
23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2017

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1-2
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
 <u>REQUIRED SUPPLEMENTARY INFORMATION – PART I</u>	
Management's Discussion and Analysis	5-10
 <u>BASIC FINANCIAL STATEMENTS</u>	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to Changes in Net Position of Governmental Activities	16
Notes to the Financial Statements	17-22
 <u>REQUIRED SUPPLEMENTARY INFORMATION – Part II</u>	
Budgetary Comparison Schedule- General Fund	23
Budgetary Comparison Schedule- Families in Need of Service	24
Budgetary Comparison Schedule- Child Support Fund	25
 <u>SUPPLEMENTARY INFORMATION</u>	
Schedules of Compensation, Benefits and Other Payments to Agency Heads	26-30
 <u>OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i></u>	
Schedule of Findings and Responses	31
Summary Schedule of Prior Audit Findings	32



INDEPENDENT AUDITORS' REPORT

To the Honorable Judges of the 23RD Judicial District
Gonzales, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the 23RD Judicial District Judicial Expense Fund (the District), a component unit of the Ascension Parish Council as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the 23RD Judicial District Judicial Expense Fund, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-10 and 23-25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of compensation, benefits and other payments to agency heads are prepared for the purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 23RD Judicial District Judicial Expense Fund's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
June 13, 2018



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

To the Honorable Judges of the 23RD Judicial District
Gonzales, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the 23RD Judicial District Judicial Expense Fund, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the 23RD Judicial District Judicial Expense Fund's basic financial statements, and have issued our report thereon dated June 13, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 23RD District Judicial Expense Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 23RD Judicial District Judicial Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the 23RD Judicial District Judicial Expense Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 23RD Judicial District Judicial Expense Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Gonzales, Louisiana
June 13, 2018

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

This section of 23RD Judicial District Judicial Expense Fund's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on December 31, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available). Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position of \$1,810,942 increased by 2.9 percent over the course of this year's operations.
- During the year, the District's expenses were \$51,351 less than the \$560,385 generated in charges for court fees and other revenue.
- The District's expenses were \$509,034.
- Current year revenues increased compared to prior year by 3.5 percent to \$560,385.
- The General Fund reported fund balance of \$688,702, an increase of 3.1 percent from last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

Figure A-1

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

Government-wide Statements

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

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

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

The government-wide financials of the District include:

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

Fund Financial Statements

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

The District has only governmental funds as described below:

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's net position increased between fiscal years 2017 and 2016 to \$1,810,942 (See Table A-1)

Table A-1

Statement of Net Position-Governmental Activities

	<u>2017</u>	<u>2016</u>
Cash and other assets	\$ 1,787,652	\$ 1,734,717
Capital assets, net	87,308	99,230
Total assets	1,874,960	1,833,947
Current liabilities	64,018	74,356
Total liabilities	64,018	74,356
Net investment in capital assets	87,308	99,230
Restricted:		
Families in need of services	62,008	51,137
Child support services	972,924	941,002
Unrestricted	688,702	668,222
Total Net Position	\$ 1,810,942	\$ 1,759,591

Net position of the District's governmental activities increased 2.9 percent or \$51,351 during the year.

Changes in net position. The District's total revenues increased by \$19,014 to \$ 560,385. (See Table A-2). Approximately 87 percent of the District's revenues comes from charges for services. Another 12.5 percent is from grants and the remaining is for interest income and miscellaneous income.

The total cost of all programs and services totaled \$509,034. The District's expenses cover all services performed by its office.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

Governmental Activities

Revenues for the District's governmental activities increased 3.5 percent or by \$19,014 and total expenses increased by 0.5 percent to \$509,034 for the year. The revenue generated for 2017 and 2016 covered the total cost of operations as depicted in Table A-2.

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

	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues:		
Charges for services	\$ 487,529	\$ 472,185
Operating grants	70,327	63,192
General revenues:		
Miscellaneous	144	3,785
Interest income	2,385	2,209
Total revenues	<u>560,385</u>	<u>541,371</u>
Expenses		
Other operating	509,034	506,723
Total expenses	<u>509,034</u>	<u>506,723</u>
Increase in net position	\$ 51,351	\$ 34,648

- The cost of all governmental activities this year increased to \$509,034.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed this year, its governmental funds reported a fund balance of \$1,787,652, an increase from last year of \$64,018.

General Fund Budgetary Highlights

There were no amendments made to any of the funds' budgets in the current fiscal year.

CAPITAL ASSETS

At the end of 2017, the District had \$87,308 net investment in capital assets. (See Table A-3).

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

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Equipment	\$ 45,688	\$ 53,818
Furniture & Fixtures	41,620	45,412
Total	<u>\$ 87,308</u>	<u>\$ 99,230</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2017

CAPITAL ASSETS (continued)

This year's major capital assets additions include:

- Purchase of office equipment totaling approximately \$15,000
- Purchase of office furniture for FINS location costing \$7,303
- Disposal of obsolete equipment totaled \$177,228.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is dependent on court costs for 23 percent of its revenues and 65 percent from administrative fees collected from the Department of Social Services for child support services. The economy is not expected to generate any significant growth. Therefore, the District's future revenues are expected to remain relatively consistent with current years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

STATEMENT OF NET POSITION

DECEMBER 31, 2017

ASSETS

Cash	\$ 1,336,990
Certificates of deposit	410,586
Receivables from other governments	40,076
Capital assets, net of accumulated depreciation	87,308
TOTAL ASSETS	<u>\$ 1,874,960</u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	\$ 2,072
Due to other governments	61,946
TOTAL CURRENT LIABILITIES	<u>64,018</u>

NET POSITION

Net investment in capital assets	87,308
Restricted:	
Families in need of services	62,008
Child support services	972,924
Unrestricted	688,702
TOTAL NET POSITION	<u>1,810,942</u>

TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,874,960</u>
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The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

FUNCTION/PROGRAM	<u>Expenses</u>	<u>Program Revenues</u>		Net (Expense)
		<u>Charges for Services</u>	<u>Operating Grants</u>	Revenue and Change in Net Position
				<u>Governmental Unit</u>
Governmental activities:				
General government	\$ 125,815	\$ 126,180	\$ -	\$ 365
Families in Need of Service	49,938	-	70,327	20,389
Child Support	333,281	361,349	-	28,068
Total governmental activities	<u>509,034</u>	<u>487,529</u>	<u>70,327</u>	<u>48,822</u>
		General Revenues:		
		Interest		2,385
		Miscellaneous		<u>144</u>
		Total general revenues		2,529
		Change in net position		51,351
		Net position- January 1, 2017		<u>1,759,591</u>
		Net position- December 31, 2017		<u>\$ 1,810,942</u>

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

ASSETS

	<u>Judicial General Fund</u>	<u>Families in Need of Service</u>	<u>Child Support</u>	<u>Total Governmental Funds</u>
Cash	\$ 270,166	\$ 66,582	\$ 1,000,242	\$ 1,336,990
Certificates of deposit	410,586	-	-	410,586
Receivable from other governments	9,398	-	30,678	40,076
Total assets	<u>\$ 690,150</u>	<u>\$ 66,582</u>	<u>\$ 1,030,920</u>	<u>\$ 1,787,652</u>

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 1,448	\$ 624	\$ -	\$ 2,072
Due to other governments	-	3,950	57,996	61,946
Total liabilities	<u>1,448</u>	<u>4,574</u>	<u>57,996</u>	<u>64,018</u>
Fund balance				
Unassigned	688,702	-	-	688,702
Restricted:				
Families in need of service	-	62,008	-	62,008
Child support services	-	-	972,924	972,924
Total fund balance	<u>688,702</u>	<u>62,008</u>	<u>972,924</u>	<u>1,723,634</u>
Total liabilities and fund balance	<u>\$ 690,150</u>	<u>\$ 66,582</u>	<u>\$ 1,030,920</u>	<u>\$ 1,787,652</u>

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total fund balances- Governmental Funds		\$ 1,723,634
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets at December 31, 2017	169,642	
Less: accumulated depreciation as of December 31, 2017	<u>(82,334)</u>	<u>87,308</u>
Total net position at December 31, 2017 - Governmental Activities		<u><u>\$ 1,810,942</u></u>

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

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

YEAR ENDED DECEMBER 31, 2017

	<u>General Fund</u>	<u>Families in Need of Service</u>	<u>Child Support</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Court fees	\$ 126,180	\$ -	\$ -	\$ 126,180
State grant	-	66,556	-	66,556
Federal grant	-	3,771	-	3,771
Department of Social Services	-	-	361,349	361,349
Interest income	1,409	-	976	2,385
Miscellaneous	85	-	59	144
	<u>127,674</u>	<u>70,327</u>	<u>362,384</u>	<u>560,385</u>
Total Revenues				
	<u>127,674</u>	<u>70,327</u>	<u>362,384</u>	<u>560,385</u>
<u>EXPENDITURES</u>				
Current operations	105,015	45,565	324,332	474,912
Capital expenditures	2,179	13,891	6,130	22,200
	<u>107,194</u>	<u>59,456</u>	<u>330,462</u>	<u>497,112</u>
Total Expenditures				
	<u>107,194</u>	<u>59,456</u>	<u>330,462</u>	<u>497,112</u>
Excess of Revenues over Expenditures	20,480	10,871	31,922	63,273
Fund Balance, January 1, 2017	<u>668,222</u>	<u>51,137</u>	<u>941,002</u>	<u>1,660,361</u>
Fund Balance, December 31, 2017	<u>\$ 688,702</u>	<u>\$ 62,008</u>	<u>\$ 972,924</u>	<u>\$ 1,723,634</u>

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO CHANGES IN NET POSITION OF
GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2017**

Excess of Revenues over Expenditures	\$ 63,273
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets:

Capital outlay capitalized	22,201
Depreciation expense for year ended December 31, 2017	(27,014)
Loss on sale of assets	<u>(7,109)</u>

Change in Net Position- Governmental Activities	<u>\$ 51,351</u>
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The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

BASIS OF PRESENTATION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

FUND FINANCIAL STATEMENTS (FFS):

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

The District reports the following major governmental funds:

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

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

Child Support Fund- The Child Support fund accounts for the proceeds of administrative court fees collected from enforcement of support obligations.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

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

FUND FINANCIAL STATEMENTS (FFS):

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

E. CASH

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

F. CAPITAL ASSETS

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

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

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CERTIFICATES OF DEPOSIT

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

H. RESTRICTED NET POSITION

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

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

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

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

I. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. FUND EQUITY OF FUND FINANCIAL STATEMENTS (continued)

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

J. ESTIMATES

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

2. CASH

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

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2017, the District's bank balance was secured from risk by federal deposit insurance and pledged securities and was not exposed to custodial credit risk.

3. CERTIFICATES OF DEPOSIT

The District holds certificates of deposits at various financial institutions. The certificates of deposit have maturities ranging from nine to twelve months. The District's certificates of deposit have a book value of \$410,586 as of December 31, 2017.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017, are as follows:

	<u>Equipment</u>	<u>Furniture & Fixtures</u>	<u>Leasehold Improvements</u>	<u>Total</u>
Cost of Capital Assets				
December 31, 2016	\$ 213,324	\$ 104,664	\$ 6,681	\$ 324,669
Additions	14,898	7,303	-	22,201
Disposals	(142,632)	(27,915)	(6,681)	(177,228)
Cost of Capital Assets, December 31, 2017	<u>\$ 85,590</u>	<u>\$ 84,052</u>	<u>\$ -</u>	<u>\$ 169,642</u>
Accumulated depreciation,				
December 31, 2016	159,506	59,252	6,681	225,439
Additions	16,777	10,237	-	27,014
Disposals	(136,381)	(27,057)	(6,681)	(170,119)
Accumulated depreciation, December 31, 2017	<u>39,902</u>	<u>42,432</u>	<u>-</u>	<u>82,334</u>
Capital Assets, net of accumulated depreciation, December 31, 2017	<u>\$ 45,688</u>	<u>\$ 41,620</u>	<u>\$ -</u>	<u>\$ 87,308</u>

For the year ended December 31, 2017, depreciation expense was \$ 27,014.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 13, 2018, and determined that there were no events that require disclosure.

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Court fees	\$ 120,000	\$ 120,000	\$ 126,180
Interest	-	-	1,409
Miscellaneous	-	-	85
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>127,674</u>
<u>EXPENDITURES</u>			
Current operations	133,000	133,000	105,015
Capital expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,179</u>
Total Expenditures	<u>135,000</u>	<u>135,000</u>	<u>107,194</u>
Excess of Revenues (under) over Expenditures	(15,000)	(15,000)	20,480
Fund Balance, January 1, 2017	<u>658,432</u>	<u>658,432</u>	<u>668,222</u>
Fund Balance, December 31, 2017	<u>\$ 643,432</u>	<u>\$ 643,432</u>	<u>\$ 688,702</u>

See independent accountants' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE
FAMILIES IN NEED OF SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
	51137		
State grant	\$ 63,192	\$ 63,192	\$ 66,556
Federal grant	-	-	3,771
Total Revenues	<u>63,192</u>	<u>63,192</u>	<u>70,327</u>
<u>EXPENDITURES</u>			
Current operations	58,762	58,762	45,565
Capital expenditures	-	0	13,891
Total Expenditures	<u>58,762</u>	<u>58,762</u>	<u>59,456</u>
Excess of Revenues over Expenditures	4,430	4,430	10,871
Fund Balance, January 1, 2017	<u>40,478</u>	<u>40,478</u>	<u>51,137</u>
Fund Balance, December 31, 2017	<u>\$ 44,908</u>	<u>\$ 44,908</u>	<u>\$ 62,008</u>

See independent accountants' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE
CHILD SUPPORT FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Department of Social Services	\$ 360,000	\$ 360,000	\$ 361,349
Interest	-	-	976
Miscellaneous	-	-	59
Total Revenues	<u>360,000</u>	<u>360,000</u>	<u>362,384</u>
<u>EXPENDITURES</u>			
Current operations	366,700	366,700	324,332
Capital expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,130</u>
Total Expenditures	<u>376,700</u>	<u>376,700</u>	<u>330,462</u>
Excess of Revenues over Expenditures	(16,700)	(16,700)	31,922
Fund Balance, January 1, 2017	<u>937,730</u>	<u>937,730</u>	<u>941,002</u>
Fund Balance, December 31, 2017	<u>\$ 921,030</u>	<u>\$ 921,030</u>	<u>\$ 972,924</u>

See independent accountants' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head

Honorable Jason Verdigets, Judge, Division A

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,035
Per diem	1,972
Registration fees	1,375
Conference travel	3,656
Total	<u>\$ 15,238</u>

See independent auditors' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head

Honorable Thomas Kleibert, Jr., Judge, Division B

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,271
Per diem	2,618
Registration fees	375
Conference travel	360
Total	<u>\$ 11,824</u>

See independent auditors' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head

Honorable Katherine Tess Stromberg, Judge, Division C

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,443
Insurance-liability	1,728
Per diem	1,394
Registration fees	750
Conference travel	3,520
Total	<u>\$ 16,035</u>

See independent auditors' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head

Honorable Jessie M. LeBlanc, Judge, Division D

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,610
Per diem	1,972
Registration fees	2,075
Conference travel	<u>2,228</u>
Total	<u>\$ 15,085</u>

See independent auditors' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head

Honorable Alvin Turner, Jr., Chief Judge, Division E

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,320
Insurance-liability	1,728
Per diem	884
Registration fees	2,060
Conference travel	652
Total	<u>\$ 13,844</u>

See independent auditors' report.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2017

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the 23RD Judicial District Judicial Expense Fund were prepared in accordance with GAAP.
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 statement of 23RD Judicial District Judicial Expense Fund which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS-FINANCIAL STATEMENT AUDIT

None

COMPLIANCE

None

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2017

FINDINGS- FINANCIAL STATEMENT AUDIT

None

COMPLIANCE

None

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017



**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the 23rd Judicial District Judicial Expense Fund (the District) 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 January 1, 2017 through December 31, 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

1. Obtain the entity'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 entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above except the policy did not include procedures of how vendors are added to the vendor list.

Managements response: We will include procedures in the purchasing policy of how vendors are added to the vendor list.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits.

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- 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.

No policy was provided.

Management response: We will adopt a written policy for contracts.

- 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.

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and address the functions noted above.

- 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 entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable. The District does not have any debt.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met in accordance with their enabling legislation.

- 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).

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes included monthly budget-to-actual comparisons for the major funds.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

There was no deficit spending noted.

- 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.

Obtained and reviewed the minutes of the managing board for the fiscal period noting that non-budgetary financial information was referenced.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

4. Using the listing provided by management, select all of the entity'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. **Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.** 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;

Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations have been prepared for all months by an external CPA.

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

The bank reconciliations prepared for all accounts did not include evidence that a member of management has reviewed each bank reconciliation. However, as a compensating control, the judicial administrator reviews the monthly financial statement, general ledger activity and bank statement.

Management's response: We will provide evidence indicating a review of the bank reconciliation was performed going forward.

- 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.

Obtained bank statements and reconciliations for all months in the fiscal period noting 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.

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

6. Using the listing provided by management, select all of the entity'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. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **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.

Collections are performed by two individuals. These two are responsible for depositing the cash in the bank, but not for recording the related transaction, and reconciling the related bank account.

The District contracts with an external CPA to record and reconcile. The District's does not receive cash payments; there no bonding is required. Payments are received from the same governmental entities on a monthly basis. The entity does not have a cash register or drawer.

- 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.

Written documentation was obtained and addresses the functions noted above. The District contracts with an external CPA who is responsible for reconciling cash to the general ledger.

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

- Using entity 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.

The highest week of cash collections were selected from the general ledger. Collections were traced to supporting documentation, deposit slips, and bank statements. We noted 1 out of the 7 collections selected appeared to be deposited within one day. The number of days from collection to deposit for the remaining six is between 2 to 9 days.

Management's response: The District will make daily deposits whenever deemed practical.

- 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.

Sequentially numbered receipts and/or other related collection documentation supported the cash collection.

- 7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) 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.

Written policies and procedures were obtained and address the functions noted above.

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

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

Obtained listing of disbursements and management's representation that 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 entity 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.

Obtained purchase orders for the 25 disbursements selected for testing noting purchases were initiated using a purchase order system that separates initiation from approval of transactions.

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

We noted for the 25 transactions selected that all purchase orders were approved by a person who did not initiate the purchase.

- 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.

We performed the above prescribed procedure for the 25 transactions noting 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.

10. Using entity 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 entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's response: Management intends to amend the purchasing policy to include procedures to address adding vendors to the purchasing/disbursement system. All new vendor additions will be subject to review and approval by a judge.

11. Using entity 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.

The persons with signatory authority or who make the final authorization for disbursements do not have responsibility for initiating or recording purchases.

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 entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is maintained in a locked location. The locked location is under the control and access of persons who do not have signatory authority.

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.

No signature stamp or signature machine is utilized.

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

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.

Obtained listing of credit cards/debit cards/fuel cards and management's representation that listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity 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.]]

On the month tested, supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder without exception.

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

No finance charges and/or late fees were assessed on the month tested.

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)

Each transaction was supported by an original itemized receipt.

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

Documentation of business/public purpose was provided without exception.

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

All other documentation appeared to be in order.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity'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.

No transactions that were tested reflected failures to comply with the District's written policies, nor were any \$10,000 or more requiring compliance with the Louisiana Public Bid Law.

- c) For each transaction, compare the entity'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 in the transactions tested.

Travel and Expense Reimbursement

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.

Obtained listing of all travel and related expense reimbursements, by person, and management's representation that listing is complete.

18. Obtain the entity'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) and report any amounts that exceed GSA rates.

The District utilizes a standard per diem rate per day for meals and incidental expenses and mileage rate for travel reimbursements that is applicable with Supreme Court rates.

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.

All expense reimbursements tested were in accordance with the District's written policy without exception.

- 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.]

Itemized receipts were provided for all expense tested that identified what was purchased or reimbursed without exception.

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

Each expense was supported by documentation of business purpose without exception.

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

Documentation in accordance with written policies was provided without exception.

- c) Compare the entity'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.

Each expense tested was supported by documentation of reviewal and approval in writing by someone other than the traveler without exception.

Contracts

- 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.

Obtained listing of contracts in effect and management's representation that listing was 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 exceptions 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 noncompliance 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.

The contracts selected were not amended during the current fiscal period.

- 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.

Payments made on each contract were within the terms and conditions of the contract.

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

Documentation was provided reflecting approval by the board of the contracts as it is not required by policy or law.

Payroll and Personnel

- 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:

Not applicable. Payroll procedures are addressed by the Parish of Ascension as all staff are considered parish employees.

- 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.

Not applicable.

- 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.

Not applicable.

- 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.)

Even though there are no official employees of the District, we obtained leave records for 5 staff members since the records are maintained by the District. Only leave is documented by the District, not time worked.

- 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.

Not applicable. Payroll procedures are addressed by the Parish of Ascension as all staff are considered parish employees.

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.

Not applicable. Payroll procedures are addressed by the Parish of Ascension as all staff are considered parish employees.

Ethics (excluding nonprofits)

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.

Obtained ethics compliance documentation from management noting ethics training was complete for 5 staff members.

27. Inquire of management whether any alleged ethics violations were reported to the entity 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 entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Management asserted that they have received no allegations during the fiscal period.

Debt Service (excluding nonprofits)

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

No debt was issued during the fiscal period.

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

The District did not have outstanding debt during the current fiscal period.

30. If the entity 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

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

Management asserted that the entity did not have any misappropriations of public funds or assets.

32. Observe and report whether the entity 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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notice was posted on the District's premises and website.

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.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
June 13, 2018