

*Ninth Judicial District Court
Judicial Expense Fund*

December 31, 2019

**Ninth Judicial District Court
Judicial Expense Fund**

December 31, 2019

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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 and each major fund of the Ninth Judicial District Court, Judicial Expense Fund, a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2019, 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.

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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 and each major fund of the Ninth Judicial District Court, Judicial Expense Fund, as of December 31, 2019, 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 budgetary comparison information on pages 22-24 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.

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



PAYNE, MOORE & HERRINGTON, LLP

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

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 "Supplementary 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.

The "Supplementary 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 "Supplementary 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 22, 2020, 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 22, 2020

Basic Financial Statements

**Government-Wide
Financial Statements**

**Ninth Judicial District Court
Judicial Expense Fund
Statement of Net Position
Governmental Activities
December 31, 2019**

Exhibit A

Assets		
Cash and cash equivalents		\$ 1,362,176
Certificates of deposit		341,766
Due from other governmental units		42,572
Depreciable capital assets, net of accumulated depreciation		33,675
Total Assets		1,780,189
Liabilities		
Accounts payable		853
Intergovernmental payables		18,132
Total Liabilities		18,985
Net Position		
Net investment in capital assets		33,675
Restricted for		
Other special purposes		1,333,898
Unrestricted		393,631
Total Net Position		\$ 1,761,204

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

**Ninth Judicial District Court
Judicial Expense Fund
Statement of Activities
Governmental Activities
Year Ended December 31, 2019**

Exhibit B

	Program Revenues			Net (Expense) Revenue and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
Functions/Programs				
General government	\$ 2,893,183	\$ 95,005	\$ 2,796,776	\$ (1,402)
General government - Child Support	390,903	324,307	-	(66,596)
General government - Families in Need of Services	51,622	-	53,364	1,742
Total Governmental Activities	\$ 3,335,708	\$ 419,312	\$ 2,850,140	(66,256)
General Revenues				
Investment earnings				25,174
Total General Revenues				25,174
Change in Net Position				(41,082)
Net Position, Beginning of Year				1,802,286
Net Position, End of Year				\$ 1,761,204

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

Fund Financial Statements

**Ninth Judicial District Court
Judicial Expense Fund
Balance Sheet
Governmental Funds
December 31, 2019**

Exhibit C

	<u>General Fund</u>	<u>Child Support Fund</u>	<u>Families in Need of Services Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 369,615	\$ 968,726	\$ 23,835	\$ 1,362,176
Certificates of deposit	-	341,766	-	341,766
Due from other governmental units	5,593	28,085	8,894	42,572
Total Assets	<u>\$ 375,208</u>	<u>\$ 1,338,577</u>	<u>\$ 32,729</u>	<u>\$ 1,746,514</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 723	\$ 130	\$ -	\$ 853
Intergovernmental payables	-	5,279	12,853	18,132
Total Liabilities	<u>723</u>	<u>5,409</u>	<u>12,853</u>	<u>18,985</u>
Fund balances				
Restricted				
Child Support office administration	-	1,314,022	-	1,314,022
Families in Need of Services program salaries and related benefits	-	-	19,876	19,876
Assigned	-	19,146	-	19,146
Unassigned	374,485	-	-	374,485
Total Fund Balances	<u>374,485</u>	<u>1,333,168</u>	<u>19,876</u>	<u>1,727,529</u>
Total Liabilities and Fund Balances	<u>\$ 375,208</u>	<u>\$ 1,338,577</u>	<u>\$ 32,729</u>	<u>\$ 1,746,514</u>

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

**Ninth Judicial District Court
Judicial Expense Fund
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2019**

Exhibit D

Total Fund Balance, Governmental Funds

\$ 1,727,529

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.

33,675

Net Position of Governmental Activities in the Statement of Net Position

\$ 1,761,204

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

**Ninth Judicial District Court
Judicial Expense Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2019**

Exhibit E

	General Fund	Child Support Fund	Families in Need of Services Fund	Total Governmental Funds
Revenues				
Intergovernmental				
Court and administrative fees	\$ 95,005	\$ -	\$ -	\$ 95,005
On-behalf payments made by governmental entities	2,796,776	-	-	2,796,776
Grants and other revenues	-	-	53,364	53,364
Commissions and fees	-	324,307	-	324,307
Investment earnings	5,748	19,146	280	25,174
11 Total Revenues	2,897,529	343,453	53,644	3,294,626
Expenditures				
Current:				
General government	2,889,795	381,467	51,271	3,322,533
Capital outlay	1,175	9,680	-	10,855
Total Expenditures	2,890,970	391,147	51,271	3,333,388
Net Change in Fund Balances	6,559	(47,694)	2,373	(38,762)
Fund Balances, Beginning of Year	367,926	1,380,862	17,503	1,766,291
Fund Balances, End of Year	\$ 374,485	\$ 1,333,168	\$ 19,876	\$ 1,727,529

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

**Ninth Judicial District Court
Judicial Expense Fund
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
Year Ended December 31, 2019**

Exhibit F

Net Change in Fund Balances - Total Governmental Funds \$ (38,762)

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 and reported as depreciation expense.

Capital outlay	10,855
Depreciation expense	<u>(13,175)</u>

Change in Net Position of Governmental Activities \$ (41,082)

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, 2019**

Notes to Basic Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The Ninth Judicial District Court, Judicial Expense Fund (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 Judicial Expense 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 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, 2019**

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 include investment earnings and gains and losses on capital asset dispositions. 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 from the Louisiana Supreme Court within the Judicial Administrator's Office for the purpose of funding the court system associated with helping families remedy self-destructive behaviors by juveniles and/or other family members.

There are no nonmajor funds.

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

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2019**

Notes to Basic Financial Statements

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. Each major fund is presented in a separate column. Nonmajor funds, if any, 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. The Judicial Expense Fund considers all revenues available if they are collected within 90 days after year end. 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, 2019**

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 supplementary 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, 2019**

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 aforementioned 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 the reported amounts and disclosures of assets and liabilities at the date of the financial statements and the reported amounts and disclosures of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

2. Cash, Cash Equivalents, and Certificates of Deposit

At December 31, 2019, the Judicial Expense Fund had cash, cash equivalents, and certificates of deposit as follows:

Cash and cash equivalents	\$ 1,362,176
Certificates of deposit	<u>341,766</u>
	\$ 1,703,942

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2019**

Notes to Basic Financial Statements

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.

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, 2019, the Judicial Expense Fund's bank balance of \$1,707,314 was not exposed to custodial credit risk in that \$591,766 was secured by federal deposit insurance and \$1,115,548 was collateralized by securities held by the pledging bank in the Judicial Expense Fund's name.

3. Due From Other Governmental Units

	General Fund	Child Support Fund	Families in Need of Services Fund	Total Governmental Funds
Rapides Parish Sheriff	\$ 5,593	\$ -	\$ -	\$ 5,593
Louisiana Judicial Branch	-	-	8,894	8,894
Louisiana Department of Social Services	-	28,085	-	28,085
	<u>\$ 5,593</u>	<u>\$ 28,085</u>	<u>\$ 8,894</u>	<u>\$ 42,572</u>

4. Capital Assets

	Estimated Life	January 1, 2019	Additions	Deductions	December 31, 2019
Governmental Activities: Capital Assets Being Depreciated: Furniture, equipment, and improvements	3-10 Years	\$ 349,344	\$ 10,855	\$ 81,021	\$ 279,178
Less: Accumulated depreciation		<u>313,349</u>	<u>13,175</u>	<u>81,021</u>	<u>245,503</u>
Total Governmental Capital Assets Being Depreciated, Net		\$ 35,995	\$ (2,320)	\$ -	\$ 33,675

Depreciation expense was charged to functions as follows:

General government	\$ 3,387
Child Support	9,437
Families in Need of Services	<u>351</u>
Total depreciation expense for Governmental Activities	\$ 13,175

**Ninth Judicial District Court
Judicial Expense Fund
December 31, 2019**

Notes to Basic Financial Statements

5. On-Behalf Payments

Rapides Parish Police Jury (RPPJ) General Fund	\$ 343,793
Rapides Parish Police Jury (RPPJ) Criminal Court Fund	920,660
State of Louisiana	<u>1,532,323</u>
	\$ 2,796,776

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	\$ 29,997
Contract maintenance and repairs	6,899
Witness and juror fees	70,599
Library materials	78,002
Lunacy commission expense	30,000
Office expense	17,591
Court reporter fees	<u>13,588</u>
	\$ 246,676

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 and Net Position

Funds received through the Families in Need of Services grant have a \$19,876 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 \$1,314,022 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 \$19,146 is shown as assigned fund balance for the governmental funds and unrestricted net position on the government-wide financial statements.

Required Supplementary Information

**Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2019**

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	\$ 100,000	\$ 91,500	\$ 91,903	\$ 403
Miscellaneous	-	2,300	-	(2,300)
Investment earnings	2,000	5,700	5,748	48
Total Revenues	<u>102,000</u>	<u>99,500</u>	<u>97,651</u>	<u>(1,849)</u>
Expenditures				
Current				
General Government:				
Insurance premiums	18,000	19,500	19,802	(302)
Parking fees	1,320	2,160	2,160	-
Legal, professional, and administrative expenses	7,000	6,750	6,750	-
Office expense and membership dues	17,065	14,075	12,949	1,126
Travel and training	10,000	10,700	9,703	997
Telephone and internet	14,000	10,000	9,922	78
Meeting and jury expense	6,200	5,900	5,703	197
Maintenance - equipment and network	18,000	24,000	23,411	589
Dues and memberships	3,100	2,700	2,781	(81)
Capital outlay	4,500	3,100	1,649	1,451
Total Expenditures	<u>99,185</u>	<u>98,885</u>	<u>94,830</u>	<u>4,055</u>
Net Change in Fund Balance	2,815	615	2,821	2,206
Fund Balance, Beginning of Year	<u>367,926</u>	<u>367,926</u>	<u>367,926</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 370,741</u>	<u>\$ 368,541</u>	<u>\$ 370,747</u>	<u>\$ 2,206</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.	\$ 97,651
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis (adjustments for receivables).	3,102
The Judicial Expense Fund does not budget for on-behalf support provided by the State of Louisiana and the Rapides Parish Police Jury.	<u>2,796,776</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 2,897,529</u>

Expenditures

Actual (budgetary basis) "expenditures" from the Budgetary Comparison Schedule.	\$ 94,830
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis (adjustments for payables).	(636)
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>2,796,776</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 2,890,970</u>

See independent auditor's report.

**Ninth Judicial District Court
Judicial Expense Fund
Budgetary Comparison Schedule
Child Support Fund
Year Ended December 31, 2019**

Schedule H

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis) (See Note A)	Final Budget Favorable (Unfavorable)
Revenues				
Commissions and fees	\$ 360,000	\$ 350,000	\$ 348,932	\$ (1,068)
Reimbursements	-	925	-	(925)
Investment earnings	8,000	17,000	17,698	698
Total Revenues	368,000	367,925	366,630	(1,295)
Expenditures				
Current				
General Government:				
Equipment and computer maintenance	12,000	7,500	7,312	188
Office expense and parking fees	22,670	29,680	25,641	4,039
Meetings, miscellaneous, etc.	1,075	1,400	3,890	(2,490)
Travel and training	17,500	19,600	18,985	615
Membership dues, subscriptions, and insurance	3,700	7,300	8,316	(1,016)
Legal and professional fees	7,000	6,750	6,750	-
Reimbursement to Rapides Parish Police Jury - salary and benefits - clerks, reporters, office support staff, and utilities	294,904	285,200	282,204	2,996
Capital outlay	3,500	1,000	857	143
Total Expenditures	362,349	358,430	353,955	4,475
Net Change in Fund Balance	5,651	9,495	12,675	3,180
Fund Balance, Beginning of Year	1,380,862	1,380,862	1,380,862	-
Fund Balance, End of Year	\$ 1,386,513	\$ 1,390,357	\$ 1,393,537	\$ 3,180

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. \$ 366,630

Adjustments:

The Judicial Expense Fund prepares their budget on the cash basis (adjustments for receivables). (23,177)

Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 343,453

Expenditures

Actual (budgetary basis) "expenditures" from the Budgetary Comparison Schedule. \$ 353,955

Adjustments:

The Judicial Expense Fund prepares their budget on the cash basis (adjustments for payables). 37,192

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 391,147

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, 2019**

Schedule I

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u> <u>(See Note A)</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Intergovernmental				
Grants and other revenues	\$ 53,364	\$ 53,364	\$ 53,364	\$ -
Investment earnings	200	280	280	-
Total Revenues	<u>53,564</u>	<u>53,644</u>	<u>53,644</u>	<u>-</u>
Expenditures				
Current				
Operating expenses to Rapides Parish Police Jury- travel	100	2,600	2,547	53
Operating assistance to Rapides Parish Police Jury- supplemental pay and benefits-clerks, and office support staff	<u>53,000</u>	<u>35,900</u>	<u>35,871</u>	<u>29</u>
Total Expenditures	<u>53,100</u>	<u>38,500</u>	<u>38,418</u>	<u>82</u>
Excess (Deficiency) of Revenues over Expenditures	464	15,144	15,226	82
Fund Balance, Beginning of Year	<u>17,503</u>	<u>17,503</u>	<u>17,503</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 17,967</u>	<u>\$ 32,647</u>	<u>\$ 32,729</u>	<u>\$ 82</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.	\$ 53,644
Adjustments:	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 53,644</u>

Expenditures

Actual (budgetary basis) "expenditures" from the Budgetary Comparison Schedule.	\$ 38,418
Adjustments:	
The Judicial Expense Fund prepares their budget on the cash basis (adjustments for payables).	<u>12,853</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 51,271</u>

See independent auditor's report.

Supplementary Information

**Ninth Judicial District Court
Judicial Expense Fund
Schedule of Compensation, Benefits, and Other
Payments to the Agency Head
For The Year Ended December 31, 2019**

Schedule J

Agency Head Names

Honorable Judge Monique F. Rauls, Division A
Honorable Judge Lowell C. Hazel, Division B
Honorable Judge Mary L. Doggett, 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 Hazel	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	138	-	308	18	284	95	34
Travel	1,932	-	454	1,549	1,888	1,231	3,968
Registration fees	650	475	-	900	-	-	650
Conference travel	-	-	124	47	115	-	59
Continuing professional education fees	-	-	-	-	-	-	-
Cell phone	1,599	-	1,548	796	1,063	1,120	1,589
Professional liability insurance	2,616	2,616	2,616	2,616	3,139	2,616	2,616
Unvouchered expenses	-	-	-	-	-	-	-
Special meals	-	-	-	-	-	-	-
Total	\$ 6,935	\$ 3,091	\$ 5,050	\$ 5,926	\$ 6,489	\$ 5,062	\$ 8,916

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 5 for inclusion of on-behalf payments in the financial statements.

See independent auditor's report.

**Other Report Required by
*Government Auditing Standards***

**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

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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 and each major fund of the Ninth Judicial District Court, Judicial Expense Fund (Judicial Expense Fund), a component unit of the Rapides Parish Police Jury, as of and for the year ended December 31, 2019, 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 22, 2020.

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.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.
Deborah R. Dunn, C.P.A.

Rebecca G. Nation, C.P.A.
Evelyn T. Renfrow, C.P.A.
Kayla G. Holloway, C.P.A.





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 22, 2020

Schedule of Findings and Responses

**Ninth Judicial District Court
Judicial Expense Fund
Schedule of Findings and Responses
Year Ended December 31, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Management's Corrective Action Plan Not applicable

Management's Summary Schedule of Prior Audit Findings See attached

Memorandum of Other Comments and Recommendations Not applicable

Federal Awards Not applicable

Section II – Findings Related to the Financial Statements None

Section III – Findings and Questioned Costs for Federal Awards Not applicable

Management's Summary Schedule of Prior Audit Findings



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LOWELL C. "CHRIS" HAZEL
DIVISION B
MARY LAUVE DOGGETT
DIVISION C
JOHN C. DAVIDSON
DIVISION D
PATRICIA E. KOCH
DIVISION E
GEORGE C. METOYER, JR.
DIVISION F
GREG BEARD
DIVISION G

Ninth Judicial District Court Judicial Expense Fund Management's Summary Schedule of Prior Audit Findings December 31, 2019

Finding 2018 – 001 – Noncompliance with the Louisiana Local Government Budget Act

Condition and Context: The Ninth Judicial District Court, Judicial Expense Fund's actual expenditures exceeded their proposed expenditures by more than 5% in the Families in Need of Services Fund.

Status: Resolved.

Handwritten signature of Hope LaFleur in blue ink.

Hope LaFleur, Court Administrator

Handwritten signature of Greg Beard in blue ink.

Greg Beard, Chief Judge

*Ninth Judicial District Court
Judicial Expense Fund*

*Statewide Agreed-Upon Procedures
Report*

Alexandria, Louisiana

December 31, 2019



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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 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, 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 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.

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

- 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.

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. Also, the Entity does not have formal written policies and procedures for disaster recovery/business continuity.



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

Management's Response: We will modify policies and procedures to indicate who is responsible for management of the vendor list, preparing deposits, and contracting matters. The Court will obtain loss of data/backup procedures from the IT vendor and will compile a policy that will formulate a plan to retrieve such information.

Board or Finance Committee

2. **Procedure:** 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 unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

Results: There was no reference in the Entity's minutes to monthly budget-to-actual comparisons except in December, and there was no reference or discussion of the financial statements in October and November.

Management's Response: There are times when the financial statements are not presented due to lack of time. In the future, a report to disclose the monthly budget-to-actual comparisons, will be presented to the judges during the meeting or after the meeting due to time constraints. Financial statements will be provided for either review or each judge can review after meeting. If discussion is required, the judge can bring the matter to a judges meeting or have a discussion with Hope LaFleur and additional backup documentation can be presented for review.



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

Bank Reconciliations

3. **Procedure:** 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 four (4) additional accounts [or all accounts if less than five (5)]. Randomly select one (1) month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each account selected, and observe that:
- a) Bank reconciliations include evidence that they were prepared within two (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 twelve (12) months from the statement closing date, if applicable.

Results: For all bank accounts selected, there was no evidence that the reconciliations were reviewed by management or a board member. Also, on the September general fund reconciliation, there was no documentation indicating that outstanding items greater than twelve (12) months from the statement closing date were researched by management.

Management's Response: Given the lack of staff, there are times when completing a bank reconciliation, we move on to the next task at hand. The outstanding transactions will be monitored on a monthly basis. Upon review, a judge or judges will be asked to sign off on either bank statements or bank reconciliation indicating that such document has been reviewed. Ideally, this will be reviewed monthly and calendared for another review with the applicable time.

Collections

4. **Procedure:** 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 five (5) deposit sites [or all deposit sites if less than five (5)].

Results: Not applicable – no prior year exceptions noted.



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

5. **Procedure:** For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one (1) collection location for each deposit site [i.e. five (5) collection locations for five (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.

Results: Not applicable – no prior year exceptions noted.

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

Results: Not applicable – no prior year exceptions noted.

7. **Procedures:** Randomly select two (2) deposit dates for each of the five (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 ten (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.



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

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one (1) business day of receipt at the collection location (within one (1) week if the depository is more than ten (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.

Results: Not applicable – no prior year exceptions noted.

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

8. **Procedure:** Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five (5) locations [or all locations if less than five (5)].

Results: No exceptions noted.

9. **Procedure:** 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 (2) employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two (2) 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.)]

Results: The employee responsible for processing payments is allowed to add/modify vendor files. There is no periodic review of changes to vendor files performed by another employee.



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

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. In the event a different accounting software is utilized, such a procedure can be prepared. However, the vendor list can be immediately and easily reviewed by any judge upon request.

10. **Procedure:** 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 five (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.

Results: No exceptions noted.

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

11. **Procedure:** 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.

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

12. **Procedure:** Using the listing prepared by management, randomly select five (5) cards [or all cards if less than five (5)] that were used during the fiscal period. Randomly select one (1) monthly statement or combined statement for each card [for a debit card, randomly select one (1) 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 (or electronically approved), 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.



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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.

- 13. Procedure:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select ten (10) transactions [or all transactions if less than ten (10)] from each statement, and obtain supporting documentation for the transactions [i.e. each card should have ten (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.

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 Travel-Related Expense Reimbursements (excluding card transactions)

- 14. Procedure:** 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 five (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 five (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.

Results: Not applicable – no prior year exceptions noted.



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Contracts

15. Procedure: 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 five (5) contracts [or all contracts if less than five (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 (1) payment from the fiscal period for each of the five (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.

Results: Not applicable – no prior year exceptions noted.

Payroll and Personnel

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

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.

17. Procedure: Randomly select one (1) pay period during the fiscal period. For the five (5) employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:



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- 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.

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.

18. **Procedure:** 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 (2) employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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.

19. **Procedure:** 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.

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.

Ethics

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



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- a) Observe that the documentation demonstrates each employee/official completed one (1) 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.

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.

Debt Service

21. **Procedure:** 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.

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

22. **Procedure:** 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 (1) 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

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

Other

23. **Procedure:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Entity is domiciled.

Results: Not applicable – no prior year exceptions noted.

24. **Procedure:** 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.

Results: Not applicable – no prior year exceptions noted.



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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

Payne, Moore & Herrington, LLP
Alexandria, Louisiana

June 22, 2020