

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

Financial Statements
For the Year Ended December 31, 2019

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

The Fifth Judicial District Criminal Court Fund
Parishes of Franklin, Richland, and West Carroll

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities of The Fifth Judicial District Criminal Court Fund, a component unit of the Franklin, Richland, and West Carroll Parish Police Juries, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Criminal Court 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

The Fifth Judicial District Criminal Court Fund
Parishes of Franklin, Richland, and West Carroll

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of The Fifth Judicial District Criminal Court Fund, as of December 31, 2019, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 4 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 21, 2020, on my consideration of the Fifth Judicial District Criminal Court Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Criminal Court Fund's internal control over financial reporting and compliance.

West Monroe, Louisiana
September 21, 2020



REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS

**FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
A COMPONENT UNIT OF FRANKLIN, RICHLAND, AND
WEST CARROLL PARISH POLICE JURIES
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of the Fifth Judicial District Criminal Court Fund financial statements provides an overview of its activities for the year ended December 31, 2019. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, provide information about the activities of the Criminal Court Fund as a whole.

Reporting the Criminal Court Fund as a Whole

The Statement of Net Position and the Statement of Activities

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Criminal Court Fund’s net position and related changes. The Criminal Court Fund’s net position (the difference between assets and liabilities) measure the Funds’s financial position. Increases or decreases in the Funds’s net position are an indicator of whether its financial position is improving or not.

The Criminal Court Fund as a Whole

For the years ended December 31, 2019 and 2018, net position changed as follows:

	2019	2018
Beginning net position	\$ 112,795	\$ 119,184
Increase in net position	(16,564)	(6,389)
Ending net position	\$ 96,231	\$ 112,795

The Criminal Court Fund’s Funds

The following schedule presents a summary of revenues and expenses for the years ended December 31, 2019 and 2018:

Revenues	2019	Percent of Total	2018	Percent of Total
Charges for Services	\$ 684,022	75%	\$ 579,906	75%
Other Fees and Charges	130,186	25%	187,287	25%
Total Revenues	\$ 814,208	100%	\$ 767,193	100%

Expenditures	2019	Percent of Total	2018	Percent of Total
Operating Expenditures	\$ 830,772	100%	\$ 773,582	100%

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2019, the District had \$13,175 invested in capital assets (\$1,366 net of accumulated depreciation) which is made up mostly of office equipment.

Assets	December 31, 2018	Additions	Disposals	December 31, 2018
Office Equipment	\$ 13,175	-	-	\$ 13,175
Less: Accumulated Depreciation:	(10,442)	(1,367)	-	(11,809)
Capital assets, net	\$ 2,733	(1,367)	-	\$ 1,366

Debt

At year end, the The Fifth Judicial District Criminal Court Fund had no debt.

ECONOMIC FACTORS AND NEXT YEAR'S RATES

The Criminal Court Fund's revenues are derived mainly from annual appropriations from each of the three police juries and fines and forfeiture revenues. The Fifth Judicial District Criminal Court Fund is not aware of any significant increases or decreases in those revenue sources or associated expenditures. The revenues are expected to maintain current operations for the foreseeable future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the funds received by it. If you have any questions about this report or need additional financial information, contact: Jonathan Knight, Administrator, P. O. Box 417, Rayville, LA 71269.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Fifth Judicial District Criminal Court Fund
Parishes of Franklin, Richland, and West Carroll

Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and Cash Equivalents	\$ 147,597
Accounts Receivable	65,695
Capital Assets:	
Depreciable	<u>1,366</u>
 Total Assets	 <u>214,658</u>
<i>Liabilities</i>	
Accounts Payable	20,128
Due to Other Agencies	<u>98,299</u>
 Total Liabilities	 118,427
<i>Net Position</i>	
Net Investment in Capital Assets	1,366
Net Position - Unrestricted	<u>94,865</u>
 Total Net Position	 <u><u>\$ 96,231</u></u>

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

Fifth Judicial District Criminal Court Fund
 Parishes of Franklin, Richland, and West Carroll

Statement of Activities
 For the Year Ended December 31, 2019

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities: Public Safety & Judicial Prosecution	<u>\$ 830,772</u>	<u>\$ 684,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (146,750)</u>
			General Revenues:		
			Local Support		\$ 130,000
			Interest Earnings		186
			Miscellaneous		-
			Total General Revenues		<u>130,186</u>
			Changes in Net Position		(16,564)
			Net Position - Beginning		<u>112,795</u>
			NET POSITION - ENDING		<u>\$ 96,231</u>

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

FUND FINANCIAL STATEMENTS

Fifth Judicial District Criminal Court Fund
Parishes of Franklin, Richland, and West Carroll

Balance Sheet, Governmental Funds
December 31, 2019

<u>Assets</u>	
Cash and Cash Equivalents	\$ 147,597
Accounts Receivable	65,695
<u>Total Assets</u>	<u>\$ 213,292</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>Liabilities</u>	
Accounts Payable	\$ 20,128
Due to Other Agencies	<u>98,299</u>
<u>Total Liabilities</u>	118,427
<u>Fund Balance</u>	
Unassigned	94,865
<u>TOTAL LIABILITIES AND</u>	
<u>FUND BALANCE</u>	<u>\$ 213,292</u>

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

Fifth Judicial District Criminal Court Fund
Parishes of Franklin, Richland, and West Carroll

Balance Sheet, Governmental Funds
December 31, 2019

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

*Amounts reported for governmental activities in the Statement of Net Position
are different because:*

Fund Balance, Governmental Funds:	\$	94,865
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>1,366</u>
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Net Position of Governmental Activities	<u>\$</u>	<u>96,231</u>
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The accompanying notes are an integral part of this financial statement.

Fifth Judicial District Criminal Court Fund
 Parishes of Franklin, Richland, and West Carroll

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

<u>Operating Revenue</u>	
Fines and Forfeitures	\$ 684,022
Interest Income	186
Intergovernmental Revenue	
Local	130,000
Total Operating Revenue	814,208
 <u>Operating Expenditures</u>	
Current:	
General Government	
Operating Services	306,795
Materials and Supplies	21,035
Travel and Other Charges	1,575
Intergovernmental	500,000
Total Operating Expenditures	829,405
 <u>Excess (Deficiency) of Revenues Over</u>	
<u>Expenditures</u>	(15,197)
 <u>Fund Balance - Beginning of the Year</u>	
	110,062
 <u>FUND BALANCE - END OF THE YEAR</u>	
	\$ 94,865

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

Fifth Judicial District Criminal Court Fund
Parishes of Franklin, Richland, and West Carroll

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2019

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

*Amounts reported for governmental activities in the Statement of Activities
are different because:*

Net change in fund balances - total governmental funds	\$ (15,197)
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Expenditures for capital assets	-
Less current year depreciation	<u>(1,367)</u>
Changes in net position of governmental activities	<u><u>\$ (16,564)</u></u>

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

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying financial statements of the Fifth Judicial District Criminal Court Fund have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments*, issued in June 1999.

A. Basis of Presentation

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

B. Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Richland Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include: (1) Appointing a voting majority of an organization's governing body or (2) the ability of the police juries to impose their will on that organization and/or (3) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police juries. (4) Organizations for which the police juries do not appoint a voting majority but are fiscally dependent on the police juries and the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the police juries exists. (5) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

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

C. Fund Accounting

The Fifth Judicial District Criminal Court Fund uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Fifth Judicial District Criminal Court Fund functions and activities. A fund is defined as a separate fiscal accounting entity with a self-balancing set of accounts.

Funds of the Fifth Judicial District Criminal Court Fund are classified into one category:

Governmental Funds

Governmental funds account for all of the Fifth Judicial District Criminal Court Fund's general activities. This fund focus on the sources, uses, and balances of current financial resources. The following are the Fifth Judicial District Criminal Court Fund's governmental fund:

General Fund – The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Fifth Judicial District Criminal Court Fund and is used to account for the operations of the Criminal Court fund offices. The various fines and fees collected are accounted for in this fund.

D. Measurement Focus/Basis of Accounting

Government- Wide Financial Statements

The statement of net position and the statement of activities display information about the reporting government as a whole. The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB No. 33, *Accounting and Financial Reporting for Non - Exchange Transactions*.

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

D. Measurement Focus/Basis of Accounting – (Continued)

Fund Financial Statements (FFS)

The amounts reflected in the Governmental funds statements are accounted for using a current financial resources measurement focus and a modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The Fifth Judicial District Criminal Court Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues

Commissions on fines and forfeitures are recorded in the year they are collected by the parish tax collectors.

Interest earned on investments is recorded when the investment has matured and the income is available. Substantially all other revenues are recorded when received.

Expenditures

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

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. The Fifth Judicial District Criminal Court Fund considers all short-term, highly liquid investments with original maturities of 90 days or less to be treated as cash equivalents. Under state law, the Fifth Judicial District Criminal Court Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

F. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

G. Short-term Interfund Receivables/ Payables (Fund Financial Statements)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

In the process of aggregating data for the statement of net position interfund payables and receivables were eliminated to minimize the "grossing up" effect of assets and liabilities within the governmental activities column.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture and office equipment	5 years
Computer hardware	5-10 years
Telephone equipment	10 years
Vehicles	5 years

I. Restricted Net Position

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, the unrestricted resource as needed.

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

J. Fund Balance of Fund Financial Statements

Fund balance amounts are reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the Fifth Judicial District Criminal Court Fund. Committed amounts cannot be used for any other purpose unless the Fifth Judicial District Criminal Court Fund removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

Assigned: Fund balance that is constrained by the Fifth Judicial District Criminal Court Fund's intent to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by the Fifth Judicial District Criminal Court Fund.

Unassigned: Fund balance that is the residual classification for the general fund or a deficit fund balance in other funds.

The Fifth Judicial District Criminal Court Fund reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Fifth Judicial District Criminal Court Fund considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

K. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is generally used in government funds.

Based on the size of the accounts and the methods used for payments, the Fifth Judicial District Criminal Court Fund does not employ encumbrance accounting.

L. Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

M. 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 amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits are stated at cost, which approximate fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in the holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: Fifth Judicial District Criminal Court Fund does not have a policy that addresses interest rate risk.

Credit Risk: Fifth Judicial District Criminal Court Fund investments are in Certificates of Deposits which do not have credit ratings. The Fifth Judicial District Criminal Court Fund has no investments as of December 31, 2018.

Custodial Credit Risk: At year-end the Fifth Judicial District Criminal Court Fund's carrying amount of deposits was \$147,597 and the bank balance was \$166,643, all of which was covered by the Federal Deposit Insurance Corporation. The Fifth Judicial District Criminal Court Fund does not have a policy that addresses custodial credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

The following is a summary of receivables at December 31, 2019:

	<u>General</u>
	<u>Fund</u>
Fines, Fees, and Bond Forfeitures	<u>\$ 65,695</u>

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 and 2018 is as follows:

	December 31, 2018			December 31, 2019
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Depreciable Assets:				
Autos & Equipment	\$ 13,175	-	-	\$13,175
Totals at Historical Cost	13,175	-	-	13,175
Less Accumulated Depreciation for:				
Autos & Equipment	(10,442)	(1,367)	-	(11,809)
Total Accumulated Depreciation	(10,442)	(1,367)	-	(11,809)
 <u>CAPITAL ASSETS, NET</u>	 <u>\$ 2,733</u>	 <u>\$(1,367)</u>	 <u>\$ -</u>	 <u>\$ 1,366</u>

Depreciation expense was \$1,367 in 2019.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 21, 2020, which is the day the financial statements were available to be issued, and it has been determined that one significant event requires disclosure. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Criminal Court Fund and the duration cannot be estimated at this time.

OTHER SUPPLEMENTAL INFORMATION

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 District Attorney of
The Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of The Fifth Judicial District Criminal Court Fund, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued my report thereon dated September 21, 2020.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Fifth Judicial District Criminal Court 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the 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, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Fifth Judicial District Criminal Court Fund'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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as 2019-1 that I consider to be a significant deficiency.

To the District Attorney of
The Fifth Judicial District
Parishes of Franklin, Richland, and West Carroll

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fifth Judicial District Criminal Court Fund's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

District Attorney's Response to Findings

The District Attorney's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The District Attorney's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, I express no opinion on it.

Purpose of this Report

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

This report is intended for the use of management of The District Attorney of the Fifth Judicial District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana
September 21, 2020

THE FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

The Fifth Judicial District Criminal Court Fund
For the Parishes of Franklin, Richland, and West Carroll

I have audited the financial statements of the Fifth Judicial District Criminal Court Fund, a component unit of the Franklin, Richland, and West Carroll Parish Police Juries as of and for the year ended December 31, 2019 and have issued my report thereon dated September 21, 2020. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2019, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ yes X no
Significant Deficiencies not considered to be
Material Weaknesses X yes ___ no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards – N/A

Material Weakness Identified ___ yes ___ no
Significant Deficiencies not considered to be
Material Weaknesses ___ yes ___ no

Type of Opinion on Compliance for Major Programs (No Major Programs)

Unqualified ___ Qualified ___
Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with the Uniform Guidance?
N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster) CFDA Number(s) N/A

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

THE FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

2019-1 Inadequate Segregation of Duties

Condition: At present, the Administrator handles all aspects of the accounting system. He is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, he is the only person that is trained to do this job. Two signatures are required on check disbursements.

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Recommendation: Although the size of the District Attorney's staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

Bank statements, cancelled checks, etc. should be received by someone other than the Administrator. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.

Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.

Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis.

Management's Response: It is not feasible to correct this deficiency entirely, based on the size of the 05th District CCF staff. However, the 05th District CCF staff Admin has contracted with an external CPA to review and provide oversight regarding financial operations. The 05th District CCF has an employee independent of the financial operations who retrieves, opens, dates and distributes mail. The 05th District CCF will work toward implementing other recommendations if possible at a later date.

Section II - Financial Statement Findings

No findings were reported under this section.

Section III - Management Letter

No management letter was issued.

FIFTH JUDICIAL DISTRICT CRIMINAL COURT FUND
FOR THE PARISHES OF FRANKLIN, RICHLAND, AND WEST CARROLL
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - Internal Control and Compliance Material to the Financial Statements

2018-1 Inadequate Segregation of Duties

Condition: At present, the Administrator handles all aspects of the accounting system. He is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, he is the only person that is trained to do this job. Two signatures are required on check disbursements.

Criteria: Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Recommendation: Although the size of the District Attorney's staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

Mail should be opened by an employee not responsible for accounting, such as someone else on the administrative staff. Cash receipts could be recorded and the deposit prepared by this person. Cash receipts should be deposited intact daily. Holding receipts exposes the District Attorney to loss.

Bank statements, cancelled checks, etc. should be received by someone other than the Administrator. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.

Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable. Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis.

Management's Response: It is not feasible to correct this deficiency entirely, based on the size of the 05th District CCF staff. However, the 05th District CCF staff Admin will contract with a external CPA to review and provide oversight regarding financial operations. The 05th District CCF has an employee independent of the financial operations who retrieves, opens, dates and distributes mail. The 05th District CCF will work toward implementing other recommendations if possible at a later date.

Finding Status: Although the Administrator still maintains all aspects of the accounting system, the District Attorney has hired a fee accountant to prepare the books at year end for audit and to answer any accounting questions should they arise during the year.

Section II - Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III - Management Letter

This section is not applicable for this entity.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the District Attorney of the Fifth Judicial District and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the District Attorney of the Fifth Judicial District (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 fiscal period January 1, 2019 through December 31, 2019. 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, I 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 findings obtained are described in the attachment to this report.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



West Monroe, Louisiana
September 21, 2020

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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
 - 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/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).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - 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) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

- k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Exceptions

The 5th CCF has a policy and procedure manual that addresses purchasing, travel, and credit card use, however, policies specific to these areas that address all named items above were not in place for the test period.

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.
 - 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - 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.

Exceptions

The Entity not operate under a Board or Committee structure, thus this section is not applicable.

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:
 - 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);

- 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
- 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.

Exceptions

The bank reconciliations selected did not show evidence of having been reconciled within 2 months, however, a member of management reviewed the bank statement and initialed upon reconciliation. There was no further evidence of a member of management reviewing the reconciliation report. Outstanding items over 12 months old were researched at year end as part of the audit preparation.

Collections (excluding EFTs)

1. 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).
2. 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:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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.
3. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
4. 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.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

The Entity has 3 collection sites, and all were tested. The majority of deposits are received through checks payable to the 5TH CCF via the mail. Deposits are made once a week. No other exceptions noted.

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).
- 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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.
- 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.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

The 5TH CCF operates with minimal staff; therefore, the administrator is responsible for disbursements including adding vendors, approving payments, and signing checks (two signatures are required). All tested disbursements matched the original billing statement or invoice.

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.
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.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Exceptions

The 5TH CCF does not have written policies specific to the use of credit cards, however, certain restrictions on credit card use are mentioned in the policy and procedure manual. No other exceptions were noted.

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:
- 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

No written approval was noted on the tested disbursements; however, the administrator prepared the disbursements. No other exceptions were noted.

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

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
 - 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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.

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 Library attorney of the parish in which the entity is domiciled.
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.

Exceptions

No exceptions were identified in the performance of the procedures listed above.