

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**Component Unit of the  
Avoyelles Parish Police Jury  
Marksville, Louisiana**

**Financial Statements**

**December 31, 2017**

DUCOTE & COMPANY  
Certified Public Accountants  
219 North Main Street  
P. O. Box 309  
Marksville, LA 71351

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

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**Independent Auditors' Report**

The Honorable William Bennett  
The Honorable Kerry Spruill  
Twelfth Judicial District Court  
Marksville, Louisiana

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes, as listed in the table of contents.

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

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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.

The Honorable William Bennett and Honorable Kerry Spruill

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June 25, 2018

### ***Opinions***

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of December 31, 2017, and the resulting changes in financial position, and the respective budgetary comparison of the 12<sup>th</sup> Judicial District Court Special Revenue Fund, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head is presented for purposes of additional analysis as required by Act 706 of the 2014 Regular Louisiana Legislative Session and as stated in LRS 24:513(A)(3). Such information is the responsibility of management. With the exception of the items marked "unaudited", such information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2018, on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and compliance.

### ***Ducote & Company***

Marksville, Louisiana

June 25, 2018

**BASIC  
FINANCIAL STATEMENTS**

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
STATEMENT OF NET POSITION  
December 31, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$469,103
Accounts receivable	27,500
Machinery and equipment (net of accum depr)	24,896
<b>TOTAL ASSETS</b>	<b>521,499</b>
 <b>LIABILITIES</b>	
Accounts payable	4,860
Accrued expenses	152
Fines payable	277,104
<b>TOTAL LIABILITIES</b>	<b>282,116</b>
 <b>NET POSITION</b>	
Investment in capital assets	24,896
Restricted:	
Court services	214,487
<b>TOTAL NET POSITION</b>	<b>\$239,383</b>

Total Governmental Fund Balance \$214,487  
Amounts reported for governmental activities in  
the statement of net assets are different  
because:

Capital assets used in governmental activities  
are not financial resources and are not reported  
as assets in governmental funds. The cost of  
the assets are \$57,694 and the accumulated  
depreciation is \$32,798.

	24,896
	<b>\$239,383</b>

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

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2017**

**FUNCTIONS/PROGRAMS**

Governmental Activities

	<b>Expenses</b>	<b>Program Operating Grants</b>	<b>Net Revenues (Expenses)</b>
General Government			
Salaries	\$326,495	\$384,664	\$58,169
Payroll taxes and insurance	46,335	54,590	8,255
Contract labor	37,776	44,506	6,730
Education and travel	9,366	11,035	1,669
Professional fees	4,833	5,694	861
Depreciation	6,987	8,232	1,245
Other expenses	94,999	111,924	16,925
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$526,791</b>	<b>\$620,645</b>	<b>93,853</b>
General Revenues:			
Interest			554
Changes in net assets			94,407
Net position - beginning of year			144,976
Net position - end of year			\$239,383
Net change in fund balances - total governmental funds			\$96,652
Amount reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities of activities, the cost of capital assets are located over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
	Capital outlay	4,742	
	Depreciation expense	(6,987)	(2,245)
Change in net position of governmental activities			\$94,407

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

## **FUND FINANCIAL STATEMENTS**

**JUDICIAL EXPENSE FUND FOR THE  
 TWELFTH JUDICIAL DISTRICT COURT  
 BALANCE SHEET  
 GOVERNMENTAL FUND  
 December 31, 2017**

	<b>Special Revenue Fund</b>
	<u>          </u>
<b>ASSETS</b>	
Cash	\$469,103
Accounts receivable	<u>27,500</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$496,603</u></u></b>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$4,860
Accrued expenses	152
Fines payable	<u>277,104</u>
Total Liabilities	<u>282,116</u>
Fund Balance:	
Committed	<u>214,487</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u><u>\$496,603</u></u></b>

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

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
GOVERNMENTAL FUND  
Year Ended December 31, 2017**

	<b>SPECIAL REVENUE FUND</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Special assessment fees	\$316,000	\$377,927	\$61,927
Intergovernmental grants	95,800	89,039	(6,761)
Federal grants	160,000	149,433	(10,567)
Miscellaneous income	0	4,246	4,246
Interest	0	554	554
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL REVENUES	<u>571,800</u>	<u>621,199</u>	<u>49,399</u>
<b>EXPENDITURES</b>			
General Government			
Salaries	333,500	326,495	7,005
Payroll taxes and insurance	49,000	46,335	2,665
Contract labor	37,500	37,776	(276)
Education and travel	8,000	9,366	(1,366)
Capital outlay	0	4,742	(4,742)
Professional fees	4,900	4,833	67
Rent	19,000	15,233	3,767
Other expenses	82,540	79,766	2,774
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL EXPENDITURES	<u>534,440</u>	<u>524,547</u>	<u>9,893</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	37,360	96,652	<u><u>\$59,292</u></u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>117,835</u>	<u>117,835</u>	
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$155,195</u></u>	<u><u>\$214,487</u></u>	

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

## **NOTES TO THE FINANCIAL STATEMENTS**

# **JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS December 31, 2017**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Judicial Expense Fund of the Twelfth Judicial District Court was created by Louisiana R.S. 13:996.33. The accounting and reporting policies of the Judicial Expense Fund for the Twelfth Judicial District Court conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to requirements of Louisiana Revised Statutes 24:517.

The following is a summary of the more significant policies:

#### **FINANCIAL REPORTING ENTITY**

Governmental Accounting Standards Board Statement No. 14, *The Reporting Entity*, established criteria for determining component units of an oversight entity. The basic - but not the only - criterion for determining a component unit is the oversight's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but is not limited to,: 1) selection of governing authority; 2) the designation of management; and 3) the ability to significantly influence operations and accountability for fiscal matters.

The Judicial Expense Fund is a part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget.

Based on the above criteria it has been determined that the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana is a component unit of the Avoyelles Parish Police Jury.

The accompanying financial statements present information only on the funds maintained by the 12<sup>th</sup> Judicial District Court and do not present information on the Avoyelles Parish Police Jury, the general governmental services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

# **JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT**

## **NOTES TO FINANCIAL STATEMENTS (continued) December 31, 2017**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **GOVERNMENT WIDE FUND FINANCIAL STATEMENTS**

The government wide fund financial statements report the information on all of the non-fiduciary activities of the Judicial Expense Fund of the Twelfth Judicial District Court. Governmental activities are normally supported by taxes and assessments which are reported separately from the business-type activities, which relay to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fines and assessments charge for various violations.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

#### **FUND ACCOUNTING:**

The accounts of the Court are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

# **JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **GOVERNMENTAL FUND**

Governmental funds account for all or most of the Judicial Expense Fund of the Twelfth Judicial District Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

#### **Special Revenue Fund**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### **BUDGETARY PRACTICES**

In accordance with Louisiana Revised Statute 39:1301 through 39:1314, the Judicial Expense Fund of the Twelfth Judicial District Court is required to adopt an annual budget. All annual appropriations lapse at year end. Encumbrance accounting is not utilized.

### **CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may deposit funds in demand deposits, interest-bearing 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.

Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5-7 years
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**RESTRICTED NET POSITION**

In the government-wide statement of net position, net position is reported as restricted when constraints placed on net position that either are:

- a) Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or
- b) Imposed by law through constitutional provisions or enabling legislation.

Restrictions on net position are:

*Investment in capital assets* – consists of capital assets including restricted assets, net of accumulated depreciation

*Restricted for court services* – funds to be used strictly for the operation of court services

**USE OF ESTIMATES**

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

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**GOVERNMENTAL FUND BALANCES**

In the governmental fund financial statements, fund balances are classified as follows:

*Non-spendable fund balance* – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

*Restricted fund balances* – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

*Committed fund balance* – amounts that can be used only for specific purposes determined by a formal action by the judges of the Twelfth Judicial District Court.

*Assigned fund balance* – amounts that are constrained by the Fund's intent that they will be used for specific purpose.

*Unassigned fund balance* - all other amounts not included in the other spendable classifications.

The Fund considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Fund also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

**NOTE 2. FAIR VALUE**

The District measures and reports the financial assets at fair value. Fair value is defined as the prices that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

**NOTE 2. FAIR VALUE (continued)**

The three-level hierarchy discussed below indicates the extent and level of judgment used to estimate fair market value.

*Level 1* – Uses unadjusted quoted prices that are available in active markets for identical assets as of the reporting date;

*Level 2* – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets in active markets and quoted prices in markets that are not active. Level 2 also includes assets that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models are corroborated by readily observable data;

*Level 3* - Uses inputs that are unobservable, supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models that utilize management estimates of market participant assumptions. The District did not have any Level 3 assets as of the report date.

The following are the assets of the District that were accounted for at fair value on a recurring basis as of December 31, 2017. This table does not include assets and liabilities that are measured at historical cost or any other basis other than fair value.

<u>Description</u>	<u>12/31/2017</u>	<u>Fair Value at Reporting Date Using</u>		
		<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs Level (2)</u>	<u>Significant Unobservable Inputs Level (3)</u>
Cash/money market funds	\$469,103	\$469,103	\$0	\$0

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

**NOTE 3 – CASH**

At December 31, 2017, the Judicial Expense Fund for the Twelfth Judicial District Court has cash and cash equivalents (book balances) totaling \$469,103. *Custodial Credit Risk* is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At December 31, 2017, the Judicial Expense Fund for the Twelfth Judicial District Court has \$496,137 in deposits (collected bank balances), \$496,137 was covered by federal depository insurance (GASB Category 1), and none was collateral by pledged securities, exposed to credit risk as follows:

<b>Depository Account</b>	<b>Bank Balance</b>
Insured	\$496,137
Collateralized:	
Collateral held by pledging bank’s trust department not in the agency’s name	0
Uninsured and uncollateralized	0
Total Deposits	\$496,137

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of changes in the capital assets and depreciation activity for the year ended December 31, 2017:

	<b>Balance 12/31/2016</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 12/31/2017</b>
Machinery & equipment	\$52,952	\$4,742	\$0	\$57,694
Total Capital Assets	52,952	\$4,742	\$0	57,694
Less: Accum Depr	(25,811)	(\$6,987)	\$0	(32,798)
Net Capital Assets	\$27,141			\$24,896

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

**NOTE 5 – RECEIVABLES**

The receivables of \$27,500, as of December 31, 2017, are as follows:

Intergovernmental:	
Local fees	\$ 27,500
	<u>\$ 27,500</u>

**NOTE 6 – ACCOUNTS AND OTHER PAYABLES**

The payables of \$282,116 at December 31, 2017, are as follows:

Accounts payable	\$ 4,860
Accrued expenses	152
Client fines collected	<u>277,104</u>
	<u>\$282,116</u>

**NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The statutes which created the Fund place certain limitations and restrictions on the collections and disbursements of the Fund. The Fund is in compliance with all significant limitations and restrictions for 2017.

**NOTE 8 – FUND BALANCES**

Fund balances for the Fund consisted of the following as of December 31, 2017:

**Committed fund balance** – The committed fund balance consists of divisional expenditures totaling \$214,487 that are committed by the Judges of the Twelfth Judicial District Court.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)  
December 31, 2017**

**NOTE 9 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 25, 2018, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2017, that required recognition or disclosure in the financial statements. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

## **SUPPLEMENTARY INFORMATION**

**REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

**Independent Auditors' Report**

The Honorable William Bennett  
The Honorable Kerry Spruill  
Twelfth Judicial District Court  
Marksville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities the Judicial Expense Fund of the Twelfth Judicial District Court (the Fund) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court's basic financial statements, and have issued our report thereon dated June 25, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

The Honorable William Bennett  
The Honorable Kerry Spruill  
Page 2  
June 25, 2018

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and other matters**

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twelfth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is for the information and use of the management of the governing body and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Ducote & Company*

Marksville, Louisiana  
June 25, 2018

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
SUMMARY OF AUDIT RESULTS AND FINDINGS  
Year Ended December 31, 2017**

**Section I – Summary of Auditors’ Results**

**A. Financial Statement Audit**

1. The independent auditors’ report expresses an unqualified opinion on the financial statements of the Judicial Expense Fund for the Twelfth Judicial District Court.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and internal control.
3. No instances of noncompliance material to the financial statements are disclosed during the examination.
4. No separate management letter was issued to the Judicial Expense Fund for the Twelfth Judicial District Court.

**Section II – Financial Statement Findings**

None

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2017**

**Section I – Internal Control and Compliance Material to the Financial Statements**

None

**Section II – Management Letter**

None

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT  
SCHEDULE OF COMPENSATION, BENEFITS, AND  
OTHER PAYMENTS TO AGENCY HEAD  
December 31, 2017**

**Agency Head:** Honorable William Bennett, Chief Judge, Division B

<u>Purpose</u>		<u>Amount</u>
Salary	*	\$0
Benefits:		
Insurance	*	0
Retirement	*	0
Car allowance		0
Vehicle provided by government		0
Cell phone		1,418
Internet		0
Per diem		0
Reimbursements		0
Travel		0
Subscriptions		395
Conference travel		307
Continuing professional education fees		1,025
Housing		0
Unvouchered expenses		0
Professional dues		591
Special meals		0
		<u>0</u>
		<u>\$3,736</u>

The Judge's salary and employer portion of his insurance and retirement (indicated by an \*) are paid by the Louisiana Supreme Court directly to the Judge. This information is not available in the 12<sup>th</sup> Judicial District records.

**JUDICIAL EXPENSE FUND FOR THE  
TWELFTH JUDICIAL DISTRICT COURT**

**Component Unit of the  
Avoyelles Parish Police Jury  
Marksville, Louisiana**

**Agreed-Upon Procedures Report**

**December 31, 2017**

**DUCOTE & COMPANY  
Certified Public Accountants  
219 North Main Street  
P. O. Box 309  
Marksville, LA 71351**

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

The Honorable William J Bennett  
Chief Judge  
12<sup>th</sup> Judicial District Court  
Marksville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the 12<sup>th</sup> Judicial District Judicial Expense Fund, Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The District's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain the District's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the District does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts***, including receiving, recording, and preparing deposits.
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the District's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Exception Noted: The 12<sup>th</sup> Judicial District Judicial Expense Fund did not have written policies and procedures as specified by the Louisiana Legislative Auditor that address**

- **Budgeting**
- **Purchasing**
- **Disbursements**
- **Receipts**
- **Payroll and Personnel with regards to payroll processing and reviewing and approving time and attendance and overtime worked**
- **Contracting**
- **Credit, Debit and Fuel Cards**
- **Travel and Expense Reimbursement**
- **Ethics**
- **Debt Service**

**Management's Response: Written policies and procedures are being formulated and will be adopted immediately upon acceptance by the Chief Judge and Fiscal Administrator.**

**Board (or Finance Committee, if applicable)**

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- 2. Obtain and review the council minutes for the fiscal period, and:
  - a) Report whether the managing council met (with a quorum) at least monthly, or on a frequency in accordance with the council's enabling legislation, charter, or other equivalent document.  
**Not applicable as the 12<sup>th</sup> Judicial District Judicial Expense Fund does not have an appointed or elected board.**
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).  
**Exception Noted: No indication that the Fiscal Administrator and the Chief Judge review the monthly Budget comparisons reports.**
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.  
**Not applicable as the 12<sup>th</sup> Judicial District Judicial Expense Fund does not have an appointed or elected board.**

**Bank Reconciliations**

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- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.  
**The listing was provided by management and obtained management's representation that the listing is complete.**

4. Using the listing provided by management, select all of the District's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

**Each bank account selected was reconciled without exception.**

- b) Bank reconciliations include evidence that a member of management or a council member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

**Exception Noted – Bank reconciliations did not have indication of review by a member of management**

**Management's Response – The Chief Judge does review the bank reconciliations, however they were not signed off. The District has implemented a procedure after June 2018, whereby the Chief Judge will review and sign off on all bank reconciliations. This procedure was not in place for the year ended December 31, 2017.**

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**No exceptions noted.**

### **Collections**

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

**Management provided a listing of cash collection locations and management's representation that the listing is complete.**

6. Using the listing provided by management, select all of the District's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**Exceptions noted – Employees handling cash are not bonded. Also persons responsible for collecting funds also perform bank reconciliations.**

**Management's Response: All employees handling cash will be bonded, effective July 2018.**

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

**No exception noted.**

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using District collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

**No exceptions noted.**

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**No exceptions noted.**

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the District has a process specifically defined (identified as such by the District) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

***Exceptions noted – District does not have a written policy to determine completeness of all collections by a person who is not responsible for collections. However, a reconciliation of all collections for each revenue source is done by the fiscal administrator.***

**Management's Response: A written policy will be adopted for completeness of collections as part of the policies and procedures being adopted in Item 1.**

***Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for District disbursements. Obtain management's representation that the listing or general ledger population is complete.

**The listing was provided by management and obtained management's representation that the listing is complete.**

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the District had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

**A purchase requisitions system is used for all non-recurring expenditures. All purchases are approved by the fiscal administrator and/or the Chief Judge.**

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

**No exceptions noted.**

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

***Exception noted – one disbursement tested did not have supporting documentation; however all disbursements are approved by the Fiscal Administrator or Chief Judge prior to release***

**Management's Response:** All disbursements will be reviewed for proper supporting documentation prior to signature and release.

10. Using District documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the District's purchasing/disbursement system.

***Exception noted – The District does not have formal written policies and procedures addressing whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.***

**Management's Response:** All new vendors are approved by the Chief Judge or Fiscal Administrator prior to being added to the system. Written policies will be adopted by the District as listed in Item 1 above.

11. Using District documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

***Exception noted – The District does not have formal written policies and procedures addressing whether persons with signatory authority or who make final authorization for disbursements have no responsibility for initiating or recording purchases.***

**Management's Response –** Certain accounts do require dual signature and all disbursements are final approved by the Chief Judge or Fiscal Administrator. Written policies will be adopted by the District as listed in Item 1 above and will include dual signature on all accounts.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review District documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

**Checks are kept in a locked location.**

***Exception noted: Only one account requires dual signature; other accounts require one signature and person signing does have access to checks.***

**Management's Response:** Written policies will be adopted by the District as listed in Item 1 above and will include dual signature on all accounts.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Not applicable - The District does not use signature stamps.**

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**The listing was provided by management and obtained management's representation that the listing is complete.**

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the District has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])

**No exceptions noted.**

Report whether finance charges and/or late fees were assessed on the selected statements.

**No finance charges or late fees were noted.**

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

**No exceptions noted**

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

**No exceptions noted**

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

**Not applicable.**

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the District's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

***Exception noted – The District does not have formal written policies and procedures addressing whether disbursements are made in accordance with the Louisiana Bid Law; however no purchases tested were subject to the Louisiana Bid Law.***

**Management's Response: Written policies for purchases and credit/debt/fuel cards will be**

**adopted by the District as listed in Item 1 above**

- c) For each transaction, compare the District's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**No evidence of noncompliance noted for the transactions tested.**

***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**The listing was provided by management and obtained management's representation that the listing is complete.**

18. Obtain the District's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

***Exception noted – The District does not have formal written policies and procedures regarding travel and related expense reimbursements.***

***Management's Response: Written policies for travel and expense reimbursements will be adopted by the District as listed in Item 1 above.***

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**No exceptions noted.**

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

**No exceptions noted.**

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

**No exceptions noted**

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**Not applicable.**

- c) Compare the District's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**The District's documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, Section 14 of the Louisiana Constitution.**

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**No exceptions noted.**

**Contracts**

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

**The listing was provided by management and obtained management's representation that the listing is complete**

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

**No exception noted.**

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

**Not applicable.**

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

**No exceptions noted.**

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

**There were no contract amendments.**

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

**No exceptions noted.**

- e) Obtain/review contract documentation and council minutes and report whether there is documentation of council approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Not applicable**

***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

**The listing was provided by management and obtained management's representation that the listing is complete**

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

***Exception noted - The District does not formally maintain written documentation for specific employee pay rate structure. The Chief Judge does establish pay rates and all five employees tested were paid in accordance with the approved pay rate.***

**Management's Response: Written policies for payroll and personnel will be adopted by the District as listed in Item 1 above.**

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**No exceptions noted.**

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**No exceptions noted.**

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

**No exceptions noted.**

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**No exceptions noted.**

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

**No exceptions noted.**

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**No exceptions noted.**

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

***Exception noted - Of the five tested only two had completed the ethics training***

**Management's Response: A review of employee compliance with ethic training will be performed and all employees will become current on training by July 31, 2018.**

Inquire of management whether any alleged ethics violations were reported to the District during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the District's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Management is not aware of any alleged or actual ethics violations during the fiscal year.**

***Debt Service (excluding nonprofits)***

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27. If debt was issued during the fiscal period, obtain supporting documentation from the District, and report whether State Bond Commission approval was obtained.

**Not applicable - no debt was issued during the period tested, the fiscal year ended December 31, 2017.**

28. If the District had outstanding debt during the fiscal period, obtain supporting documentation from the District and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

**Not applicable – no debt outstanding at December 31, 2017**

29. If the District had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

**Not applicable**

***Other***

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31. Inquire of management whether the District had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the District reported the misappropriation to the legislative auditor and the district attorney of the parish in which the District is domiciled.

**Management asserted that the District did not have any misappropriation of public funds or assets during the fiscal year.**

32. Observe and report whether the District has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

**The District does not maintain a website**

***Exception Noted: As of the date tested the notice was not posted on its premises.***

**Management's Response: Posters will be printed and placed in all applicable locations no later than July 31, 2018.**

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

**No exceptions noted.**

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***DUCOTE & COMPANY***

Marksville, Louisiana

June 25, 2018