June 23, 2017

AUDIT FINDINGS

FINDINGS RELATED TO INTERNAL CONTROL

Item -16-1, 15-1, 14-1

Criteria or specific requirement: Effective internal control requires a proper segregation of incompatible duties.

Condition: The administrative assistant performs substantially all significant accounting functions. These duties include, but are not limited to, making deposits, paying bills, reconciling the monthly bank statements and updating the general ledger for both receipts and disbursements.

Questioned costs: None

Context: Judicial Expense Fund employees are performing incompatible accounting duties without appropriate mitigating procedures being performed.

Effect: Without a proper segregation of duties, errors or fraud could occur and not be detected within a timely period, increasing the risk of loss or theft of assets.

Cause: The Judicial Expense Fund's management feels that hiring additional personnel is not economically feasible.

Recommendation: The Judicial Expense Fund should consider hiring a consultant to closely review the Judicial Expense Fund's operations and recommend procedures that can be performed by the Judge to mitigate the risk resulting from this material internal control weakness.

Management's Response: In order to answer some of the segregation issues, we have done or will do the following:

- Judge Derr opens and reviews the bank statements before the bookkeeper reconciles the bank accounts.
- Judge Derr makes the daily deposits at the bank, brings back the bank receipts to be compared to the copy of the receipt and initials.
- Outside bookkeeper prepares payroll and completes payroll compliance reports for the Fund.

FINDINGS RELATED TO COMPLIANCE

None noted

PRIOR YEAR AUDIT FINDINGS RELATED TO INTERNAL CONTROL

Item -15-1; 14-1; 13-1

Condition: The administrative assistant performs substantially all significant accounting functions. These duties include, but are not limited to paying bills, reconciling the monthly bank statements and updating the general ledger for both receipts and disbursements.

Status: Partially resolved. The Judicial Expense Fund continues to find ways to mitigate the risks. See management response to 16-1.

FINDINGS RELATED TO COMPLIANCE

Item – 15-2; 14-2 Budget violations Resolved.