
23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2018

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 3-8 and 21-23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Gonzales, Louisiana
June 14, 2019

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

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 year ended December 31, 2018. 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 \$1,863,336 increased by 2.9 percent over the course of this year's operations.
- During the year, the District's expenses were \$52,394 less than the \$575,186 generated in charges for court fees, operating grants, and other revenue.
- The District's expenses were \$522,792.
- Current year revenues increased compared to prior year by 2.6 percent to \$575,186.
- The General Fund reported fund balance of \$700,911, an increase of 1.8 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, 2018

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, 2018

Government-wide Statements

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

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

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

The government-wide financials of the District include:

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

Fund Financial Statements

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

The District has only governmental funds as described below:

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's net position increased between fiscal years 2018 and 2017 to \$1,863,336 (See Table A-1)

Table A-1

Statement of Net Position-Governmental Activities

	2018	2017
Cash and other assets	\$ 1,835,119	\$ 1,787,652
Capital assets, net	93,027	87,308
Total assets	1,928,146	1,874,960
Current liabilities	64,810	64,018
Total liabilities	64,810	64,018
Net investment in capital assets	93,027	87,308
Restricted:		
Families in need of services	80,038	62,009
Child support services	989,360	972,924
Unrestricted	700,911	688,702
Total Net Position	\$ 1,863,336	\$ 1,810,942

Net position of the District's governmental activities increased 2.9 percent or \$52,394 during the year.

Changes in net position. The District's total revenues increased by \$14,801 to \$575,186. (See Table A-2). Approximately 88 percent of the District's revenues comes from charges for services. Another 11 percent is from grants and the remaining is for interest income and miscellaneous income.

The total cost of all programs and services totaled \$522,792. The District's expenses cover all services performed by its office.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

Governmental Activities

Revenues for the District's governmental activities increased 2.6 percent or by \$14,801 and total expenses increased by 2.7 percent to \$522,792 for the year. The revenue generated for 2018 and 2017 covered the total cost of operations as depicted in Table A-2.

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

	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues:		
Charges for services	\$ 506,800	\$ 487,529
Operating grants	63,430	70,327
General revenues:		
Miscellaneous	1,411	144
Interest income	3,545	2,385
Total revenues	<u>575,186</u>	<u>560,385</u>
Expenses		
Other operating	522,792	509,034
Total expenses	<u>522,792</u>	<u>509,034</u>
Increase in net position	<u>\$ 52,394</u>	<u>\$ 51,351</u>

- The cost of all governmental activities this year increased to \$522,792.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed this year, its governmental funds reported a fund balance of \$1,770,309, an increase from last year of \$46,675.

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 2018, the District had \$93,027 net investment in capital assets. (See Table A-3).

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

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Equipment	\$ 58,529	\$ 45,688
Furniture & Fixtures	34,498	41,620
Total	<u>\$ 93,027</u>	<u>\$ 87,308</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2018

CAPITAL ASSETS (continued)

This year's major capital assets additions include:

- The Child Support fund purchased software and licenses totaling \$23,300.
- Purchase of office equipment costing \$3,124.
- Purchase of judicial portraits costing approximately \$3,500.

- Disposal of obsolete equipment totaled \$5,219.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District is dependent on court costs for 21 percent of its revenues and 67 percent from administrative fees collected from the Department of Social Services for child support services. The economy is not expected to generate any significant growth. 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, 2018

ASSETS

Cash	\$ 1,349,476
Certificates of deposit	412,961
Receivables from other governments	72,682
Capital assets, net of accumulated depreciation	93,027
TOTAL ASSETS	<u>\$ 1,928,146</u>

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable	\$ 3,654
Due to other governments	61,156
TOTAL CURRENT LIABILITIES	<u>64,810</u>

NET POSITION

Net investment in capital assets	93,027
Restricted:	
Families in need of services	80,038
Child support services	989,360
Unrestricted	700,911
TOTAL NET POSITION	<u>1,863,336</u>

TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,928,146</u>
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The accompanying notes are an integral part of this financial statement.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

ASSETS

	<u>General Fund</u>	<u>Families in Need of Service</u>	<u>Child Support</u>	<u>Total Governmental Funds</u>
Cash	\$ 281,918	\$ 85,183	\$ 982,375	\$ 1,349,476
Certificates of deposit	412,961	-	-	412,961
Receivable from other governments	8,142	-	64,540	72,682
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 703,021</u>	<u>\$ 85,183</u>	<u>\$ 1,046,915</u>	<u>\$ 1,835,119</u>

LIABILITIES AND FUND BALANCES

Liabilities				
Accounts payable	\$ 2,110	\$ 1,195	\$ 349	\$ 3,654
Due to other governments	-	3,950	57,206	61,156
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	2,110	5,145	57,555	64,810
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances				
Unassigned	700,911	-	-	700,911
Restricted:				
Families in need of service	-	80,038	-	80,038
Child support services	-	-	989,360	989,360
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	700,911	80,038	989,360	1,770,309
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 703,021</u>	<u>\$ 85,183</u>	<u>\$ 1,046,915</u>	<u>\$ 1,835,119</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, 2018

Total fund balances- Governmental Funds		\$ 1,770,309
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, 2018	198,585	
Less: accumulated depreciation as of December 31, 2018	<u>(105,558)</u>	<u>93,027</u>
Total net position at December 31, 2018 - Governmental Activities		<u><u>\$ 1,863,336</u></u>

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

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

YEAR ENDED DECEMBER 31, 2018

	<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	\$ 119,667	\$ -	\$ -	\$ 119,667
State grant	-	63,192	-	63,192
Federal grant	-	238	-	238
Department of Social Services	-	-	387,133	387,133
Interest income	2,557	-	988	3,545
Miscellaneous	1,411	-	-	1,411
	<u>123,635</u>	<u>63,430</u>	<u>388,121</u>	<u>575,186</u>
<u>EXPENDITURES</u>				
Current:				
General government	104,819	45,400	344,130	494,349
Capital outlay	6,607	-	27,555	34,162
	<u>111,426</u>	<u>45,400</u>	<u>371,685</u>	<u>528,511</u>
Excess of Revenues over Expenditures	12,209	18,030	16,436	46,675
Fund Balances, January 1, 2018	<u>688,702</u>	<u>62,008</u>	<u>972,924</u>	<u>1,723,634</u>
Fund Balances, December 31, 2018	<u>\$ 700,911</u>	<u>\$ 80,038</u>	<u>\$ 989,360</u>	<u>\$ 1,770,309</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, 2018**

Excess of Revenues over Expenditures	\$ 46,675
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Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets:

Capital outlay capitalized	34,162
Depreciation expense for year ended December 31, 2018	<u>(28,443)</u>

Change in Net Position- Governmental Activities	<u>\$ 52,394</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, 2018

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, 2018

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 is a special revenue fund that accounts for the proceeds of administrative court fees collected from enforcement of support obligations.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):

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

FUND FINANCIAL STATEMENTS (FFS):

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BUDGETS AND BUDGETARY ACCOUNTING

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

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

E. CASH

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

F. CAPITAL ASSETS

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

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

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. CERTIFICATES OF DEPOSIT

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

H. NET POSITION IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

I. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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, 2018, 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 \$412,961 as of December 31, 2018.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2018, are as follows:

	<u>Equipment</u>	<u>Furniture & Fixtures</u>	<u>Total</u>
Cost of Capital Assets			
December 31, 2017	\$ 85,590	\$ 84,052	\$ 169,642
Additions	30,679	3,483	34,162
Disposals	(1,541)	(3,678)	(5,219)
Cost of Capital Assets, December 31, 2018	<u>\$ 14,728</u>	<u>\$ 83,857</u>	<u>\$ 198,585</u>
Accumulated depreciation,			
December 31, 2017	\$ 39,902	\$ 42,432	\$ 82,334
Additions	17,838	10,605	28,443
Disposals	(1,541)	(3,678)	(5,219)
Accumulated depreciation, December 31, 2018	<u>56,199</u>	<u>49,359</u>	<u>105,558</u>
Capital Assets, net of accumulated depreciation, December 31, 2018	<u>\$ 58,529</u>	<u>\$ 34,498</u>	<u>\$ 93,027</u>

For the year ended December 31, 2018, depreciation expense was \$ 28,443. Depreciation expense was allocated to general government, families in need of service, and child support in the amounts of \$12,670, \$3,197, and \$12,576; respectively.

5. SUBSEQUENT EVENTS

On January 10, 2019, the FINS office signed a lease rental agreement for a 3 year term with monthly installments in the amount of \$1,000 per month.

On May 13, 2019, the District contributed \$225,000 and \$178,743 to Ascension Parish Government for the construction of the new courthouse from the Child Support and Judicial District Expense funds; respectively.

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 14, 2019, and has determined that no other events occurred that require disclosure.

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Court fees	\$ 125,000	\$ 125,000	\$ 119,667
Interest	-	-	2,557
Miscellaneous	-	-	1,411
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>123,635</u>
<u>EXPENDITURES</u>			
Current:			
General government	136,000	136,000	104,819
Capital outlay	2,000	2,000	6,607
Total Expenditures	<u>138,000</u>	<u>138,000</u>	<u>111,426</u>
Excess of Revenues (under) over Expenditures	(13,000)	(13,000)	12,209
Fund Balance, January 1, 2018	<u>668,222</u>	<u>668,222</u>	<u>688,702</u>
Fund Balance, December 31, 2018	<u>\$ 655,222</u>	<u>\$ 655,222</u>	<u>\$ 700,911</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE
FAMILIES IN NEED OF SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
State grant	\$ 63,192	\$ 63,192	\$ 63,192
Federal grant	-	-	238
Total Revenues	<u>63,192</u>	<u>63,192</u>	<u>63,430</u>
<u>EXPENDITURES</u>			
Current:			
General government	54,998	54,998	45,400
Capital outlay	<u>5,000</u>	<u>5,000</u>	-
Total Expenditures	<u>59,998</u>	<u>59,998</u>	<u>45,400</u>
Excess of Revenues over Expenditures	3,194	3,194	18,030
Fund Balance, January 1, 2018	<u>51,137</u>	<u>51,137</u>	<u>62,008</u>
Fund Balance, December 31, 2018	<u>\$ 54,331</u>	<u>\$ 54,331</u>	<u>\$ 80,038</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

BUDGETARY COMPARISON SCHEDULE

CHILD SUPPORT FUND

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<u>REVENUES</u>			
Department of Social Services	\$ 355,000	\$ 355,000	\$ 387,133
Interest	1,000	1,000	988
Total Revenues	<u>356,000</u>	<u>356,000</u>	<u>388,121</u>
<u>EXPENDITURES</u>			
Current:			
General government	378,000	378,000	344,130
Capital outlay	10,000	10,000	27,555
Total Expenditures	<u>388,000</u>	<u>388,000</u>	<u>371,685</u>
Excess of Revenues (under) over Expenditures	(32,000)	(32,000)	16,436
Fund Balance, January 1, 2018	<u>941,000</u>	<u>941,000</u>	<u>972,924</u>
Fund Balance, December 31, 2018	<u>\$ 909,000</u>	<u>\$ 909,000</u>	<u>\$ 989,360</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head

Honorable Jason Verdigets, Judge, Division A

Purpose	Amount
Car allowance	\$ 7,200
Dues	935
Per diem	1,598
Registration fees	1,825
Conference travel	3,543
Special meals	471
Total	<u>\$ 15,572</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS

TO AGENCY HEADS

FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head

Honorable Thomas Kleibert, Jr., Judge, Division B

Purpose	Amount
Car allowance	\$ 7,200
Dues	935
Per diem	2,142
Registration fees	950
Conference travel	1,324
Special meals	471
Total	<u>\$ 13,022</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head

Honorable Katherine Tess Stromberg, Judge, Division C

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,210
Per diem	1,462
Registration fees	1,695
Conference travel	4,209
Special meals	471
Total	<u>\$ 16,247</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEADS
FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head

Honorable Jessie M. LeBlanc, Judge, Division D

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,085
Per diem	2,346
Registration fees	2,490
Conference travel	3,930
Special meals	471
Total	<u>\$ 17,522</u>

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS

TO AGENCY HEADS

FOR THE YEAR ENDED DECEMBER 31, 2018

Agency Head

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

Purpose	Amount
Car allowance	\$ 7,200
Dues	1,260
Per diem	1,054
Registration fees	1,865
Conference travel	3,777
Special meals	471
Total	<u>\$ 15,627</u>



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

To the Honorable Judges of the 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, 2018, 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 14, 2019.

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.

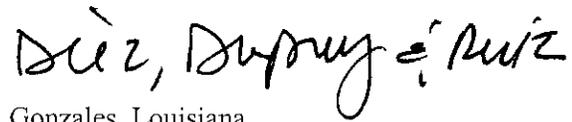
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink, appearing to read "Duez, Dupuy & Ruiz". The signature is written in a cursive, somewhat stylized font.

Gonzales, Louisiana
June 14, 2019

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2018

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, 2018

FINDINGS- FINANCIAL STATEMENT AUDIT

None

COMPLIANCE

None

23RD JUDICIAL DISTRICT JUDICIAL EXPENSE FUND

STATEWIDE AGREED-UPON PROCEDURES REPORT

FOR THE YEAR ENDED DECEMBER 31, 2018



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

To the Honorable Judges of the 23rd Judicial District 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, 2018 through December 31, 2018. 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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

- 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.

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

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

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

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

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

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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

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

- g) **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.

- h) **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.

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

- i) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/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

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Obtained bank reconciliations for the month selected noting that reconciliations have been prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The bank reconciliations include evidence that a member of management has reviewed each bank reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Obtained bank statements and reconciliations for the month selected noting there were not any reconciling items that were outstanding for more than 12 months.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites and management's representation that listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

The District does not have a cash drawer or register.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

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. Payments are received from the same governmental entities on a monthly basis.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

No exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The District does not receive cash payments; therefore, there is no policy for theft or bond coverage.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Sequentially numbered receipts were not used.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Collection documentation and deposit slip supported the collections.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Deposit slips agree to the actual deposit per the bank statement without exception.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Deposits were made without exception.

- e) Trace the actual deposit per the bank statement to the general ledger.

Deposits per bank statement agree to the general ledger without exception.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained a listing of locations that process payments and management’s representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The employee who processes payments also mails the checks after signatures are obtained.

Management's response: Due to the limited number of resources available, the District is unable to adequately segregate these duties. All purchase orders are initiated and invoices are approved by two judges prior to forwarding to the individual responsible for processing payments. All checks contain two authorized signatures. The individual responsible for processing checks for payment and for mailing checks is not an authorized signor; however, the checks are returned to the employee to mail. In addition, the Judicial Administrator reviews monthly financial statements as well as bank reconciliations prepared by the external CPA in efforts to mitigate risk associated with the lack of segregation of duties related to this function.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

The disbursement matched the related original invoice.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

The disbursement documentation included evidence of segregation of duties tested under #9 with the exception of 9d as noted above.

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

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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.]]

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Contracts

- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that 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.)

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were not any exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees procedures do not need to be performed in this category.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

No debt was issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) 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.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

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

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.


Gonzales, Louisiana
June 14, 2019