

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2017**

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
 DRUG COURT FUND  
 Bossier and Webster Parishes  
 State of Louisiana  
 Annual Financial Report  
 Year Ended June 30, 2017

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TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana  
Annual Financial Report  
Year Ended June 30, 2017

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## INDEPENDENT AUDITORS' REPORT

The Honorable Judges of the Twenty-Sixth  
Judicial District Court – Drug Court Fund  
Bossier and Webster Parishes, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Sixth Judicial District Court – Drug Court Fund (the “Drug Court”), component unit of Bossier and Webster Parishes, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Drug Court’s basic financial statements as listed in the table of contents.

### **Management’s Responsibility for the Financial Statements**

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

### **Auditors’ Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Drug Court’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 Drug Court’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Twenty-Sixth Judicial District Court - Drug Court Fund as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules on pages 5-9 and on pages 27-28 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Twenty-Sixth Judicial District Court – Drug Court Fund's basic financial statements. The supplementary information section, as listed in the table of contents, is presented for purposes 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 related 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 a report dated December 28, 2017, on our consideration of the Twenty-Sixth Judicial District Court – Drug Court 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 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 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 Twenty-Sixth Judicial District Court – Drug Court Fund’s internal control over financial reporting and compliance.

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Wise Martin & Cole LLC

Minden, Louisiana  
December 28, 2017

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
BOSSIER AND WEBSTER PARISHES

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the Twenty-Sixth Judicial District Court – Drug Court Fund provides an overview of the Drug Court's financial activities for the fiscal year ended June 30, 2017, in an easily readable analysis. Please read it in conjunction with our financial statements, which begin on page 11.

The MD&A is an element of the required supplementary information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Certain comparative information between the current year and prior year is required to be presented in the MD&A.

The Drug Court is the responsibility of the Judges of the Twenty-Sixth Judicial District Court. The Drug Court is administered by the presiding Judge, as well as the Drug Court Coordinator, who is an employee of the Bossier Parish Police Jury.

### FINANCIAL HIGHLIGHTS

- The net position of the Drug Court Fund at the close of June 30, 2017, was \$70,185, of which \$5,036 is invested in capital assets. The remainder is considered unrestricted and may be used for any lawful purpose of the fund. Total net position increased 23% from last year.
- During the year ended June 30, 2017, the governmental funds of the Adult and Juvenile Drug Courts had total expenditures of \$363,644 and \$156,158, respectively.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 & 12) provide information about the activities of the Drug Court as a whole and present a longer-term view of the Drug Court's finances. Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the Drug Court's operations in more detail than the government-wide statements by providing information about all the Drug Court's governmental funds.

These financial statements consist of three sections: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

## **Reporting the Twenty-Sixth Judicial District, Drug Court Fund as a Whole**

### **The Statement of Net Position and the Statement of Activities**

Our analysis of the Drug Court as a whole begins on page 11. One of the most important questions asked about the Drug Court's finances is, "Is the Drug Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Drug Court as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting* which is similar to the format used by most private-sector businesses. 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 Drug Court's *net position* and changes in them. One could think of net position — the difference between assets and liabilities — as a measurement of financial health, or *financial position*. Over time, *increases* and *decreases* in the Drug Court's net position indicate whether the Drug Court's *financial health* is improving or deteriorating. One should also consider non-financial factors, however, such as changes in the number of Drug Court participants, to assess the overall health of the Drug Court.

Currently, the Drug Court has governmental funds that provide for personnel, equipment, supplies, treatment, testing, and other costs related to the proper administration of the Drug Court for both Adults and Juveniles. Primarily, grants from the Louisiana Supreme Court finance the operations of each program.

## **Reporting the Funds of the Twenty-Sixth Judicial District Court – Drug Court Fund**

### **Fund Financial Statements**

Our analysis of the major funds maintained by the Drug Court begins on page 13. The fund financial statements provide detailed information about the specific activities of the significant Drug Court Funds maintained by the Court, not the Court as a whole. The Adult Drug Court and the Juvenile Drug Court are considered to be major funds. The Court adopts an annual budget for both funds. These specific funds are established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

The Drug Court's *governmental funds* use the following accounting approaches:

Governmental funds — All of the Drug Court's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the *modified accrual* accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Drug Court's general government operations and the expenses paid from those funds. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Drug Court's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.

**THE TWENTY-SIXTH JUDICIAL DISTRICT COURT - DRUG COURT FUND AS A WHOLE**

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Drug Court’s governmental activities

**Table 1  
Net Position**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 131,244	\$ 109,676
Capital assets	<u>5,036</u>	<u>7,304</u>
Total assets	<u>136,280</u>	<u>116,980</u>
Other liabilities	21,095	14,894
Long-term liabilities	<u>45,000</u>	<u>45,000</u>
Total liabilities	<u>66,095</u>	<u>59,894</u>
Net Position:		
Invested in capital assets	5,036	7,304
Unrestricted	<u>65,149</u>	<u>49,782</u>
Total net position	\$ <u>70,185</u>	\$ <u>57,086</u>

The Drug Court’s total net position changed from the prior year, increasing by \$13,099 or 23%.

**Table 2  
Change in Net Position**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues:		
Program revenues		
Charges for services	\$ 42,030	\$ 25,857
Operating grants	<u>493,149</u>	<u>467,861</u>
Total revenues	<u>535,179</u>	<u>493,718</u>
Expenses:		
Adult Drug Court	367,745	345,942
Juvenile Drug Court	<u>154,335</u>	<u>159,488</u>
Total expenses	<u>522,080</u>	<u>505,430</u>
Increase (decrease) in net position	13,099	(11,712)
Net position – beginning	<u>57,086</u>	<u>68,798</u>
Net position – ending	\$ <u>70,185</u>	\$ <u>57,086</u>

The overall revenues increased in comparison to last year. The Drug Court’s major source of funding comes from the Louisiana Supreme Court. Each year, the Louisiana Supreme Court will award a specific number of treatment slots to the Drug Court. The dollar amount per treatment slot remained the same as last year. The overall number of treatment slots awarded to the Drug Court increased for adult treatments and for juvenile treatments. In the prior year, the Drug Court was funded for 21 and 63 treatment slots

for the juveniles and adults, respectively. In the current year, the Drug Court was funded for 21 and 67 treatments slots for juveniles and adults, respectively.

Overall expenses increased compared with last year in conjunction with the increase in funding.

**THE DRUG COURT’S FUNDS**

As the Drug Court completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a fund balance of \$94,470 which is a \$15,377 increase over the prior fiscal year’s fund balance of \$79,093.

Revenues and expenditures for operating the adult drug court were higher compared to last year by 12% and 5%, respectively.

Revenues and expenditures for operating the juvenile drug court were comparable to prior year.

**General Fund Budgetary Highlights**

The Drug Court prepared a budget for both the Adult and Juvenile Drug Court Funds for the year ended June 30, 2017. The budgets were submitted for approval to the Louisiana Supreme Court. The budgets were then adjusted according to grant award, and a final budget was prepared for the end of the fiscal year.

The Adult Court Fund’s original budget was amended both revenues and expenses. The original budgets for revenues and expenses were decreased by \$38,722. The amendment was needed to recognize the adjustment to the original budgeted award which was based on an estimated number of participants to be funded. There was no other formal budget adopted by the Drug Court. The budgetary comparison is presented as required supplementary information and shown on pages 27-28.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2017, the Drug Court had invested \$5,036 in capital assets (see table 3 below).

**Table 3  
Capital Assets at Year End  
(Net of Depreciation)**

	<u>Governmental activities</u>	
	<u>2017</u>	<u>2016</u>
Office equipment	\$ 26,232	\$ 26,232
Drug testing equipment	<u>-</u>	<u>40,000</u>
Total capital assets	26,232	66,232
Less: accumulated depreciation	<u>(21,196)</u>	<u>(58,928)</u>
Net capital assets	\$ <u>5,036</u>	\$ <u>7,304</u>

Depreciation for the year was \$2,268. More detailed information about the capital assets is presented in Note D to the financial statements.

## **DEBT**

At June 30, 2017, the Drug Court had no outstanding bonded debt. More detailed information about the Fund's long-term obligations is presented in Note E to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

Court operations are funded extensively by grants from the Louisiana Supreme Court. The Twenty-Sixth Judicial District Court - Drug Court Fund does not expect significant changes in next year's results as compared to the current year. The number of participants dictates the level of funding to be received. For the fiscal year 2017-2018, the Court received a budget award for the Juvenile and Adult Program of \$112,500 and \$400,000, respectively. The awards are set to cover 15 juvenile and 80 adult participants.

## **CONTACTING THE TWENTY-SIXTH JUDICIAL DISTRICT COURT DRUG COURT FUND'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the Drug Court's finances for those funds maintained by the Drug Court and to show the Drug Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Melissa W. Fox, Court Administrator, at P.O. Box 310, Benton, Louisiana, 71006.

## **BASIC FINANCIAL STATEMENTS**

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Statement of Net Position  
June 30, 2017**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 9,976
Due from other governments	105,589
Prepays	15,679
Non-current assets:	
Capital assets (net)	<u>5,036</u>
 Total assets	 <u>136,280</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 21,095
Non-current liability	
Due in more than on year	<u>45,000</u>
Total liabilities	<u>\$ 66,095</u>
<b>NET POSITION</b>	
Invested in capital assets	\$ 5,036
Unrestricted	<u>65,149</u>
Total net position	<u>\$ 70,185</u>

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Statement of Activities  
For the Year Ended June 30, 2017**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net Revenue Governmental Activities</u>
<b>Governmental activities</b>				
General government:				
Adult Court	\$ 367,745	\$ 40,354	\$ 336,278	\$ 8,887
Juvenile Court	<u>154,335</u>	<u>1,676</u>	<u>156,871</u>	<u>4,212</u>
Total governmental activities	<u>\$ 522,080</u>	<u>\$ 42,030</u>	<u>\$ 493,149</u>	<u>\$ 13,099</u>
				13,099
				<u>57,086</u>
				<u>\$ 70,185</u>

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Balance Sheet - Governmental Funds  
June 30, 2017**

	Adult Court Fund	Juvenile Court Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 867	\$ 9,109	\$ 9,976
Interfund receivable	-	5,266	5,266
Due from other governments	<u>69,827</u>	<u>35,762</u>	<u>105,589</u>
Total assets	<u>\$ 70,694</u>	<u>\$ 50,137</u>	<u>\$ 120,831</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 15,120	\$ 5,975	\$ 21,095
Interfund payable	<u>5,266</u>	<u>-</u>	<u>5,266</u>
Total liabilities	<u>20,386</u>	<u>5,975</u>	<u>26,361</u>
<b>FUND BALANCES</b>			
Assigned	<u>50,308</u>	<u>44,162</u>	<u>94,470</u>
Total fund balance	<u>50,308</u>	<u>44,162</u>	<u>94,470</u>
Total liabilities and fund balances	<u>\$ 70,694</u>	<u>\$ 50,137</u>	<u>\$ 120,831</u>

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position  
June 30, 2017**

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 94,470
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	5,036
Other assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds	15,679
Long-term liabilities not due and payable in the current period, and therefore, are not reported in the governmental funds	<u>(45,000)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ 70,185</u>

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2017**

	Adult Court Fund	Juvenile Court Fund	Total Governmental Funds
<b>REVENUES</b>			
Charges for services	\$ 40,354	\$ 1,676	\$ 42,030
Intergovernmental revenues	336,278	156,871	493,149
Total revenues	376,632	158,547	535,179
<b>EXPENDITURES</b>			
General government			
Personnel service & benefits	270,930	76,116	347,046
Travel, seminars, & conferences	3,160	1,481	4,641
Operating expense	50,925	46,869	97,794
Treatment expense	2,218	7,941	10,159
Testing and lab expense	36,251	23,697	59,948
Fees expended	160	54	214
Total expenditures	363,644	156,158	519,802
Net change in fund balances	12,988	2,389	15,377
Fund balance - beginning of year	37,320	41,773	79,093
Fund balance - end of year	\$ 50,308	\$ 44,162	\$ 94,470

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
June 30, 2017**

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

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$	15,377
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period		(2,268)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		<u>(10)</u>
Change in Net Position of Governmental Activities (Statement B)	\$	<u>13,099</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**INTRODUCTION**

The Twenty-Sixth Judicial District Court – Drug Court Fund was established under Louisiana Revised Statutes 13:5301 through 5304, which provides “for drug and alcohol treatment programs through drug divisions to be operated by the district courts,” as stated in enactment of Chapter 33 of Title 13. It further states that the purpose of the Drug Court is “to reduce the incidence of alcohol and drug use, alcohol and drug addiction, and crimes committed as a result of alcohol and drug use and alcohol and drug addiction.”

The Drug Court Fund is administered by the judges, en banc, of the Twenty-Sixth Judicial District and by the Drug Court Coordinator, who is an employee of the Bossier Parish Police Jury. The monies of the Twenty-Sixth Judicial District Court Drug Court Fund may be expended for those expenditures deemed necessary for the proper operation of each program.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying basic financial statements of the Twenty-Sixth Judicial District Court - Drug Court Fund (DCF) 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.

**Reporting Entity**

As the governing authority of the consolidated government, the Parishes of Bossier and Webster are the financial reporting entities for the consolidated government. In compliance with the provisions of GASB No. 14, *The Financial Reporting Entity*, the financial reporting entities are the primary governments, including any component unit to which either of the Parishes appoints a voting majority of the unit’s board, the Parish is either able to impose its will on the unit or a financial benefit or burden relationship exists.

The Drug Court Fund (DCF) is under the oversight of the district court system, which is fiscally dependent on the two Parishes. The Parishes provide directly to the court office space, court rooms, personnel services, and other supplies and services. The nature of the relationship between the DCF and the district court and the Parishes is significant. Therefore, the DCF is a component unit of both Bossier Parish and Webster Parish, the financial reporting entities. The accompanying financial statements present information only on the DCF maintained by the Twenty-Sixth Judicial District Court and do not present any other information on the District Court or the Parishes, the general government services provided by those government units, or on the other governmental units that comprise the financial reporting entities.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basic Financial Statements**

The Drug Court's basic financial statements include both government-wide (reporting the funds maintained by the Drug Court as a whole) and fund financial statements (reporting the major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Drug Court's activities are categorized as governmental activities. The Drug Court does not have any business-type activities.

*Government-wide Financial Statements*

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Drug Court's net position is reported in two parts - invested in capital assets, net of related debt and unrestricted net position.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Depreciation expense is specifically identified by function and is included in the direct expense of each function.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

*Fund Financial Statements*

The financial transactions of the Drug Court Fund are recorded in individual funds in the fund financial statements. Each function is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various functions are reported by generic classification within the financial statements.

Only the governmental fund type is used by the Drug Court Fund. The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financials resources) rather than upon net income.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded, regardless of the measurement focus applied.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

The Drug Court funds reports the following governmental funds:

- *Adult Drug Court Fund* – This fund accounts for all operations and activities of the Adult Drug Court.
- *Juvenile Drug Court Fund* – This fund accounts for all the operations and activities of the Juvenile Drug Court.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources when expenses are incurred for purpose for which both restricted and unrestricted net position are available.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Financial Statement Amounts**

*Cash and cash equivalents* – Cash includes all demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts, which equal their fair market values.

*Receivables* – In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. No allowance for uncollectible accounts receivable is established, since all receivables are determined to be 100% collectible. Major receivable balances for governmental activities include amounts due from Louisiana Supreme Court grants for reimbursement of eligible drug court expenses.

Receivables are included in the fund financial statements if they are both measurable and available.

*Prepays* - Advance payments for software assurance licenses, dues, and insurance are expensed as the period on the contract or policy lapses. The balance in prepaids reflects costs applicable to future accounting periods and is recognized in the government-wide financial statements.

*Capital Assets* – In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost. If the asset was donated, it is recorded at its acquisition value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is recorded on a straight-line basis over the following estimated useful lives:

Vehicles	3-5 years
Equipment	5-7 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by the Drug Court or donated to the Drug Court and do not reflect assets of the court obtained from other sources.

*Revenues* – Substantially all government fund revenues are accrued. Those revenues primarily include grants from the Louisiana Supreme Court. Other revenues are fees collected from the

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

participants for probation and drug screening. These revenues are recorded in the fiscal year they are collected by the Drug Court.

*Expenditures* – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Major expenditures for the Drug Court are testing and treatment expenses, office expenses (which include any necessary expenses for the operation of the Drug Court), and salaries.

**Budgets and Budgetary Accounting**

The Twenty-Sixth Judicial District – Drug Court Fund annually prepares a budget prior to the end of the current fiscal year and submits it to the Louisiana Supreme Court for approval. The budget is prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). From time to time the budget is amended. This can only be done with the approval of the Louisiana Supreme Court.

Variance exists due to the fact that the Budget presented represents expenditures, appropriated from Supreme Court funding only – expenditures from other source of program revenue is not submitted to the Supreme Court for budget approval

**Excess of expenditures over appropriations in individual funds**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Adult Drug Court	\$ 336,278	\$ 363,644	\$ (27,366)

**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 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.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
 DRUG COURT FUND  
 Bossier and Webster Parishes  
 State of Louisiana

Notes to the Financial Statements  
 June 30, 2017

**B. CASH, CASH EQUIVALENTS AND INVESTMENTS**

At June 30, 2017, the Twenty-Sixth Judicial District Court – Drug Court Fund had cash and cash equivalents as shown below:

	<u>Book</u> <u>balance</u>	<u>Bank</u> <u>balance</u>	
Non-interest bearing deposits	\$ <u>9,976</u>	\$ <u>16,517</u>	

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 be equal to or greater than the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2017, the Twenty-Sixth Judicial District Court – Drug Court Fund had \$16,517 in bank balances. These deposits are secured from risk by \$16,517 of federal deposit insurance.

**C. RECEIVABLES**

At June 30, 2017, the Fund had \$15,589 in receivables, which are primarily composed of amounts due from the Louisiana Supreme Court for reimbursement of program expenses. There is generally no allowance for doubtful accounts since all receivables are deemed collectible.

**D. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 is as follows:

	<u>Balance</u> <u>June 30,</u> <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2017</u>
Governmental Activities:				
Capital assets being depreciated				
Office equipment	\$ 26,232	\$ -	\$ -	\$ 26,232
Drug testing equipment	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Total capital assets being depreciated	<u>66,232</u>	<u>-</u>	<u>40,000</u>	<u>26,232</u>
Less accumulated depreciation for:				
Office equipment	17,868	2,268	-	20,136
Drug testing equipment	<u>41,060</u>	<u>-</u>	<u>40,000</u>	<u>1,060</u>
Total accumulated depreciation	<u>58,928</u>	<u>2,268</u>	<u>40,000</u>	<u>21,196</u>
Total capital assets, being depreciated, net	<u>7,304</u>	<u>(2,268)</u>	<u>-</u>	<u>5,036</u>
Governmental activities capital assets, net	\$ <u>7,304</u>	\$ <u>(2,268)</u>	\$ <u>-</u>	\$ <u>5,036</u>

Depreciation expense of \$2,268 was charged to general government as of June 30, 2017.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**E. LONG-TERM OBLIGATIONS**

As of June 30, 2017, the Drug Court reported \$45,000 as a long-term obligation due in more than one year. See Note L for further details.

All of the employees of the Drug Court are considered employees of the Bossier Parish Police Juries. Per office policy, there are no accumulated and vested benefits relating to annual and sick leave.

**F. FUND EQUITY CLASSIFICATIONS**

The Drug Court implemented the provisions of Governmental Accounting Standards Board Statement 54, which redefined how fund balances are presented in the fund financial statements. In the fund financial statements, fund balances are classified as follows:

**Nonspendable** - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of state or federal laws, or externally-imposed conditions by grantors or creditors.

**Committed** - Amounts that can only be used for specific purposes determined by a formal action of the highest level of decision-making authority. The Court's highest level of decision-making authority and commitment may be established, modified, or rescinded only as approved by the Judges.

**Assigned** - Amounts that are constrained by the Drug Court's intent to be used for specific purposes but are neither restricted nor committed. Amounts are not spendable until a budget ordinance is passed. The drug court administrator is authorized to assign amounts to a specific purpose. Assigned fund balance is established by amendment of the budget as intended for a specific purpose.

**Unassigned** - All amounts not included in other spendable classifications.

The Court has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level.

The Drug Court 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 Drug Court considers restricted amounts to have been spent when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balance is available.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**G. SALARY EXPENDITURES**

The Parishes administer the payroll for all Drug Court employees, excluding the judges. The Drug Court reimburses the Bossier Parish Police Jury for the salaries and related fringe benefits of all court employees, including the Drug Court Coordinator and counselors on staff. The amounts included in the accompanying financial statements are the actual salary expenditures of the Drug Court.

**H. PENSION PLAN**

All of the Drug Court's employees are considered employees of the Bossier Parish Police Jury, and accordingly, are enrolled by the respective Police Juries as members of Plan A of the Parochial Employees Retirement System of Louisiana ("System"), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The Police Jury and the Drug Court Fund do not guarantee any of the benefits granted by the System.

**I. LEASES & COMMITMENTS**

The Drug Court Fund leases office space under operating leases. Rental costs for the year ended June 30, 2017, were \$6,000.

The Drug Court Fund has an operating lease with Siemens Healthcare Diagnostics, Inc, for Wintex and Viva E drug lab equipment. The terms of the lease agreement cover the lease of the medical equipment, purchase of reagents, consumables and supplies, and services. The agreement is for a term of seven years, starting September, 2015. The Drug Court agreed to purchase an annual minimum amount of reagents, consumables and supplies of \$34,950 over the next seven years. The portion of the commitment allocable to the equipment is \$1,000 per month.

The minimum annual commitments under noncancelable operating leases are as follows:

<u>Fiscal Year:</u>	
2018	\$ 12,000
2019	12,000
2020	12,000
2021	12,000
2022	12,000
2023	<u>2,000</u>
Total	\$ <u>62,000</u>

**J. LITIGATION**

The 26<sup>th</sup> Judicial District Court, Drug Court Fund is not involved in any litigation as of June 30, 2017, nor is it aware of any unasserted claims.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to the Financial Statements  
June 30, 2017

**K. ARRANGEMENTS WITH PARISH GOVERNMENTS**

The drug court office spaces, including utilities and certain office equipment and furniture, are furnished by the Bossier Parish Policy Jury free of charge.

**L. ARRANGEMENTS WITH OTHER GOVERNMENTS**

The Drug Court has an agreement with the Twenty-Sixth Judicial District Court - Judicial Expense Fund to pay a monthly fee of \$1,700 for bookkeeping services. During the year, a total of \$17,700 was paid to the Twenty-sixth Judicial District Court - Judicial Expense Fund.

Funding for the Drug Court Program is structured following the reimbursement method. As a result, the Drug Court would have a monthly cash flow deficiency which was created by its having to cover its monthly payroll expenses on a timely basis as requested by the Bossier Parish Police Jury.

Each month the Drug Court would reimburse the Bossier Parish Police Jury before receipt of the funding from the Supreme Court. Therefore, in December 2010, the Twenty-Sixth District Court - Judicial Expense Fund decided to advance the Drug Court Program a one-time amount of \$45,000 to assist the Drug Court in paying its bills when due. This amount will continue until such time as the Louisiana Supreme Court changes the policy for funding the Drug Court Program. In the event, the Drug Court Program is discontinued, the \$45,000 advance will be paid immediately to the Twenty-sixth Judicial District – Judicial Expense Fund.

The \$45,000 is shown as a long-term obligation to other governments on the Statement of Net Position.

**M. INTERFUND BALANCES**

As of June 30, 2017, the Adult Fund owed the Juvenile Fund \$5,266 for expenditures covered with Juvenile Fund proceeds that will be repaid once the Adult Fund receives its reimbursement from the Supreme Court.

**M. DEFICIT FUND BALANCE**

There were no deficit fund balances for the year ended June 30, 2017.

**N. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 28, 2017, the date that the financial statements were available to be issued, and determined that no additional disclosures are necessary.

**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Budgetary Comparison Schedule  
Adult Drug Court Fund  
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		(Unfavorable)
<b>REVENUES (inflows)</b>				
Charges for services	\$ 48,600	\$ 48,600	\$ 40,354	\$ (8,246)
Operating grants	<u>375,000</u>	<u>336,278</u>	<u>336,278</u>	<u>-</u>
Total revenues	<u>423,600</u>	<u>384,878</u>	<u>376,632</u>	<u>(8,246)</u>
<b>EXPENDITURES (outflows)</b>				
General government	<u>375,000</u>	<u>336,278</u>	<u>363,644</u>	<u>(27,366)</u>
Total expenditures	<u>375,000</u>	<u>336,278</u>	<u>363,644</u>	<u>(27,366)</u>
Net change in fund balances	48,600	48,600	12,988	(35,612)
Fund balance at beginning of year	<u>37,320</u>	<u>37,320</u>	<u>37,320</u>	<u>-</u>
Fund balance at end of year	<u>\$ 85,920</u>	<u>\$ 85,920</u>	<u>\$ 50,308</u>	<u>\$ (35,612)</u>

See accompanying note to budgetary comparison schedule.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Budgetary Comparison Schedule  
Juvenile Drug Court Fund  
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		(Unfavorable)
<b>REVENUES (inflows)</b>				
Charges for services	\$ 2,376	\$ 2,376	\$ 1,676	\$ (700)
Operating grants	<u>165,000</u>	<u>156,412</u>	<u>156,871</u>	<u>459</u>
Total revenues	<u>167,376</u>	<u>158,788</u>	<u>158,547</u>	<u>(241)</u>
<b>EXPENDITURES (outflows)</b>				
General government	<u>165,000</u>	<u>156,412</u>	<u>156,158</u>	<u>254</u>
Total expenditures	<u>165,000</u>	<u>156,412</u>	<u>156,158</u>	<u>254</u>
Net change in fund balances	2,376	2,376	2,389	13
Fund balance at beginning of year	<u>41,773</u>	<u>41,773</u>	<u>41,773</u>	<u>-</u>
Fund balance at end of year	<u>\$ 44,149</u>	<u>\$ 44,149</u>	<u>\$ 44,162</u>	<u>\$ 13</u>

See accompanying note to budgetary comparison schedule.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

Notes to Required Supplementary Information  
On Budgetary Accounting and Control  
June 30, 2017

**BUDGETARY ACCOUNTING AND CONTROL**

The Twenty-Sixth Judicial District Court – Drug Court Fund annually prepares a budget prior to the end of the current fiscal year and submits it to the Louisiana Supreme Court for approval. The budget is prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United State of America (GAAP). From time to time the budget is amended. This can only be done with the approval of the Louisiana Supreme Court.

It was determined that the Twenty-Sixth Judicial District Court – Drug Court Fund was not subject to the requirements of the Local Government Budget Act, found in Louisiana Revised Statues 39:1301-1315.

Excess of expenditures over appropriations list below exists due to the fact that the budget presented presents expenditures that are appropriated and funded by Supreme Court funding only. Expenditures funded from other program revenues is not submit to the Supreme Court for budget approval and therefore, not included in the approved budgets as presented.

**Excess of expenditures over appropriations in individual funds**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Adult Drug Court	\$ 336,278	\$ 363,644	\$ (27,366)

**SUPPLEMENTARY INFORMATION**

**TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana**

**Schedule of Compensation, Benefits and Other Payments  
to Agency Head  
June 30, 2017**

Agency Head Name: Tabitha Gibson, Drug Court Administrator

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 48,859
Retirement	6,223
Insurance	2,283
Cell phone	388
Reimbursements	8,702
Travel	660

See independent auditors' report.

## **OTHER REPORTS**

# WISE, MARTIN & COLE, L.L.C.

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

The Honorable Judges of the Twenty-Sixth  
Judicial District Court – Drug Court Fund  
Minden, 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 Twenty-Sixth Judicial District Court – Drug Court Fund as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Twenty-Sixth Judicial District Court – Drug Court Fund's basic financial statements and have issued our report thereon dated December 28, 2017.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Twenty-Sixth Judicial District Court – Drug 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Sixth Judicial District Court – Drug Court Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twenty-Sixth Judicial District Court – Drug Court 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in

internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Twenty-Sixth Judicial District Court – Drug Court 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*.

### **Twenty-Sixth Judicial District Court – Drug Court Fund’s Response to Findings**

Twenty-Sixth Judicial District Court – Drug Court Fund’s response to findings identified in our audit is described in the accompanying schedule of current year findings and corrective action plan. Twenty-Sixth Judicial District Court – Drug Court Fund’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 fund’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 fund’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended purpose of these reports is limited, under Louisiana Revised Statutes 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Wise Martin & Cole LLC*

Minden, Louisiana  
December 28, 2017

**OTHER INFORMATION**

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 2017

There were no items required to be reported in accordance with *Government Auditing Standards*.

TWENTY-SIXTH JUDICIAL DISTRICT COURT  
DRUG COURT FUND  
Bossier and Webster Parishes  
State of Louisiana

**SCHEDULE OF CURRENT YEAR AUDIT FINDINGS  
AND CORRECTIVE ACTION PLAN**  
For the Year Ended June 30, 2017

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

The results of our auditing procedures of the basic financial statements as of and for the year ended June 30, 2017, of the Twenty-Sixth Judicial District Court – Drug Court Fund disclosed no items that are required to be reported in accordance with *Government Auditing Standards*.

**Section II - Management letter**

A separate letter to management dated December 28, 2017 was issued to address items of noncompliance whose effect on the financial statements is less than material.

Criteria: The Supreme Court Drug Court Office requires that program income be accounted for and is subject to the state and federal laws. Article VII, Section 14(A) of the Louisiana Constitution of 1974 provides that the funds, credit, property, or things of value shall not be loaned, pledged, or donated to or for any person, association or corporations.

Condition: Participants in the drug court program are required to pay a monthly probation and weekly drug testing fee. Several drug court program participants purchased food, drinks and gift cards. Management asserts that the food and drinks were for graduation programs and the gift cards were donations to Toys for Tots. The amounts paid for these items by the program participants were then allowed as credits to reduce the amount of drug testing fees to be paid by the drug court program participants. Our tests revealed \$153 in food and drink purchases, and \$520 in donated gift cards.

Cause: Drug Court Administrator recognizes that the program is not allowed to use public funds to purchase food and drinks for program events, however, this practice of allowing credit for the drug court participants who purchase items with their personal funds, has been in place for the last two to three years.

Effect or potential effect: The practice of allowing program participants to receive credit on amounts that they owe for probation and drug testing fees, for their personal purchases of food and drinks and gifts cards appears to be a possible violation of Article VII, Section 14(a) of the Louisiana Constitution of 1974 and an inappropriate use of public funds.

Recommendation: We recommend that the Drug Court Administrator take steps to ensure that public funds are used appropriately.

Management's response: The 26<sup>th</sup> Judicial District Drug Court Program believes involvement in one's community is an important and integral part of the recovery process. Thus, Drug Court Staff strongly encourages clients to participate in community programs through volunteering their time and donations to local charity organizations. The Drug Court Program will continue to encourage clients to involve themselves in community and charity organizations; however, such time and donations will more appropriately be credited as volunteer and/or community service hours.

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## Management Letter

The Honorable Judges of the Twenty-Sixth  
Judicial District Court – Drug Court Fund  
Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of the Twenty-Sixth Judicial Drug Court as of and for the year ended June 30, 2017, which collectively comprise the Drug Court's basic financial statements as listed in the table of contents and have issued our report thereon dated December 28, 2017. 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.

As part of our examination, we have issued our report on the financial statements, dated December 28, 2017, and our report on internal control and compliance with laws, regulation, contracts, and grants, dated December 28, 2017.

In connection with our audit, we became aware of the following matter which represents noncompliance with laws, which did not meet the criteria of being material to the basic financial statements.

*Compliance items considered immaterial to the basic financial statements:*

### 2017-01 Use of program funds

Criteria: The Supreme Court Drug Court Office requires that program income be accounted for and is subject to the state and federal laws. Article VII, Section 14(A) of the Louisiana Constitution of 1974 provides that the funds, credit, property, or things of value shall not be loaned, pledged, or donated to or for any person, association or corporations.

Condition: Participants in the drug court program are required to pay a monthly probation and weekly drug testing fee. Several drug court program participants purchased food, drinks and gift cards. Management asserts that the food and drinks were for graduation programs and the gift cards were donations to Toys for Tots. The amounts paid for these items by the program participants were then allowed as credits to reduce the amount of drug testing fees to be paid by the drug court program participants. Our tests revealed \$153 in food and drink purchases, and \$520 in donated gift cards.

Cause: Drug Court Administrator recognizes that the program is not allowed to use public funds to purchase food and drinks for program events, however, this practice of allowing credit for the drug court participants who purchase items with their personal funds, has been in place for the last two to three years.

Effect or potential effect: The practice of allowing program participants to receive credit on amounts that they owe for probation and drug testing fees, for their personal purchases of food and drinks and gifts cards appears to be a possible violation of Article VII, Section 14(a) of the Louisiana Constitution of 1974 and an inappropriate use of public funds.

Recommendation: We recommend that the Drug Court Administrator take steps to ensure that public funds are used appropriately.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.

*Wise Martin & Cole LLC*

Minden, Louisiana

December 28, 2017

# WISE, MARTIN & COLE, L.L.C.

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

To the Honorable Judges of the Twenty-Sixth Judicial  
District Court -Drug Court Fund and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Twenty-Sixth Judicial District Court - Drug Court Fund 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 July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

*Written policies and procedures were obtained and address all of the functions above except for adopting the budget. (Exception)*

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

*Written policies and procedures were obtained and only address how purchases are initiated. Policy did not address functions (2) – (5) list above. (Exception)*

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

*Written policies and procedures were obtained and address all of the functions above.*

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

*Written policies and procedures were obtained and address all of the functions above except for recording and preparing deposits. (Exception)*

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

*Drug Court Fund has no employees, therefore no policy or procedures provided.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*Written policies and procedures were obtained but did not address all of the functions listed above. (Exception)*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

*Drug Court Fund does not use credit cards, debit cards, fuel cards or P-cards, therefore, no policy or procedures provided.*

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

*Written policies and procedures were obtained and address all of the functions above.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*Written policies and procedures were obtained but did not address all of the functions listed above. (Exception)*

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

*Drug Court Fund does not have debt, therefore, no policy or procedures provided.*

## **Board**

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

*Procedure does not apply. Judges of the Twenty-sixth Judicial District Court are not required to hold open meetings and minutes of judiciary meetings are not public.*

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

*Procedure does not apply. Judges of the Twenty-sixth Judicial District Court are not required to hold open meetings and minutes of judiciary meetings are not public.*

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

*Procedure does not apply. Judges of the Twenty-sixth Judicial District Court are not required to hold open meetings and minutes of judiciary meetings are not public.*

- b) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

*Procedure does not apply. Judges of the Twenty-sixth Judicial District Court are not required to hold open meetings and minutes of judiciary meetings are not public.*

### ***Bank Reconciliations***

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

*Management provided us with a list of bank accounts and representation that the list is complete.*

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;

*Obtained bank statements and reconciliations for all months in the fiscal period for all selected accounts noting that reconciliations were prepared for all months in the fiscal period.*

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

*The bank reconciliations prepared for all accounts include evidence that a member of management has reviewed each bank reconciliation.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

*Obtained bank statements and reconciliations for all months in the fiscal period, noting that there were no items that have been outstanding for more than 6 months.*

### ***Collections***

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

*Management provided us with the required list and representation that the listing is complete.*

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

*Written documentation obtained indicates that each person responsible for collecting cash is not bonded. (Exception)*

*Written documentation obtained does not address who is responsible for depositing cash in the bank, for reconciling the related bank accounts, recording the related transactions, whether persons are not required to share the same cash register or drawer with another employee, (Exception)*

*Written documentation obtained does not address whether each person responsible for collection of cash is not responsible for depositing the cash in the bank, recording the related transaction or reconciling the related bank account. (Exception)*

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

*Written documentation does not identify a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source, by a person who is not responsible for cash collections in the cash collection location selected. (Exception).*

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

*(Exception) There is one cash collection site for all revenue sources. Deposits were not made within one day of collection.*

*The number of days from receipt to deposit for each location is as follows:*

<u>Location</u>	<u>Number of Receipts</u>	<u>Number of days from Collection to Deposit</u>
Courthouse	18	2 – 30 days

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

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

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

*The entity does not have a formal process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source by a person who is not responsible for collections. (Exception)*

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

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

*Management provided us with the required list and representation that the listing is complete.*

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system. However, we noted that supporting documentation was present for all transactions.*

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

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system. However, we noted that supporting documentation was present for all transactions.*

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

*We were unable to perform the above prescribed procedure for the 25 transactions because the entity does not utilize a requisition/purchase order system. However, we noted that supporting documentation was present for all transactions.*

- 10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

*Written procedures address who's responsible for processing payments, but does not address whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system. (Exception)*

- 11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

*Written documentation does not address whether persons with signatory authority or who make final authorization for disbursements have no responsibility for initiating or recording purchases. (Exception)*

- 12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any

exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

*Inquiry revealed that the unused checks are stored in a file cabinet that has a lock and requires a key to open and access is restricted to those person that do not have signatory authority.*

*No documentation provided which addresses whether persons with signatory authority have system access to print checks. (Exception)*

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

*No signature stamp or signature machine is utilized.*

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Procedure does not apply. Management representation states that Drug Court does not have or use agency credit cards.*

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*Procedure does not apply. No credit cards, debit cards, fuel cards, or P-cards are utilized.*

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

*Procedure does not apply. No credit cards, debit cards, fuel cards, or P-cards are utilized.*

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

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

*Above procedures do not apply. No credit cards, debit cards, fuel cards, or P-cards are utilized.*

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

*Procedure does not apply. No credit cards, debit cards, fuel cards, or P-cards are utilized.*

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*Procedure does not apply. No credit cards, debit cards, fuel cards, or P-cards are utilized.*

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

*Management provided us with the required list and representation that the listing is complete.*

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

*The following lodging reimbursements exceed the applicable GSA rates:*

	<u>Rate</u>	<u>GSA</u>
<u>Tier I Lodging Area</u>		
Baton Rouge – EBR	\$ 98	\$ 97
<u>Tier II Lodging Area</u>		
New Orleans, Orleans, St. Bernard, Jefferson and Plaquemines Parish Jan-Apr	\$160	\$156

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

*(Exception) Reimbursements for meals to employees did not agree with written policy. Each employee selected was reimbursed as follows:*

	<u>Rate per policy</u>	<u>Rate reimbursed</u>	<u>Excess</u>
Meal (1 lunch, dinner)	\$ 46	\$ 48	\$ 2

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

*Expense reimbursed based on established per diem amount or travel policy for conference lodging, however, per diem amounts used to reimburse for meals did not agree with per diem per travel policy. (Exception)*

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

*Each expense was supported by documentation of business purpose and individuals participating.*

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

*Documentation in accordance with written policies was provided.*

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

*The client's documentation of business/public purpose for tested expenses appeared to comply with the requirements of Article 7, section 14 of the Louisiana Constitution. However, amounts reimbursed for meals exceeded policy rates. (Exception)*

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

## ***Contracts***

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- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

*Management provided us with the required list and representation that the listing is complete.*

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

*Management provided written contracts as support for the services arrangement and the amounts paid.*

*However, one of the contracts was dated June 1, 2003, for a term of five years, and had not been renewed. The contract was also made to the District Attorney, who was the former fiscal agent for the Drug Court Program. The amounts to be paid in rents according to the contract were higher than the amounts actually paid during the fiscal year. (Exception).*

- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

*Not Applicable*

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

*No documentation of solicited quotes was provided for the five vendors selected.*

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

*One of the contracts provided appeared to be amended. The contract was originally dated June 1, 2003, and had handwritten notes on the side and initials indicating a verbal agreement to raise rent to \$1,000 per month. The original contract terms was for a lease term of five years commencing on June 1, 2003, with monthly rental in the first year of \$925, and next four (4) years as \$775. The original contract terms did not provide for such an amendment. (Exception)*

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

*Payments made on each contract were within the terms and conditions of the contract for all but one of the contracts. (Exception)*

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

*Written policy and procedures does not address approval of contracts. (Exception)*

*One contract was signed by a District Judge of the Twenty-sixth Judicial District Court, one contract was signed by Twenty-sixth Judicial District Attorney, and three contracts were signed by the Drug Court Administrator.*

#### ***Payroll and Personnel –***

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or

randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

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

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- 24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

- 25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

*Not applicable – The personnel who work for the drug court program are employees of the Bossier Parish Police Jury.*

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

***Debt Service (excluding nonprofits)***

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

*No debt was issued during the fiscal period.*

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

*No debt service payments or debt reserves were required on the Drug Court Fund’s long-term obligation during the fiscal period.*

30. If the entity had tax mileages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any mileages that continue to be received for debt that has been paid off.

*Not applicable.*

**Other**

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

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

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

*On December 7, 2017, we observed fraud notice posted on the bulletin board of the Drug Court office. There was no website found for the Twenty-sixth Judicial District – Drug Court Fund and no notice was posted on the website for the Twenty-sixth Judicial District Court.*

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

*No exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Wise Martin & Cole LLC*

Minden, LA  
December 28, 2017