

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

**Annual Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 2013  
With Supplemental Information Schedules**

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

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With Supplemental Information Schedules**

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FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana  
Contents, December 31, 2013

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# MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

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## Independent Auditor's Report

HONORABLE MACK LANCASTER,  
DISTRICT ATTORNEY OF THE JUDICIAL CRIMINAL COURT  
Parishes of Franklin, Richland, and West Carroll, Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Fifth Judicial District - Judicial Criminal Court Fund, a component unit of the Franklin, Richland, and West Carroll Parish Police Juries, as of December 31, 2013, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Criminal Court'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.

### *Auditor's Responsibility*

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Fifth Judicial District - Judicial Criminal Court Fund'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 Fifth Judicial District - Judicial Criminal Court Fund's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana  
Independent Auditor's Report,  
December 31, 2012

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Fifth Judicial District - Judicial Criminal Court Fund as of December 31, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10 to 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. I 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 managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

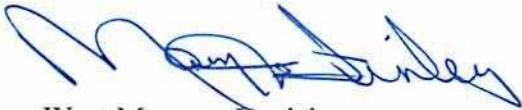
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fifth Judicial District - Judicial Criminal Court Fund's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The supplemental information schedules listed in the table of contents 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 my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
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and West Carroll, Louisiana  
Independent Auditor's Report,  
December 31, 2013

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

In accordance with *Government Auditing Standards*, I have also issued a report dated March 24, 2014, on my consideration of the Fifth Judicial District - Judicial Criminal Court Fund's internal control over financial reporting and on my 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 my 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 Fifth Judicial District - Judicial Criminal Court Fund's internal control over financial reporting and compliance.



West Monroe, Louisiana  
March 24, 2014

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana

**Management's Discussion and Analysis**  
December 31, 2013

As management of the Fifth Judicial District - Judicial Criminal Court Fund, we offer readers of the Fifth Judicial District - Judicial Criminal Court Fund's financial statements this narrative overview and analysis of the financial activities of the Fifth Judicial District - Judicial Criminal Court Fund for the fiscal year ended December 31, 2013. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

### **Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the criminal court's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

***Government-wide financial statements.*** The *government-wide financial statements* are designed to provide readers with a broad overview of the Fifth Judicial District - Judicial Criminal Court Fund's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Fifth Judicial District - Judicial Criminal Court Fund's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Fifth Judicial District - Judicial Criminal Court Fund is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and



expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

**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 Fifth Judicial District - Judicial Criminal Court Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fifth Judicial District - Judicial Criminal Court Fund are governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Fifth Judicial District - Judicial Criminal Court Fund is not subject to the local government budget act.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fifth Judicial District - Judicial Criminal Court Fund's performance.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fifth Judicial District - Judicial Criminal Court Fund exceeded liabilities by \$183,946. Approximately 2% of the Fifth Judicial District - Judicial Criminal Court Fund's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. The restricted assets are to defray excessive costs incurred in first degree murder cases or very serious felony trials wherein venue has been changed.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Fifth Judicial District - Judicial Criminal Court Fund to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

## STATEMENT OF NET POSITION

	<u>2013</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$209,776
Receivables	73,686
Capital assets (net of accumulated depreciation)	<u>3,553</u>
<b>TOTAL ASSETS</b>	<b><u>\$287,015</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$25,335
Payroll withholdings payable	46,597
Due to Police Juries	12,137
Compensated absences payable	<u>19,000</u>
<b>TOTAL LIABILITIES</b>	<b><u>103,069</u></b>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	3,553
Restricted	118,230
Unrestricted	<u>62,163</u>
<b>TOTAL NET POSITION</b>	<b><u>\$183,946</u></b>

## STATEMENT OF ACTIVITIES

	<u>2013</u>
Judicial:	
Personal services	\$434,979
Operating services	281,311
Materials and supplies	18,411
Travel	613
Intergovernmental	12,137
Depreciation expense	<u>888</u>
Total Program Expenses	<u>748,339</u>
Program revenues:	
Fines and forfeitures	676,278
Witness fees	<u>36,733</u>
Total program revenues	<u>713,011</u>
Net Program Expenses	<u>(35,328)</u>
General revenues	
Local funds	217,452
Interest earned	118
Other revenue	<u>1,704</u>
Total general revenues	<u>219,274</u>
Change in Net Position	183,946
Net Position - Beginning of year	<u>NONE</u>
Net Position - End of year	<b><u>\$183,946</u></b>

**Financial Analysis of the Government's Funds**

As noted earlier, the Fifth Judicial District - Judicial Criminal Court Fund uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2013, the General Fund's has a fund balance of \$199,393 for the first year.

### **General Fund Budgetary Highlights**

The Fifth Judicial District - Judicial Criminal Court Fund is not subject to the local government budget act.

### **Capital Asset and Debt Administration**

**Capital assets.** The Fifth Judicial District - Judicial Criminal Court Fund's investment in capital assets for its governmental activities as of December 31, 2013, amounts to \$3,553 (net of accumulated depreciation). This investment includes furniture and equipment. There were increases of \$4,441 for the year and no decreases in capital assets for the year.

**Long-term debt.** At the end of the fiscal year, the Fifth Judicial District - Judicial Criminal Court Fund's had \$19,000 debt outstanding, consisting of compensated absences.

### **Requests for Information**

This financial report is designed to provide a general overview of the Fifth Judicial District - Judicial Criminal Court Fund's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fifth Judicial District - Judicial Criminal Court Fund, P.O. Box 417, Rayville, LA 71269.

**BASIC FINANCIAL STATEMENTS**

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

**STATEMENT OF NET POSITION  
December 31, 2013**

**ASSETS**

Cash and cash equivalents	\$209,776
Receivables	73,686
Capital assets (net of accumulated depreciation)	<u>3,553</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$287,015</u></u></b>

**LIABILITIES**

<b>Liabilities</b>	
Accounts payable	\$25,335
Payroll withholdings payable	46,597
Due to Police Juries	12,137
Compensated absences payable	<u>19,000</u>
<b>TOTAL LIABILITIES</b>	<b>103,069</b>

**NET POSITION**

Invested in capital assets, net of related debt	3,553
Restricted	118,230
Unrestricted	<u>62,163</u>
<b>TOTAL NET POSITION</b>	<b><u><u>\$183,946</u></u></b>

The accompanying notes are an integral part of this statement.

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

**STATEMENT OF ACTIVITIES  
December 31, 2013**

<b>Judicial:</b>	
Personal services	\$434,979
Operating services	281,311
Materials and supplies	18,411
Travel	613
Intergovernmental	12,137
Depreciation expense	888
Total Program Expenses	<u>748,339</u>
<b>Program revenues:</b>	
Fines and forfeitures	676,278
Witness fees	36,733
Total program revenues	<u>713,011</u>
Net Program Expenses	<u>(35,328)</u>
<b>General revenues:</b>	
Local funds	217,452
Interest earned	118
Other revenues	1,704
Total general revenues	<u>219,274</u>
<b>Change in Net Position</b>	<b>183,946</b>
<b>Net Position - Beginning of year</b>	<u><b>NONE</b></u>
<b>Net Position - End of year</b>	<u><u><b>\$183,946</b></u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -  
 JUDICIAL CRIMINAL COURT FUND  
 Parishes of Franklin, Richland,  
 and West Carroll, Louisiana

GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2013

**ASSETS**

Cash and cash equivalents	\$209,776
Receivables	<u>73,686</u>
<b>TOTAL ASSETS</b>	<b><u>\$283,462</u></b>

**LIABILITIES AND FUND EQUITY**

## Liabilities

Accounts payable	\$25,335
Payroll withholdings payable	46,597
Due to Police Juries	<u>12,137</u>
<b>TOTAL LIABILITIES</b>	<b><u>84,069</u></b>

## Fund Equity:

Restricted - Other general government	118,230
Unassigned	<u>81,163</u>
<b>TOTAL FUND EQUITY</b>	<b>199,393</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$283,462</u></b>

The accompanying notes are an integral part of this statement.

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

**Reconciliation of Governmental Funds  
Balance Sheet to the Statement of Net Position**

**For the Year Ended December 31, 2013**

<b>Total Fund Balances at December 31, 2013 - Governmental Funds (Statement C)</b>	<b><u>\$199,393</u></b>
<b>Cost of capital assets at December 31, 2013</b>	<b>\$4,441</b>
<b>Less: Accumulated depreciation as of December 31, 2013</b>	<b><u>(888)</u>      <u>3,553</u></b>
<b>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</b>	<b><u>(19,000)</u></b>
<b>Net Position at December 31, 2013 (Statement A)</b>	<b><u><u>\$183,946</u></u></b>

The accompanying notes are an integral part of this statement.



**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana  
GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balances**

For the Year Ended December 31, 2013

**REVENUES**

## Intergovernmental:

Local funds	\$217,452
Fines and forfeitures	676,278
Witness Fees	36,733
Use of money and property - interest earnings	118
Asset forfeitures	1,704
Total revenues	<u>932,285</u>

**EXPENDITURES**

## Current:

## General government - judicial:

Personal services	415,979
Operating services	281,311
Materials and supplies	18,411
Travel and other charges	613
Capital outlay	4,441
Intergovernmental	12,137
Total expenditures	<u>732,892</u>

**EXCESS OF REVENUES OVER EXPENDITURES**

199,393

**FUND BALANCES AT BEGINNING OF YEAR**NONE**FUND BALANCES AT END OF YEAR**\$199,393

The accompanying notes are an integral part of this statement.

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

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

**For the Year Ended December 31, 2013**

<b>Total net change in fund balances - governmental funds (Statement D)</b>	<b>\$199,393</b>
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
<b>Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.</b>	<b>3,553</b>
<b>Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.</b>	<b><u>(19,000)</u></b>
<b>Change in net position of governmental activities (Statement B)</b>	<b><u><u>\$183,946</u></u></b>

The accompanying notes are an integral part of this statement.

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana**

**Notes to the Financial Statements  
As of and For the Year Ended December 31, 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by LRS 15:571.11 which creates the Fifth Judicial District - Judicial Criminal Court fund of the Fifth Judicial District from which certain expenses of the parish court system, including the expenses of the District Attorney's Office and the District Judge's Office may be paid. Revenues for the criminal court fund are derived from fines and costs ordered as part of a court conviction and levied amounts from the police juries. The Fifth Judicial District encompasses the parishes of Franklin, Richland, and West Carroll, Louisiana.

The accompanying financial statements of the Fifth Judicial District - Judicial Criminal Court Fund have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) 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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

**A. REPORTING ENTITY**

As governing authorities of the parishes, for reporting purposes, the Franklin, Richland, and West Carroll Parish Police Juries are considered separate financial reporting entities. The financial reporting entity consists of (a) the primary government (the police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin, Richland, and West Carroll Parish Police Juries for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on that organization and/or

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND**  
Parishes of Franklin, Richland,  
And West Carroll, Louisiana  
Notes to the Financial Statements (Continued)

- 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.

Because the Franklin, Richland, and West Carroll Parish police juries maintain and operate the parish courthouses in which the district judge's offices are located, the Fifth Judicial District - Judicial Criminal Court Fund was determined to be a component unit of the police juries, the financial reporting entities. The accompanying financial statements present information only on the funds maintained by the Fifth Judicial District - Judicial Criminal Court Fund and do not present information on the police juries, the general government services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

**B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS**

The court's basic financial statements include both government-wide (reporting the court as a whole) and fund financial statements (reporting the court's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the court are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the court.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The court first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses,

**FIFTH JUDICIAL DISTRICT -  
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Parishes of Franklin, Richland,  
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Notes to the Financial Statements (Continued)**

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 nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the court's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the court's general revenues.

**Allocation of Indirect Expenses** - The court reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS**

The financial transactions of the court are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the court. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The court's current operations require the use of only governmental funds. The governmental fund type used by the court is described as follows:

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
And West Carroll, Louisiana  
Notes to the Financial Statements (Continued)**

**Governmental Fund Type - Major Funds**

**General Fund** - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the court and is used to account for the operations of the court's office. The various fees and charges due to the court's office are accounted for in this fund. General operating expenditures are paid from this fund.

**D. BASIS OF ACCOUNTING**

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

**1. Accrual:**

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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 differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
And West Carroll, Louisiana  
Notes to the Financial Statements (Continued)**

interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Fines and forfeitures are recorded in the year they are collected by the sheriff.

Interest income on demand deposits is recorded in the month earned and credited to the account.

Substantially all other revenues are recorded when they become available.

Based on the above criteria, fines and forfeitures and witness fees have been treated as susceptible to accrual.

**Expenditures**

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

**E. CASH AND CASH EQUIVALENTS**

Under state law, the court 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 principal offices in Louisiana. At December 31, 2013, the court has cash and cash equivalents (book balances) totaling \$209,776.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2013, total \$225,883 and are fully secured by federal deposit insurance and pledged securities.

**FIFTH JUDICIAL DISTRICT -  
 JUDICIAL CRIMINAL COURT FUND  
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 Notes to the Financial Statements (Continued)**

**F. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the court, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

**G. ANNUAL AND SICK LEAVE**

All employees are granted two to three weeks of cumulative vacation leave each year, depending on length of service and are allowed to accrue up to 24 days. Sick leave is non-cumulative at 10 days per year.

At December 31, 2013, employees of the criminal court have accumulated and vested \$19,000 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is recorded as a general long-term obligation in the accompanying financial statements.

**H. RISK MANAGEMENT**

The criminal court is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the criminal court maintains commercial insurance policies covering automobiles, workmen's compensation and surety bond coverage. No claims were paid on any of the policies during the past three years which exceeded the policies coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2013.



FIFTH JUDICIAL DISTRICT -  
 JUDICIAL CRIMINAL COURT FUND  
 Parishes of Franklin, Richland,  
 And West Carroll, Louisiana  
 Notes to the Financial Statements (Continued)

**2. RECEIVABLES**

The following is a summary of receivables at December 31, 2013:

<u>Class of Receivable</u>	
Fines	\$36,761
Witness fees	36,733
Suspension fees	187
Miscellaneous revenues	<u>5</u>
Total	<u>\$73,686</u>

**3. CHANGES IN CAPITAL ASSETS**

A summary of changes in office furnishings and equipment follows:

Balance, December 31, 2012	NONE
Additions	\$4,441
Deletions	<u>NONE</u>
Balance, December 31, 2013	\$4,441
Less accumulated depreciation	<u>(888)</u>
Net Capital Assets	<u>\$3,553</u>

**4. PENSION PLAN**

Substantially all employees of the Fifth Judicial District - Judicial Criminal Court Fund are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions.

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. 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 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
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And West Carroll, Louisiana  
Notes to the Financial Statements (Continued)**

salary for each salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

Under Plan A, members are required by state statute to contribute 9.50 per cent of their annual covered salary and the Fifth Judicial District - Judicial Criminal Court Fund is required to contribute at an actuarially determined rate. The current rate is 16.75 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (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 Fifth Judicial District - Judicial Criminal Court Fund are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Fifth Judicial District - Judicial Criminal Court Fund's contributions to the System under Plan A for the years ending December 31, 2013, 2012, and 2011, were \$46,056, \$0, and \$0, respectively, equal to the required contributions for each year.

The district attorney and assistant district attorneys of the Fifth Judicial District are members of the Louisiana District Attorneys Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Assistant district attorneys who earn, as a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 percent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with a 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with a 3 percent benefit reduction for each year retiring below age 62. The retirement benefit is equal to 3 percent of the members' average final compensation multiplied by the number of years of his membership service, not to exceed 100 percent of his average final compensation.

**FIFTH JUDICIAL DISTRICT -  
 JUDICIAL CRIMINAL COURT FUND  
 Parishes of Franklin, Richland,  
 And West Carroll, Louisiana  
 Notes to the Financial Statements (Continued)**

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the members' final average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced by 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The system issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 2109 Decatur Street, New Orleans, Louisiana 70116-2091, or by calling (504) 947-5551.

Plan members are required by state statute to contribute 7.0 per cent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The current rate is 9.75 per cent of annual covered payroll. Contributions to the system include .2 per cent of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Fifth Judicial Districts' contributions to the System for the year ending December 31, 2013, 2012 and 2011 was \$7,406, \$0, and \$0, respectively.

**5. CHANGES IN GENERAL LONG-TERM OBLIGATIONS -  
 COMPENSATED ABSENCES PAYABLE**

Long-term obligations at January 1, 2013	NONE
Additions	\$29,838
Deletions	<u>(10,838)</u>
Long-term obligations at December 31, 2013	<u>\$19,000</u>

**6. LITIGATION AND CLAIMS**

The Fifth Judicial District - Judicial Criminal Court Fund is not involved in any litigation at December 31, 2013, nor is it aware of any unasserted claims.

**FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
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And West Carroll, Louisiana  
Notes to the Financial Statements (Continued)**

**7. EXPENDITURES OF THE FIFTH JUDICIAL  
DISTRICT - JUDICIAL CRIMINAL COURT FUND  
NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The Fifth Judicial District - Judicial Criminal Court Fund's primary office is located in the Richland Parish courthouse. They also have offices in the West Carroll and Franklin courthouse buildings. The cost of maintaining and operating these courthouses, as required by Louisiana Revised Statute 33:4715, is paid by the respective police juries.

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
PART IV**

**Independent Auditor's Report Required  
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the 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.

**MARY JO FINLEY, CPA, INC.**

*A PROFESSIONAL CORPORATION*

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**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 *Government Auditing Standards***

HONORABLE MACK LANCASTER,  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana

I 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 Fifth Judicial District - Judicial Criminal Court Fund, a component unit of the Franklin, Richland, and West Carroll Parish Police Juries, as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Fifth Judicial District - Judicial Criminal Court Fund's basic financial statements, and have issued my report thereon dated March 24, 2014.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Fifth Judicial District - Judicial Criminal Court Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fifth Judicial District - Judicial Criminal Court Fund's internal control. Accordingly, I do not express an opinion on the effectiveness of the Fifth Judicial District - Judicial Criminal Court Fund's internal control.

*A deficiency in internal control* exist 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 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.

FIFTH JUDICIAL DISTRICT -  
JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland,  
and West Carroll, Louisiana  
Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 2013

My 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 my audit I did not identify any deficiencies in internal control that I 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 Fifth Judicial District - Judicial Criminal Court Fund's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fifth Judicial District - Judicial Criminal Court Fund'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 Fifth Judicial District - Judicial Criminal Court Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



West Monroe, Louisiana  
March 24, 2014



**FIFTH JUDICIAL DISTRICT - JUDICIAL CRIMINAL COURT FUND**  
**Parishes of Franklin, Richland, and West Carroll, Louisiana**

**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2013**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Fifth Judicial District - Judicial Criminal Court Fund.
2. No instances of noncompliance material to the financial statements of the Fifth Judicial District - Judicial Criminal Court Fund were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**FIFTH JUDICIAL DISTRICT - JUDICIAL CRIMINAL COURT FUND  
Parishes of Franklin, Richland, and West Carroll, Louisiana**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2013**

**There were no findings reported in the audit reports pertaining to the criminal court funds for the West Carroll, Richland, and Franklin Parish Police Juries for the year ended December 31, 2012.**