

*Ninth Judicial District Court
Judicial Expense Fund*

Alexandria, Louisiana

December 31, 2017

**Ninth Judicial District Court
Judicial Expense Fund**

December 31, 2017

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ninth Judicial District Court, Judicial Expense Fund, Alexandria, Louisiana, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Ninth Judicial District Court, Judicial Expense Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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





PAYNE, MOORE & HERRINGTON, LLP

Judges of Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana

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, each major fund, and the aggregate remaining fund information of the Ninth Judicial District Court, Judicial Expense Fund, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 26-29 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 Ninth Judicial District Court, Judicial Expense Fund's basic financial statements. The information labeled as "Supplemental Information" in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.



PAYNE, MOORE & HERRINGTON, LLP

Judges of Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana

The "Supplemental Information" is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the "Supplemental Information" is 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 Ninth Judicial District Court, Judicial Expense Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Ninth Judicial District Court, Judicial Expense Fund'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 Ninth Judicial District Court, Judicial Expense Fund's internal control over financial reporting and compliance.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

June 13, 2018

Required Supplemental Information – Part I
Management's Discussion and Analysis

**Ninth Judicial District Court
Judicial Expense Fund**

**December 31, 2017
Management's Discussion and Analysis
(Continued)**

The following discussion and analysis of the Ninth Judicial District Court, Judicial Expense Fund's financial performance provides an overview of the financial activity for the year ended December 31, 2017. This analysis should give a snapshot of the financial health of the Ninth Judicial District Court, Judicial Expense Fund's office as of that date.

Using This Annual Report

The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the Ninth Judicial District Court, Judicial Expense Fund (the Court) as a whole and present a long-term view of the Court's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund financial statements, which present information for specific activities or objectives, begin on page 12. For the various funds shown, their statements tell how these services were financed as well as what remains for future spending. The fund financial statements also report the Court's operations in more detail than the Government-Wide Financial Statements by providing information about the Court's most significant funds. The Notes to Basic Financial Statements, which begin on page 17, present information that help explain the transactions and balances shown in the Government-Wide Financial Statements and the individual fund financial statements.

After the Notes to Basic Financial Statements, this report contains some required supplementary information. This information, beginning on page 26, reports fund revenues and expenses and compares these to the budgets adopted, by the Court. These funds are each reported in a separate statement.

Analysis of the Court's Financial Statements as a Whole

The combined Net Position of the Court as of December 31, 2017, was \$1.800 million compared to \$1.750 million at December 31, 2016, an increase of \$50 thousand. Assets at year-end were \$1.815 million compared to liabilities of only \$15 thousand.

The Statement of Activities for the year ended December 31, 2017, reflects a net increase of \$50 thousand in net position for the year, compared to a net increase of \$72 thousand for the year ended December 31, 2016, and reflects program and general revenue of \$3.351 million and expenses of \$3.301 million.

**Ninth Judicial District Court
Judicial Expense Fund**

**December 31, 2017
Management's Discussion and Analysis
(Continued)**

Condensed Financial Information

	Net Position December 31,	
	<u>2017</u>	<u>2016</u>
Current assets	\$ 1,775,574	\$ 1,751,357
Capital assets	39,874	38,412
Total Assets	<u>1,815,448</u>	<u>1,789,769</u>
Current liabilities	14,834	39,485
Total Liabilities	<u>14,834</u>	<u>39,485</u>
Net position		
Net investment in capital assets	39,874	38,412
Restricted	1,392,409	1,367,937
Unrestricted	368,331	343,935
Total Net Position	<u>\$ 1,800,614</u>	<u>\$ 1,750,284</u>
	Changes in Net Position Year Ended December 31,	
	<u>2017</u>	<u>2016</u>
Program revenues		
Charges for services	\$ 469,308	\$ 486,810
Operating grants and contributions	2,875,829	2,859,709
Investment earnings	5,872	1,470
Total Revenues	<u>3,351,009</u>	<u>3,347,989</u>
Functions/Programs expenses		
Judicial expense	2,854,749	2,791,195
Child Support	336,370	316,738
Juvenile Drug Court	53,357	105,741
Families in Need of Services	56,203	62,437
Total Expenses	<u>3,300,679</u>	<u>3,276,111</u>
Change in Net Position	50,330	71,878
Net Position, Beginning of Year	<u>1,750,284</u>	<u>1,678,406</u>
Net Position, End of Year	<u>\$ 1,800,614</u>	<u>\$ 1,750,284</u>

**Ninth Judicial District Court
Judicial Expense Fund**

**December 31, 2017
Management's Discussion and Analysis
(Concluded)**

General Fund Budgetary Highlights

The Court adopted budgets for each of the various funds shown. Budgets are amended during the year to reflect actual and anticipated revenues and expenses.

Capital Assets and Depreciation Allowances

Changes in capital assets, consisting of furniture, equipment, and improvements, and accumulated depreciation are detailed on page 24.

Currently Known Facts, Decisions, or Conditions

In adhering to the principles of nationally recognized standards for timely case disposition, the Court, through court rules and procedures, seeks to develop a case management system to instill public confidence and trust in the judicial process through timely and efficient processing of all cases and equal treatment of all parties. The Court continues to timely inform the public about updates in the juvenile justice system.

Contacting the Ninth Judicial District Court's Management

This report is intended as a brief overview of the Court's financial condition. If you have specific questions about the report, contact Hope La Fleur, P. O. Box 1431, Alexandria, LA 71309.

Basic Financial Statements

**Government-Wide
Financial Statements**

Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana
Statement of Net Position
Governmental Activities
December 31, 2017

Exhibit A

Assets		
Cash and cash equivalents		\$ 1,362,711
Certificates of deposit		340,244
Intergovernmental receivables		39,854
Other assets		32,765
Capital assets, net of depreciation		
Depreciable		
Furniture, equipment, and improvements		39,874
Total Assets		<u>1,815,448</u>
Liabilities		
Accounts payable		1,485
Intergovernmental payables		13,349
Total Liabilities		<u>14,834</u>
Net Position		
Net investment in capital assets		39,874
Restricted for		
Other special purposes		1,392,409
Unrestricted		<u>368,331</u>
Total Net Position		<u>\$ 1,800,614</u>

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana
Statement of Activities
Governmental Activities
Year Ended December 31, 2017**

Exhibit B

	Program Revenues			Net (Expense) Revenue and Change in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
General government	\$ 2,854,749	\$ 103,521	\$ 2,769,274	\$ 18,046
Child Support	336,370	365,787	-	29,417
Juvenile Drug Court	53,357	-	53,191	(166)
Families in Need of Services	56,203	-	53,364	(2,839)
Total Governmental Activities	\$ 3,300,679	\$ 469,308	\$ 2,875,829	44,458
General Revenues				
Investment earnings				5,872
Total General Revenues				5,872
Change in Net Position				50,330
Net Position, Beginning of Year				1,750,284
Net Position, End of Year				\$ 1,800,614

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana
Balance Sheet
Governmental Funds
December 31, 2017**

Exhibit C

	General Fund	Child Support Fund	Families in Need of Services Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 361,435	\$ 981,105	\$ 20,035	\$ 136	\$ 1,362,711
Certificates of deposit	-	340,244	-	-	340,244
Intergovernmental receivables	3,474	27,486	8,894	-	39,854
Other assets	-	32,765	-	-	32,765
Total Assets	\$ 364,909	\$ 1,381,600	\$ 28,929	\$ 136	\$ 1,775,574
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 1,239	\$ 246	\$ -	\$ -	\$ 1,485
Intergovernmental payables	-	-	13,218	131	13,349
Total Liabilities	1,239	246	13,218	131	14,834
Fund balances					
Restricted					
Child Support Office Administration	-	1,376,698	-	-	1,376,698
Families in Need of Services Program salaries and related benefits	-	-	15,711	-	15,711
Assigned	-	4,656	-	-	4,656
Unassigned	363,670	-	-	5	363,675
Total Fund Balances	363,670	1,381,354	15,711	5	1,760,740
Total Liabilities and Fund Balances	\$ 364,909	\$ 1,381,600	\$ 28,929	\$ 136	\$ 1,775,574

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2017**

Exhibit D

Total Fund Balance, Governmental Funds	\$ 1,760,740
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements but are reported in the governmental activities in the Statement of Net Position.

39,874

Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 1,800,614</u>
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The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2017**

Exhibit E

	General Fund	Child Support Fund	Families in Need of Services Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental					
Court and administrative fees	\$ 102,664	\$ -	\$ -	\$ -	\$ 102,664
On-behalf payments made by governmental entities	2,769,274	-	-	-	2,769,274
Grants and other revenues	-	-	53,364	53,191	106,555
Commissions and fees	-	362,633	-	-	362,633
Reimbursements	-	3,154	-	-	3,154
Miscellaneous	857	-	-	-	857
Investment earnings	1,148	4,656	63	5	5,872
Total Revenues	2,873,943	370,443	53,427	53,196	3,351,009
Expenditures					
Current	2,851,596	326,197	55,482	53,191	3,286,466
Capital outlay	1,213	12,711	1,754	-	15,678
Total Expenditures	2,852,809	338,908	57,236	53,191	3,302,144
Excess (Deficiency) of Revenues over Expenditures	21,134	31,535	(3,809)	5	48,865
Net Change in Fund Balances	21,134	31,535	(3,809)	5	48,865
Fund Balances, Beginning of Year	342,536	1,349,819	19,520	-	1,711,875
Fund Balances, End of Year	\$ 363,670	\$ 1,381,354	\$ 15,711	\$ 5	\$ 1,760,740

The accompanying notes are an integral part of the financial statements.

**Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2017**

Exhibit F

Net Change in Fund Balances - Total Governmental Funds	\$ 48,865
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense.	
This is the amount by which capital outlays exceeded depreciation expense in the current period.	
	<u>1,465</u>
Change in Net Position of Governmental Activities	<u>\$ 50,330</u>

The accompanying notes are an integral part of the financial statements.

Notes to Basic Financial Statements

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The Judicial Expense Fund was created by Act 633 of the Regular Session of 1982, enacting Louisiana R.S. 13:996.19. The purpose of the Fund is to account for additional court costs provided by the Act and to provide for the administration and expenditure of such monies.

The financial statements of the Ninth Judicial District Court, Judicial Expense Fund (Judicial Expense Fund) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In evaluating how to define the entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable. Some of the criteria considered under "legally separate organization" are as follows: the capacity for the organization to have its own name; the right for the organization to sue and be sued in its own name without recourse to the primary government; and the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to be considered "financially accountable" include the following: appointment of a voting majority of the organization's governing body; ability for the primary government to impose its will on the organization; whether the organization has the potential to provide specific financial benefits to or improve specific financial burdens on the primary government; and fiscal dependence of the organization. The Judicial Expense Fund is part of the operations of the district court system that is fiscally dependent on the Parish government. The nature of the relationship between the Judicial Expense Fund, the district court, and the Parish government is significant. Therefore, the Judicial Expense Fund is determined to be a component unit of the Rapides Parish Police Jury. Only the operating activities of the Judicial Expense Fund are included in these financial statements.

Basis of Presentation

The Judicial Expense Fund's Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements include all funds of the Judicial Expense Fund and report financial information for them as a whole. Individual funds are not displayed. The Statement of Net Position presents the financial position of the governmental activities at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Judicial Expense Fund's governmental activities. Direct expenses are

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

those that are specifically associated with a function and therefore clearly identifiable to that particular function. The Judicial Expense Fund does not allocate indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Judicial Expense Fund services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets, if any. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which includes investment earnings. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Judicial Expense Fund.

Fund Financial Statements – The accounting system is organized on the basis of funds. The financial transactions of the Judicial Expense Fund are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

Governmental funds are used to account for all of the Judicial Expense Fund's general activities, including the collection and disbursement of specifically or legally restricted monies in special revenue funds. The Fund Financial Statements report financial information by major funds and nonmajor funds.

The following governmental funds are considered major funds:

General Fund – accounts for all of the general activities not accounted for in another fund.

Special Revenue Fund – Child Support Fund – consists of fees received for the purpose of funding the court system associated with forcing noncustodial divorced parents to support one's minor child or children through court order.

Special Revenue Fund – Families in Need of Services Fund – consists of funds received for the purpose of coordinating resources to assist and reinforce the family in an effort to prevent delinquency and family disintegration.

All other funds are considered nonmajor funds.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

The most significant of the Judicial Expense Fund's accounting policies are described as follows:

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements

The Government-Wide Financial Statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Judicial Expense Fund's current and long-term assets and liabilities, including capital assets, are included in the accompanying Statement of Net Position as of December 31. The Statement of Activities presents changes in net position since January 1, the beginning of the year.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements. Fund financial statements report detailed information about the Judicial Expense Fund. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Governmental funds are used to account for all of the general activities, including the collection and disbursement of earmarked monies (special revenue funds).

Governmental fund types use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (i.e., within 90 days after year end and available to pay obligations of the current period). Expenditures are recorded when the related fund liability is incurred.

Budgets and Budgetary Accounting

The Judicial Expense Fund's General and Special Revenue Funds' budgets are adopted by the District Judges. The District Judges make any amendments. On-behalf payments for salaries and related benefits paid by the Rapides Parish Police Jury, its Criminal Court Fund, and the State of Louisiana are not included in the reported budget for the General Fund. All annual appropriations lapse at year end.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts presented in the accompanying required supplemental information disclose both the original adopted budget amounts and final budget amounts that include all subsequent amendments. As independently elected parish officials, budgetary control is exercised by the judges at the fund level.

Cash, Cash Equivalents, and Certificates of Deposit

Cash and cash equivalents include amounts in demand deposits, as well as short-term certificates of deposit, with original maturity of three months or less from the date of acquisition. Under state law, the Judicial Expense Fund may deposit funds in demand deposits (interest-bearing or non-interest bearing), money market accounts, or time deposits with banks organized under Louisiana law or any other state in the United States of America, or under the laws of the United States of America.

The certificates of deposit that have a maturity date in excess of three months when purchased are stated at cost, which approximates market value.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all receivables at year end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Capital Assets

In the Government-Wide Financial Statements, purchased capital assets are depreciated on a straight-line basis over their estimated useful lives. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on date of donation. Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed. A capitalization threshold of \$1,000 has been adopted for reporting purposes.

In the Fund Financial Statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds. No provision is made for depreciation on capital assets in the Fund Financial Statements since the full cost is expensed at the time of purchase.

Also, the capital assets used by the Judicial Expense Fund that are purchased with the Rapides Parish Police Jury's money are reported in the Judicial Expense Fund's financial statements.

Net Position

Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

In cases where restricted and unrestricted monies are received by the Judicial Expense Fund for the same function or purpose, the restricted monies are used first.

Fund Balances

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or they are legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balances that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the seven judges. Formal action of the Judicial Expense Fund to establish or rescind committed funds is by adoption in a judges meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. Unassigned fund balances include residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balances may also include negative balances for any other governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes. In cases where restricted and unrestricted monies are received by the Judicial Expense Fund for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

On-Behalf Payments

The accompanying financial statements include on-behalf payments made by the Rapides Parish Police Jury, its Criminal Court Fund, and the State of Louisiana to the Judicial Expense Fund's office for salaries and related fringe benefits, as required by GASB Standards.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Cash, Cash Equivalents, and Certificates of Deposit

At December 31, 2017, the Judicial Expense Fund had cash, cash equivalents, and certificates of deposit as follows:

Cash and cash equivalents	\$ 1,362,711
Certificates of deposit	<u>340,244</u>
	\$ 1,702,955

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the agent bank.

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

Custodial credit risk is the risk that in the event of a bank failure, the Judicial Expense Fund's deposits may not be returned. As of December 31, 2017, the Judicial Expense Fund's bank balance of \$1,709,215 was not exposed to custodial credit risk in that \$651,085 was secured by federal deposit insurance and \$1,058,130 was collateralized by securities held by the pledging bank in the Judicial Expense Fund's name.

3. Intergovernmental Receivables

	<u>General Fund</u>	<u>Child Support Fund</u>	<u>Families in Need of Services Fund</u>	<u>Total Governmental Funds</u>
Intergovernmental				
Rapides Parish Sheriff	\$ 3,474	\$ -	\$ -	\$ 3,474
Louisiana Judicial Branch	-	-	8,894	8,894
Louisiana Department of Social Services	-	<u>27,486</u>	-	<u>27,486</u>
	<u>\$ 3,474</u>	<u>27,486</u>	<u>\$ 8,894</u>	<u>\$ 39,854</u>

4. Capital Assets

	<u>Estimated Life</u>	<u>January 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2017</u>
Furniture, equipment, and improvements	3-10 Years	\$ 422,185	\$ 15,677	\$ 34,093	\$ 403,769
Less:					
Accumulated depreciation		<u>383,776</u>	<u>14,212</u>	<u>34,093</u>	<u>363,895</u>
Capital Assets, Net		<u>\$ 38,409</u>	<u>\$ 1,465</u>	<u>\$ -</u>	<u>\$ 39,874</u>

Depreciation expense was charged to functions as follows:

General government	\$ 3,153
Child Support	10,173
Juvenile Drug Court	166
Families in Need of Services	<u>720</u>
Total depreciation expense for Governmental Activities	<u>\$ 14,212</u>

5. On-Behalf Payments

Rapides Parish Police Jury (RPPJ) General Fund	\$ 346,014
Rapides Parish Police Jury (RPPJ) Criminal Court Fund	893,233
State of Louisiana	<u>1,530,027</u>
	<u>\$ 2,769,274</u>

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2017**

Notes to Basic Financial Statements

6. Expenditures of the Judicial Expense Fund Not Included in the Financial Statements

The accompanying financial statements do not include certain expenditures of the office of the Judicial Expense Fund which are paid out of the funds of the Rapides Parish Police Jury General Fund and Criminal Court Fund in accordance with statutory requirements. These expenditures are summarized below:

Telephone	\$ 20,655
Contract maintenance and repairs	2,812
Witness and juror fees	48,448
Library materials	67,732
Lunacy commission expense	47,200
Office expense	13,332
Equipment (below capitalization threshold)	3,745
Court reporter fees	16,039
	<hr/>
	\$ 219,963

7. Risk Management

The Judicial Expense Fund is exposed to various risks of loss related to damage to, theft of, and destruction of assets. The Rapides Parish Police Jury carries commercial insurance coverage on these assets. In addition, the Judicial Expense Fund carries fidelity bonds on the court reporters. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

8. Net Position and Fund Balances

Restricted Fund Balances

Funds received through the Families in Need of Services grant have a \$15,711 restriction on the total fund balance and net position for salaries and related benefits.

As stated in Title 46 of the Louisiana Revised Statutes, the Louisiana Department of Children and Family Services assesses and collects a five percent administrative fee to the violator and remits this fee to the Judicial Expense Fund. This department, in addition to other external parties, has a \$1,376,698 restriction on the total fund balance and net position for the purpose of operating the child support office.

Assigned Fund Balances

The Child Support Fund accounts for monies received primarily from the five percent administrative fee assessed and collected by the Louisiana Department of Children and Family Services and remitted to the Judicial Expense Fund. The remaining balance in this fund totaling \$4,656 is shown as assigned fund balance for the governmental funds and unrestricted net position on the government-wide financial statements.

Required Supplemental Information – Part II

**Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2017**

Schedule G

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
			<u>(See Note A)</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues				
Intergovernmental				
Court and administrative fees	\$ 75,000	\$ 100,000	\$ 101,601	\$ 1,601
Miscellaneous	-	800	857	57
Investment earnings	75	1,000	1,148	148
Total Revenues	<u>75,075</u>	<u>101,800</u>	<u>103,606</u>	<u>1,806</u>
Expenditures				
Current				
Insurance premiums	9,750	13,000	12,791	209
Parking fees	2,160	2,160	2,160	-
Legal, professional, and administrative expenses	3,000	5,250	5,250	-
Office expense and membership dues	28,000	26,830	31,374	(4,544)
Travel and training	3,250	9,500	8,924	576
Meeting and jury expense	2,500	7,500	7,334	166
Maintenance - equipment and network	24,250	18,000	16,099	1,901
Capital outlay	-	-	2,075	(2,075)
Total Expenditures	<u>72,910</u>	<u>82,240</u>	<u>86,007</u>	<u>(3,767)</u>
Excess (Deficiency) of Revenues over Expenditures	2,165	19,560	17,599	(1,961)
Fund Balances, Beginning of Year	<u>342,536</u>	<u>342,536</u>	<u>342,536</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 344,701</u>	<u>\$ 362,096</u>	<u>\$ 360,135</u>	<u>\$ (1,961)</u>

Note A - Explanation of Differences between Revenues and Expenditures for the General Fund on a Budgetary Basis (Schedule G) and General Fund on a GAAP Basis (Exhibit E).

Revenues

Actual (budgetary basis) "revenues" from the Budgetary Comparison Schedule.	\$ 103,606
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis.	1,063
The Judicial Expense Fund does not budget for on-behalf support provided by the State of Louisiana and the Rapides Parish Police Jury.	<u>2,769,274</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 2,873,943</u>

Expenditures

Actual (budgetary basis) "expenditures" from the Budgetary Comparison Schedule.	\$ 86,007
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis.	(2,472)
The Judicial Expense Fund does not budget for on-behalf salaries, related benefits, capital outlay, and insurance paid directly by the State of Louisiana and the Rapides Parish Police Jury.	<u>2,769,274</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 2,852,809</u>

See independent auditor's report.

**Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
Child Support Fund
Year Ended December 31, 2017**

Schedule H

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable
	Original	Final	(See Note A)	(Unfavorable)
Revenues				
Commissions and fees	\$ 340,000	\$ 365,000	\$ 365,702	\$ 702
Reimbursements	-	3,500	3,154	(346)
Investment earnings	475	3,500	3,955	455
Total Revenues	<u>340,475</u>	<u>372,000</u>	<u>372,811</u>	<u>811</u>
Expenditures				
Current				
Equipment and computer maintenance	12,000	19,000	14,370	4,630
Office expense and parking fees	18,500	12,000	21,180	(9,180)
Meetings, miscellaneous, etc.	5,000	3,000	4,220	(1,220)
Travel and training	25,000	28,000	27,971	29
Membership dues, subscriptions, and insurance	13,500	4,000	3,575	425
Legal and professional fees	5,500	5,500	5,250	250
Reimbursement to Rapides Parish Police Jury - salary and benefits - clerks, reporters, office support staff, and utilities	238,500	283,000	279,659	3,341
Capital outlay	7,000	7,000	4,167	2,833
Total Expenditures	<u>325,000</u>	<u>361,500</u>	<u>360,392</u>	<u>1,108</u>
Excess (Deficiency) of Revenues over Expenditures	15,475	10,500	12,419	1,919
Fund Balance, Beginning of Year	<u>1,349,819</u>	<u>1,349,819</u>	<u>1,349,819</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,365,294</u>	<u>\$ 1,360,319</u>	<u>\$ 1,362,238</u>	<u>\$ 1,919</u>

Note A - Explanation of Differences between Revenues and Expenditures for the Child Support Fund on a Budgetary Basis (Schedule H) and Child Support Fund on a GAAP Basis (Exhibit E).

Revenues

Actual (budgetary basis) "revenues" from the Budgetary Comparison Schedule.	\$ 372,811
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis.	<u>(2,368)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 370,443</u>

Expenditures

Actual (budgetary basis) "expenditures" from the Budgetary Comparison Schedule.	\$ 360,392
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis.	<u>(21,484)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 338,908</u>

See independent auditor's report.

**Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
Families in Need of Services Fund
Year Ended December 31, 2017**

Schedule I

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental				
Grants and other revenues	\$ 57,811	\$ 57,811	\$ 57,811	\$ -
Investment earnings	30	30	63	33
Total Revenues	<u>57,841</u>	<u>57,841</u>	<u>57,874</u>	<u>33</u>
Expenditures				
Current				
Operating assistance to Rapides Parish				
Police Jury-supplemental pay and benefits- clerks, and office support staff	57,000	57,000	68,443	(11,443)
Total Expenditures	<u>57,000</u>	<u>57,000</u>	<u>68,443</u>	<u>(11,443)</u>
Excess (Deficiency) of Revenues over Expenditures	841	841	(10,569)	(11,410)
Fund Balance, Beginning of Year	19,520	19,520	19,520	-
Fund Balance, End of Year	<u>\$ 20,361</u>	<u>\$ 20,361</u>	<u>\$ 8,951</u>	<u>\$ (11,410)</u>

Note A - Explanation of Differences between Revenues and Expenditures for the Families in Need of Services Fund on a Budgetary Basis (Schedule I) and Families in Need of Services Fund on a GAAP Basis (Exhibit E).

Revenues		
Actual (budgetary basis) "revenues" from the Budgetary Comparison Schedule.		\$ 57,874
Adjustments:		
The Judicial Expense Fund prepares their budget on the cash basis.		<u>(4,447)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances		<u>\$ 53,427</u>
Expenditures		
Actual (budgetary basis) "expenditures" from the Budgetary Comparison Schedule.		\$ 68,443
Adjustments:		
The Judicial Expense Fund prepares their budget on the cash basis.		<u>(11,207)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances		<u>\$ 57,236</u>

See independent auditor's report.

Supplemental Information – Part III

**Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana
Schedule of TANF Revenues and Expenditures
December 31, 2017**

Schedule J

Revenues

TANF revenue	\$ 53,191
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Expenditures

Bank service charges	87
Registration	900
Salaries	21,861
Travel	2,702
Legal and professional fees	1,800
Test and laboratory	1,185
Treatment	24,656
Total expenditures	<u>\$ 53,191</u>

See independent auditor's report.

Ninth Judicial District Court
 Judicial Expense Fund
 Alexandria, Louisiana
 Schedule of Compensation, Benefits, and Other
 Payments to the Agency Head
 For The Year Ended December 31, 2017

Schedule K

Agency Head Names

Honorable Judge Monique F. Rauls, Division A
 Honorable Judge Thomas M. Yeager, Division B
 Honorable Judge Mary L. Dogget, Division C
 Honorable Judge John C. Davidson, Division D
 Honorable Judge Patricia Koch, Division E
 Honorable Judge George C. Metoyer, Jr, Division F
 Honorable Judge Greg Beard, Division G

Purpose	Amounts						
	Judge Rauls	Judge Yeager	Judge Doggett	Judge Davidson	Judge Koch	Judge Metoyer	Judge Beard
Salary (Note 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits - insurance (Note 1)	-	-	-	-	-	-	-
Benefits - retirement (Note 1)	-	-	-	-	-	-	-
Car allowance	-	-	-	-	-	-	-
Vehicle provided by government	-	-	-	-	-	-	-
Per Diem	-	-	-	-	-	-	-
Reimbursements	75	490	138	190	937	-	-
Travel	-	1,146	480	1,468	895	-	7,814
Registration fees	675	-	-	1,175	675	675	-
Conference travel	-	-	-	-	-	-	-
Continuing professional education fees	-	-	-	-	-	-	-
Cell phone	2,086	1,095	474	1,268	884	896	3,030
Professional liability insurance	-	1,728	1,728	1,728	1,728	1,728	3,456
Unvouchered expenses	-	-	-	-	-	-	-
Special meals	-	-	-	-	-	-	-
Total	\$ 2,836	\$ 4,459	\$ 2,820	\$ 5,829	\$ 5,119	\$ 3,299	\$ 14,300

Note 1: The Judges are elected officials and employees of the Louisiana Supreme Court. Their salaries and related benefits are paid directly to them by the Louisiana Supreme Court and are no longer required to be disclosed on this schedule, in accordance with Act 706. The Judges receive none of their compensation or benefits from the funds that the court administers. See Note 6 for inclusion of on-behalf payments in the financial statements.

See independent auditor's report.

**Other Report Required by
*Government Auditing Standards and
Louisiana Governmental Audit Guide***

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
Alexandria, 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, each major fund, and the aggregate remaining fund information of the Ninth Judicial District Court, Judicial Expense Fund (Judicial Expense Fund), Alexandria, Louisiana, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund'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 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 Judicial Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.





PAYNE, MOORE & HERRINGTON, LLP

Judges of Ninth Judicial District Court
Judicial Expense Fund
Alexandria, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

June 13, 2018

Schedule of Findings and Responses

**Ninth Judicial District Court
Judicial Expense Fund
Management's Summary Schedule of Prior Audit Findings
Year Ended December 31, 2017**

Finding 2016-001 – Noncompliance with the Louisiana Local Government Budget Act

Condition: The Ninth Judicial District Court, Judicial Expense Fund failed to comply with the provisions of the Louisiana Local Government Budget Act because they failed to adequately amend their Juvenile Drug Court Fund budget when their actual expenditures exceeded their proposed expenditures during the current year by more than 5%, and their Families in Need of Services Fund budget when their actual revenues exceeded their proposed revenues during the current year by more than 5%.

Current Status: Resolved.

*Ninth Judicial District Court
Judicial Expense Fund*

*Statewide Agreed-Upon Procedures
Report*

Alexandria, Louisiana

December 31, 2017



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Ninth Judicial District Court, Judicial Expense Fund (Entity) 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 year ended December 31, 2017. The Entity'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 results are as follows:

Written Policies and Procedures

1. **Procedure:** 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.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, including receiving, recording, and preparing deposits.
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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PAYNE, MOORE & HERRINGTON, LLP

To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
and the Louisiana Legislative Auditor

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The Entity's written policies and procedures for: purchasing does not address how vendors are added to the vendor list; receipts does not address how deposits are to be prepared; and contracting does not address standard terms and conditions.

Management's Response: Due to limited personnel we did not have a procedure in place but will make every effort to address these issues and remedy accordingly.

Board (or Finance Committee, if applicable)

- 2. **Procedure:** 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.
 - 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).
- 1. 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.



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To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
and the Louisiana Legislative Auditor

- 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.

Results: The board did not meet in April. Although there is no policy stating how often the board must meet, the judges try to meet twice a month. In addition, there was no reference in the minutes to monthly budget-to-actual comparisons, except for October and December 2017.

Management's Response: The judges will make every attempt to meet monthly but the court calendar ultimately determines if a quorum exists on the date of the scheduled meeting. There was no reference to monthly budget-to-actual comparisons except for the referenced months in 2017 but in the future, financial reports will be made available to the judges.

Bank Reconciliations

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

Results: No exceptions noted.

- 4. **Procedure:** 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 five 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;
- 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
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

Results: For all bank accounts selected there is: no evidence that the reconciliations were reviewed by management or a board member and no documentation indicating that outstanding items more than six months old were researched by management.



PAYNE, MOORE & HERRINGTON, LLP

To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
and the Louisiana Legislative Auditor

Management's Response: Bank reconciliations will be presented to the judges on a monthly basis.

Collections

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

Results: No exceptions noted.

6. **Procedure:** 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 five 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.
- 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.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 1. 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.



PAYNE, MOORE & HERRINGTON, LLP

To the Judges of the Ninth Judicial District Court
Judicial Expense Fund
and the Louisiana Legislative Auditor

2. 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.

Results: We noted the following exceptions:

- a) The Entity does not have written documentation supporting the policy or procedure to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections.
- b) Neither of the two (2) cash collections selected for testing were deposited within one day of collection. Both cash collections were deposited four days from receipt.

Management's Response: RPSO checks are walked up to our office once a month and other reimbursements or a receipt of a refund are deposited as quickly as possible. With limited personnel available, we will make every attempt to make deposits timely, if not on the date of receipt. This office accepts no cash.

7. **Procedure:** 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.

Results: The Entity does not have formal written policies and procedures for determining the completeness of all collections for each revenue source by a person who is not responsible for collections.

Management's Response: I am unsure how to address this result. We receive a check then deposit it with the exception of the Clerk of Court and RPSO.



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

8. **Procedure:** 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.

Results: No exceptions noted.

9. **Procedure:** Using the disbursement population from #8 above, randomly select twenty-five disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the Entity had less than twenty-five 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.
- b) Purchase orders, or an electronic equivalent, 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; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: No exceptions noted.

10. **Procedure:** 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.

Results: The Entity does not have formal written policies and procedures regarding who is responsible for adding vendors to the purchasing/disbursement system.

Management's Response: Due to limited personnel, we will make every attempt to have a designated person add a vendor in the Quickbooks program. This will be difficult since the financial program is on one computer.



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11. **Procedure:** 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.

Results: The Entity does not have formal written policies and procedures stating that persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating purchases.

Management's Response: Due to limited personnel, we will make every attempt to implement a procedure to address this result.

12. **Procedure:** 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.

Results: No exceptions noted.

13. **Procedure:** 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.

Results: No exceptions noted.

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

14. **Procedure:** 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.

Results: This procedure is not applicable to the Entity since they do not have credit cards, debit cards, fuel cards or P-cards.

15. **Procedure:** Using the listing prepared by management, randomly select ten cards (or at least one-third of the cards if the Entity has less than ten 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.



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

Results: This procedure is not applicable to the Entity since they do not have credit cards, debit cards, fuel cards or P-cards.

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

- a) For each transaction, report whether the transaction is supported by:
 1. An original itemized receipt (i.e., identifies precisely what was purchased)
 2. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 3. Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- 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.
- 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.



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Results: This procedure is not applicable to the Entity since they do not have credit cards, debit cards, fuel cards, or P-cards.

Travel and Expense Reimbursement

17. Procedure: 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.

Results: No exceptions noted.

18. Procedure: 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.

Results: No exceptions noted.

19. Procedure: 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.

b) Report whether each expense is supported by:

1. 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.]
2. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).



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3. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- 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.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions noted.

Contracts

20. **Procedure:** 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.

Results: No exceptions noted.

21. **Procedure:** 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.
- 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:
 1. 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).
 2. If no, obtain supporting contract documentation and report whether the Entity solicited quotes as a best practice.



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- 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.
- 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.
- 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).

Results: No exceptions noted.

Payroll and Personnel

22. Procedure: 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:

- 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.
- 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.

Results: This procedure is not applicable to the Entity since the judges and other personnel are employees of the Rapides Parish Police Jury (the Police Jury), who in turn is responsible for processing payroll and maintaining personnel files.

23. Procedure: 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 twenty-five employees/officials (or randomly select one-third of employees/officials if the Entity had less than twenty-five 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.)



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

Results: This procedure is not applicable to the Entity since the judges and other personnel are employees of the Police Jury, who in turn is responsible for processing payroll and maintaining personnel files.

24. **Procedure:** 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.

Results: This procedure is not applicable to the Entity since the judges and other personnel are employees of the Police Jury, who in turn is responsible for processing payroll and maintaining personnel files.

25. **Procedure:** 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

Results: This procedure is not applicable to the Entity since the judges and other personnel are employees of the Police Jury, who in turn is responsible for processing payroll, maintaining personnel files, and preparing and submitting all required reporting forms to payroll taxing authorities.

Ethics

26. **Procedure:** 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.



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Results: This procedure is not applicable to the Entity since the judges and other personnel are employees of the Police Jury, who in turn is responsible for processing payroll and maintaining personnel files.

27. **Procedure:** 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.

Results: No exceptions noted.

Debt Service (excluding nonprofits)

28. **Procedure:** If debt was issued during the fiscal period, obtain supporting documentation from the Entity, and report whether State Bond Commission approval was obtained.

Results: This procedure is not applicable since the Entity has no debt.

29. **Procedure:** 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.

Results: This procedure is not applicable since the Entity has no debt.

30. **Procedure:** 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.

Results: This procedure is not applicable since the Entity has no debt.

Other

31. **Procedure:** 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.

Results: No exceptions noted.



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32. Procedure: 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.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions noted.

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

Results: 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.

Payne, Moore & Herrington, LLP

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Alexandria, Louisiana

June 13, 2018