

**JUDICIAL EXPENSE FUND OF THE  
TWENTY-FIRST JUDICIAL DISTRICT COURT  
AMITE, LOUISIANA**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

**Judicial Expense Fund of the Twenty-First Judicial District Court**

**Amite, Louisiana**

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### Independent Auditor's Report

The Honorable Robert Morrison, Chief Judge  
and Honorable Judges  
Twenty-First Judicial District Court  
Amite, Louisiana

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Judicial Expense Fund of the Twenty-First Judicial District Court as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District 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.

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Judicial Expense Fund of the Twenty-First Judicial District Court as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 23 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

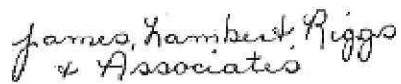
#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District Court's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James, Lambert, Riggs & Associates".

James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

June 30, 2020

**Basic Financial Statements –  
Government-Wide Financial Statements**

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Exhibit A**

Statement of Net Position  
December 31, 2019

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 310,138
Investments	138,656
Accounts Receivable, Net	631,095
Restricted Cash and Cash Equivalents	78,140
Capital Assets, Net of Accumulated Depreciation (Note 6)	<u>-</u>
<b>Total Assets</b>	<b><u>\$ 1,158,029</u></b>
<b>Liabilities</b>	
Accounts Payable	<u>\$ 210,297</u>
<b>Total Liabilities</b>	<b><u>\$ 210,297</u></b>
<b>Net Position</b>	
Net Investment in Capital Assets	\$ -
Restricted	78,440
Unrestricted	<u>869,292</u>
<b>Total Net Position</b>	<b><u>\$ 947,732</u></b>

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Exhibit B**

Statement of Activities  
For the Year Ended December 31, 2019

	<u>Governmental Activities</u>
<b>Expenses:</b>	
District Court Activities:	
Salaries / Related Benefits	\$ 1,113,126
Payroll Administration Fee	36,773
Operating Grant Expenses	1,331,193
Probation Office Expenses	305,093
Automobile	61,200
General Office Expenses	126,038
Insurance	25,488
Legal & Professional	21,425
Miscellaneous	1,294
Telephone	60,221
Travel, Training, & Meetings	41,780
<b>Total Expenses</b>	<u>3,123,631</u>
<b>Program Revenues:</b>	
Charges for Services	1,899,447
Operating Grants	1,238,809
<b>Total Program Revenues</b>	<u>3,138,256</u>
<b>Net Program (Expense) / Revenue</b>	14,625
<b>General Revenues:</b>	
Criminal Court Reimbursement	365,145
Interest	419
Miscellaneous Income	396
<b>Total General Revenues</b>	<u>365,960</u>
<b>Change in Net Position</b>	380,585
<b>Net Position - Beginning of the Year</b>	<u>567,147</u>
<b>Net Position - End of the Year</b>	<u>\$ 947,732</u>

The accompanying notes are an integral part of this statement.



**Basic Financial Statements –  
Fund Financial Statements**

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Exhibit C**

Governmental Funds – Balance Sheet  
December 31, 2019

	<u>General Fund</u>	<u>Court Support Fund</u>	<u>Other Governmental Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 125,493	\$ 184,645	\$ -	\$ 310,138
Investments	138,656	-	-	138,656
Accounts Receivable, Net	438,194	192,601	300	631,095
Restricted Cash & Cash Equivalents	<u>-</u>	<u>-</u>	<u>78,140</u>	<u>78,140</u>
<b>Total Assets</b>	<u><u>\$ 702,343</u></u>	<u><u>\$ 377,246</u></u>	<u><u>\$ 78,440</u></u>	<u><u>\$ 1,158,029</u></u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts Payable	<u>\$ 95,619</u>	<u>\$ 114,678</u>	<u>\$ -</u>	<u>\$ 210,297</u>
<b>Total Liabilities</b>	95,619	114,678	-	210,297
<b>Fund Balances:</b>				
Restricted for Indigent Transcripts	-	-	78,440	78,440
Assigned for General Usage	-	262,568	-	262,568
Unassigned	<u>606,724</u>	<u>-</u>	<u>-</u>	<u>606,724</u>
<b>Total Fund Balances</b>	<u>606,724</u>	<u>262,568</u>	<u>78,440</u>	<u>947,732</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 702,343</u></u>	<u><u>\$ 377,246</u></u>	<u><u>\$ 78,440</u></u>	<u><u>\$ 1,158,029</u></u>

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Exhibit D**

Reconciliation of the Governmental Funds Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2019

<b>Total Fund Balances, Governmental Funds (Exhibit C)</b>	\$ 947,732
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation	<u>-</u>
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<b>Net Position of Governmental Activities (Exhibit A)</b>	<u><u>\$ 947,732</u></u>
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The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Exhibit E**

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

	<u>General Fund</u>	<u>Court Support Fund</u>	<u>Other Governmental Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Charges for Services	\$ 1,347,973	\$ 544,731	\$ 6,743	\$ 1,899,447
Federal Operating Grants	-	420,799	-	420,799
State Operating Grants	-	818,010	-	818,010
Interest	202	217	-	419
Miscellaneous Income	396	-	-	396
Criminal Court Reimbursement	<u>329,463</u>	<u>35,682</u>	<u>-</u>	<u>365,145</u>
Total Revenues	1,678,034	1,819,439	6,743	3,504,216
<b>Expenditures:</b>				
Administrator's Contract	125,583	-	-	125,583
Salaries & Related Benefits	333,058	-	-	333,058
Payroll Administration Fee	36,773	-	-	36,773
General Office Expenditures	123,046	2,992	-	126,038
Telephone	60,221	-	-	60,221
Travel, Training, & Meetings	33,207	8,573	-	41,780
Vehicle Expense	61,200	-	-	61,200
Insurance	25,488	-	-	25,488
Legal & Professional	18,725	2,700	-	21,425
Contracted Law Clerks	235,349	-	-	235,349
Court Reporters	13,039	72,035	5,267	90,341
Probation Office Expenditures	305,093	-	-	305,093
Miscellaneous	1,294	-	-	1,294
Hearing Officer	-	269,321	-	269,321
Stenographer, Public Defender, & Minute Clerk	-	59,474	-	59,474
FINS Program Expenditures	-	142,252	-	142,252
TASC Program Expenditures	-	166,787	-	166,787
Juvenile Drug Court	-	290,128	-	290,128
Adult Drug Court	<u>-</u>	<u>732,026</u>	<u>-</u>	<u>732,026</u>
Total Expenditures	<u>1,372,076</u>	<u>1,746,288</u>	<u>5,267</u>	<u>3,123,631</u>
Excess of Revenues over Expenditures	305,958	73,151	1,476	380,585
<b>Fund Balance - Beginning of the Year</b>	300,766	189,417	76,964	567,147
<b>Fund Balance - End of the Year</b>	<u>\$ 606,724</u>	<u>\$ 262,568</u>	<u>\$ 78,440</u>	<u>\$ 947,732</u>

The accompanying notes are an integral part of this statement.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Exhibit F**

Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances to the Government-Wide Statement of Activities  
For the Year Ended December 31, 2019

<b>Net Change in Fund Balances, Governmental Funds (Exhibit E)</b>	\$ 380,585
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	-
Depreciation Expense	<u>-</u>

<b>Change in Net Position of Governmental Activities (Exhibit B)</b>	<b><u>\$ 380,585</u></b>
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The accompanying notes are an integral part of this statement.

## **Notes to the Financial Statements**

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements  
For the Year Ended December 31, 2019

**Narrative Profile**

The Judicial Expense Fund of the Twenty-First Judicial District Court (hereafter referred to as “District Court”) was established by the provisions of Act No. 553 of 1980, Louisiana Revised Statue (LRS) 13:996.6. The statute provides for the collection of civil and criminal fees or costs in addition to all other fees or costs now or hereafter provided by law. The Judges, en banc, of the District Court may pay each of their court reporters a salary from the Judicial Expense Fund. The Judges, en banc, may further appoint such secretarial, clerical, research, administrative, or other personnel, as they deem necessary to expedite the business and function of the District Court and pay all or any part of the salaries of such personnel out of the monies in the Judicial Expense Fund. In like manner, the Judges may utilize the monies in the Judicial Expense Fund to pay all or any part of the cost of establishing and maintaining a law library, or for buying and maintaining any type of equipment, supplies, or other items consistent with the proper administration and efficient operation of the District Court.

The accounting and reporting policies of the District Court conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to LRS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and the industry audit guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

All Judges are independently elected officials of the District Court, which encompasses the Louisiana Parishes of Livingston, St. Helena, and Tangipahoa. As the respective governing authorities of the District, for reporting purposes, the Livingston Parish Council, St. Helena Police Jury, and Tangipahoa Parish Council are the financial reporting entities for each respective Parish. The financial reporting entity consists of (a) primary government (parish council / police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the District Court's revenues are self-generated, the District Court is not fiscally dependent on the Parish governments. The District Court was determined not to be a component unit of the Livingston Parish Council, St. Helena Police Jury, or Tangipahoa Parish Council, the Parish financial reporting entities. The accompanying financial statements present information only on the funds maintained by the District Court and do not present information on the Livingston Parish Council, St. Helena Police Jury, or Tangipahoa Parish Council, the general government services provided by those governmental units, or the other governmental units that comprise the Parishes' financial reporting entities.

**B. Basic Financial Statements – Government-Wide Financial Statements**

The District Court's basic financial statements include both government-wide (reporting the District Court as a whole) and fund financial statements (reporting the District Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All District Court activities are classified as governmental activities. The District Court has no business-type activities.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

*Statement of Net Position* – In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District Court's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The District Court first utilizes restricted resources to finance qualifying activities.

*Statement of Activities* – The government-wide Statement of Activities reports both the gross and net cost of the District Court's functions. The functions are also supported by general revenues (Criminal Court Fund reimbursements, interest income, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the ongoing operations of the District Court. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants report capital-specific grants and contributions. The net costs (by function) are normally covered by general revenues.

The District Court does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District Court as an entity and the change in the District Court's net position resulting from the current year's activities.

**C. Basic Financial Statements – Fund Financial Statements**

The financial transactions of the District Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures / expenses of either fund category or the governmental and business-type combined) for the determination of major funds. The non-major funds are combined in a single column in the fund financial statements.

**Governmental Funds** – The focus of the governmental funds' measurement (in the fund statements) is the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District Court reports these governmental funds and fund types:

Judicial Expense Fund - the primary operating fund of the District Court, which accounts for all the operations of the District Court, except those required to be accounted for in other funds. Revenues are derived primarily from court costs and criminal probation supervision fees.

Special Revenue Funds – accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Court Support Fund is considered a major fund for reporting purposes. The Indigent Transcript Fund is considered to be a non-major fund for reporting purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.



**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Capital assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balances.

The government-wide Statement of Net Position and Statement of Activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are either included on the Statement of Net Position.

The fund financial statements of the governmental funds are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The District Court considers all revenues available if they are collected within 60 days after year-end. Interest income is recorded as earned. Federal and state reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the fund liability is incurred.

The Statement of Net Position and the Statement of Activities are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

**E. Budgets and Budgetary Accounting**

The District Court adopted operating budgets for the Judicial Expense Fund and Court Support Fund for the fiscal year ended December 31, 2019. The budgets for these funds are adopted on the modified accrual basis of accounting consistent with GAAP. The District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Judicial Administrator prepares the proposed budgets and submits them to the Judges for their review no later than fifteen days prior to the beginning of each fiscal year.
2. A meeting is then held with the Judicial Administrator and the Judges to review the proposed budgets and formal adoption is made by majority vote of the Judges. The budgets for 2019 were adopted by the Judges on December 28, 2018.
3. Copies of the adopted budgets are kept on file for public inspection.
4. Budgetary amendments due to increases or decreases in revenues or expenditures over amounts estimated require majority vote of the Judges. The budgets were amended on November 14, 2019.
5. All budgetary appropriations lapse at the end of each year. Formal budgetary integration is not employed.

The District Court did not report an unfavorable variance in expenditures over appropriations for the fiscal year ended December 31, 2019.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**F. Cash, Cash Equivalents, and Investments**

The District Court's cash and cash equivalents are considered to be cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the District Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. In addition, the District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments for the District Court are reported at cost.

**G. Allowance for Uncollectible Accounts**

The District Court calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance for uncollectible accounts as of December 31, 2019, was determined based upon the likely collectability of individual receivables based upon their age.

**H. Capital Assets**

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District Court's capitalization threshold of \$1,000 is met. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their acquisition value (entry price) at the date of donation.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

**I. Pension Plans**

The District Court is not a member of any retirement system, but is a member of the social security system. All full-time employees are carried on the payroll of other governmental units and are covered under their respective pension plans.

**J. Compensated Absences**

All full-time employees with less than 10 years of service earn ten (10) days of annual leave each year. All full-time employees with more than 10 years of service earn fifteen (15) days of annual leave each year. Unused annual leave is not accumulated. All full-time employees earn ten (10) days of sick leave each year. Unused sick leave is accumulated up to a maximum of 20 days.

At December 31, 2019, there were no employee leave benefits requiring recognition in accordance with GASB Statement No. 16.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**K. Net Position**

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

When both restricted and unrestricted resources are available for use, it is the District Court's policy to use restricted resources first, then unrestricted resources as they are needed.

**L. Fund Balance**

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable Fund Balance – amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes due to enabling legislation, State or Federal laws, or externally imposed conditions by grantors, creditors, or citizens. Funds in the non-major Indigent Transcript Fund are considered restricted due to the enabling legislation creating the fund.
3. Committed Fund Balance – amounts that can be used only for the specific purposes determined by a formal action of the Judges (the District Court's highest level of decision-making authority).
4. Assigned Fund Balance – amounts intended to be used by the District Court for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned Fund Balance – all amounts not included in other spendable categories.

The District Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

**M. Interfund Transactions**

Permanent re-allocation of resources between funds of the District Court are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

N. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. Stewardship, Compliance, and Accountability**

A. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. All annual appropriations lapse at year-end. See Note 1 regarding operating budgets. The District Court compiled with the Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2019.

B. Deposits and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 regarding cash and cash equivalents, the District Court complied with the deposits and investments laws and regulations.

C. Deficit Fund Equity

As of December 31, 2019, the District Court had no funds with deficit fund equities.

**3. Cash and Cash Equivalents**

At December 31, 2019, the District Court had \$388,278 (book balance) in interest-bearing demand deposits as follows:

	Statement of Net Position
Cash and Cash Equivalents	\$ 310,138
Restricted Cash and Cash Equivalents	78,140
<b>Total Interest-Bearing Deposits</b>	<b>\$ 388,278</b>

These deposits are stated at cost, which approximates market.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

The following is a summary of cash and investments at December 31, 2019, with the related federal deposit insurance and pledge securities:

Bank Balances and Investments:

Insured (FDIC Insurance)	\$ 250,000
Collateralized:	
Collateral held by pledging bank's trust department not in the District	
Court's name	365,862
Uninsured and Uncollateralized	-

<b>Total Deposits</b>	<b><u>\$ 615,862</u></b>
-----------------------	--------------------------

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$- of the District Court's bank balance of \$615,862 was exposed to custodial credit risk.

Under state law, 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 equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

#### 4. Receivables

Accounts receivable as of December 31, 2019, consists of the following:

	Judicial Expense Fund	Court Support Fund	Other Governmental Fund	Total
Civil Court Fees	\$ 2,070	\$ -	\$ 53	\$ 2,123
Criminal Court Fees	16,920	-	247	17,167
Support Enforcement Fees	-	47,156	-	47,156
State of Louisiana Grants:				
TASC Grant	-	39,522	-	39,522
Adult Drug Court	-	51,320	-	51,320
Juvenile Drug Court	-	18,921	-	18,921
21st JDC Criminal Court Fund	338,042	35,682	-	373,724
21st JDC Collections Dept.	80,863	-	-	-
Other	299	-	-	299
Less: Allowance for Uncollectible Accounts	-	-	-	-
<b>Total Receivables</b>	<b><u>\$ 438,194</u></b>	<b><u>\$ 192,601</u></b>	<b><u>\$ 300</u></b>	<b><u>\$ 631,095</u></b>

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**5. Capital Assets**

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

Description	Balance 01/01/19	Additions	Deductions	Balance 12/31/19
Capital Assets:				
Judicial Expense Fund	\$ 70,339	\$ -	\$ -	\$ 70,339
Court Support Fund	67,318	-	-	67,318
Less: Accumulated Depreciation				
Judicial Expense Fund	(70,339)	-	-	(70,339)
Court Support Fund	(67,318)	-	-	(67,318)
<b>Total Capital Assets, Net</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Capital assets are stated at cost, less an allowance for accumulated depreciation. Depreciation expense is computed using the straight-line method of the estimated useful lives as follows:

Furniture	7 Years
Equipment	5 Years

**6. FINS Program**

The Families in Need of Services Special Revenue Fund (FINS) is used to account for the receipt and disbursement of funds collected for reducing the number of children who enter the juvenile justice system or foster care system. The FINS Fund is included in the Court Support Special Revenue Fund. Selected data for the FINS Fund is as follows:

Revenues:	
Intergovernmental Grant	\$ 79,296
Less: Portion of Grant Shared with the City of Hammond	-
Revenue Recognized	79,296
Expenditures	142,252
<b>Excess of Expenditures over Revenues</b>	<b>\$ 62,956</b>

The excess of expenditures over revenues was absorbed by other Special Revenue Fund revenues. No audit fees were paid using funds received for the FINS program.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Notes to the Financial Statements (Continued)  
For the Year Ended December 31, 2019

**7. Leases**

The District Court records operating leases as current expenditures in the accompanying financial statements. The following is an analysis of significant operating leases at December 31, 2019:

The District Court currently leases office space in Tangipahoa Parish on a monthly basis. The lease amounts are as follows: \$350 per month for the Probation Office, \$350 per month for the Adult Drug Court, \$533.33 per month for the FINS Office, \$533.33 per month for the TASC Office, and \$533.33 for the Juvenile Drug Court Office.

Rental expense amounted to \$26,550 in 2019.

Since these leases may be terminated at any time, the District Court has no required future annual commitments under these leases.

**8. Litigation and Claims**

There is no litigation pending against the District Court at December 31, 2019.

**9. Subsequent Event**

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, June 30, 2020.

In March 2020, the COVID-19 virus began spreading throughout the United States. On March 22, 2020, Louisiana Governor John Bel Edwards issued a stay-at-home order limiting person-to-person contact and closing many non-essential businesses. Management has evaluated the possible impacts of this situation and does not believe that this will have a significant negative impact on the continuing operations of the District Court.

No other subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**Required Supplemental Information:**  
**Budgetary Comparison Schedules**



**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Schedule 1**

Budgetary Comparison Schedule (GAAP Basis) – Judicial Expense Fund  
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
<b>Revenues:</b>				
Civil & Criminal Court Fees	\$ 408,600	\$ 418,600	\$ 440,114	\$ 21,514
Bond Forfeiture Rebates	204,000	205,000	221,039	16,039
Criminal Probation Supervision Fees	552,000	617,000	686,820	69,820
Interest Earned	-	-	202	202
Miscellaneous Income	-	-	396	396
Reimbursement from Criminal Court	188,000	188,000	329,463	141,463
Total Revenues	1,352,600	1,428,600	1,678,034	249,434
<b>Expenditures:</b>				
Administrator's Contract	124,000	125,000	125,583	(583)
Salaries & Related Benefits	338,700	329,200	333,058	(3,858)
Payroll Administration Fee	45,000	45,000	36,773	8,227
General Office Expenditures	89,000	128,850	123,046	5,804
Telephone	57,000	58,000	60,221	(2,221)
Travel, Training, & Meetings	27,000	33,300	33,207	93
Vehicle Expense	64,800	61,800	61,200	600
Insurance	27,000	36,200	25,488	10,712
Legal & Professional	18,000	19,000	18,725	275
Contracted Law Clerks	216,000	216,200	235,349	(19,149)
Court Reporters	15,295	12,545	13,039	(494)
Probation Office Expenditures	319,650	313,350	305,093	8,257
Miscellaneous	1,360	1,560	1,294	266
Total Expenditures	1,342,805	1,380,005	1,372,076	7,929
<b>Excess of Revenues over Expenditures</b>	9,795	48,595	305,958	257,363
<b>Fund Balance - Beginning of the Year</b>	300,766	300,766	300,766	-
<b>Fund Balance - End of the Year</b>	\$ 310,561	\$ 349,361	\$ 606,724	\$ 257,363

See auditor's report.

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Schedule 2**

Budgetary Comparison Schedule (GAAP Basis) – Court Support Fund  
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
<b>Revenues:</b>				
Support Enforcement Fees	\$ 500,000	\$ 500,000	\$ 526,463	\$ 26,463
Federal Grants	-	-	420,799	420,799
State Grants	1,227,107	1,227,107	818,010	(409,097)
Adult Drug Court Program Fees	25,000	25,000	18,268	(6,732)
Interest Earned	-	-	217	217
Reimbursement from Criminal Court	<u>23,000</u>	<u>30,000</u>	<u>35,682</u>	<u>5,682</u>
Total Revenues	1,775,107	1,782,107	1,819,439	37,332
<b>Expenditures:</b>				
Court Reporters	73,000	73,000	72,035	965
General Office Expenditures	6,400	500	2,992	(2,492)
Travel, Training, & Meetings	8,000	8,100	8,573	(473)
Legal & Professional	15,000	15,000	2,700	12,300
Hearing Officer	277,000	277,000	269,321	7,679
Stenographer, Public Defender, & Minute Clerk	59,900	60,000	59,474	526
FINS Program Expenditures	154,500	154,200	142,252	11,948
TASC Program Expenditures	185,311	185,311	166,787	18,524
Juvenile Drug Court	263,275	269,775	290,128	(20,353)
Adult Drug Court	<u>730,000</u>	<u>733,500</u>	<u>732,026</u>	<u>1,474</u>
Total Expenditures	<u>1,772,386</u>	<u>1,776,386</u>	<u>1,746,288</u>	<u>30,098</u>
<b>Excess of Revenues over Expenditures</b>	2,721	5,721	73,151	67,430
<b>Fund Balance - Beginning of the Year</b>	<u>189,417</u>	<u>189,417</u>	<u>189,417</u>	<u>-</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 192,138</u>	<u>\$ 195,138</u>	<u>\$ 262,568</u>	<u>\$ 67,430</u>

See auditor's report.

## **Other Supplemental Information**

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

**Schedule 3**

Schedule of Compensation, Benefits, and Other Payments to Agency Head  
For the Year Ended December 31, 2019

**Agency Head: Honorable Robert H. Morrison, III, Chief Judge**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance (Allowed by Louisiana State Statute)	7,200
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone (Paid Direct to AT&T)	516
Home Office / Fax Machine (Paid Direct to AT&T)	2,417
Dues	-
Per Diem	-
Reimbursements (Travel above the amount allowed by the LA Supreme Court)	2,558
Travel / Training	-
Registration Fees (Paid Direct to Conference)	850
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 13,541</u>

Note: All other compensation to Chief Judge Robert H. Morrison, III is paid directly by the Louisiana Supreme Court. The above items represent only the items paid by the Judicial Expense Fund of the Twenty-First Judicial District Court.

**Other Independent Auditor's Reports and  
Findings and Recommendations**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
Megan E. Lynch, CPA  
Christie J. Barado  
B. Jacob Steib  
Connor J. Collura  
Sharon B. Bravata  
Krystal L. Waddell  
Debbie G. Faust, EA



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

The Honorable Robert Morrison, Chief Judge  
and Honorable Judges  
Twenty-First Judicial District Court  
Amite, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Judicial Expense Fund of the Twenty-First Judicial District Court, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District Court's basic financial statements, and have issued our report thereon dated June 30, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Judicial Expense Fund of the Twenty-First Judicial District Court's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

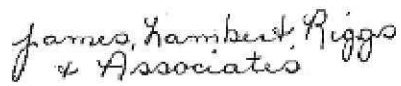
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twenty-First Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on

compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James, Lambert, Riggs and Associates, Inc.  
Hammond, Louisiana

June 30, 2020

**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Schedule of Findings and Responses  
For the Year Ended December 31, 2019

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Judicial Expense Fund of the Twenty-First Judicial District Court as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Court's basic financial statements, and have issued our report thereon dated June 30, 2020. Our audit of the basic financial statements resulted in an unmodified opinion.

**Section I Summary of Auditor's Reports**

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

Internal Control:

Material Weakness	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiencies	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance:

Compliance Material to the Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---	------------------------------	--

2. Management Letter

Was a management letter issued?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
---------------------------------	------------------------------	--

**Section II Financial Statement Findings**

**Internal Control over Financial Reporting**

None

**Compliance and Other Matters**

None



**Judicial Expense Fund of the Twenty-First Judicial District Court  
Amite, Louisiana**

Summary Schedule of Prior Findings  
For the Year Ended December 31, 2019

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

***Note: This schedule has been prepared by the management of the Judicial Expense Fund of the Twenty-First Judicial District Court.***

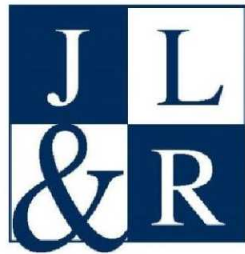
**JUDICIAL EXPENSE FUND OF THE  
TWENTY-FIRST JUDICIAL DISTRICT COURT**

**STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

Dennis E. James, CPA  
Lyle E. Lambert, CPA  
Paul M. Riggs, Jr., CPA

J. Bryan Ehricht, CPA  
Samantha D. Wagner, CPA  
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## Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable Robert Morrison, Chief Judge  
and Honorable Judges  
Twenty-First Judicial District Court  
Amite, Louisiana

Louisiana Legislative Auditor  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Judicial Expense Fund of the Twenty-First Judicial District Court (the "District Court") and the Louisiana Legislative Auditor (the "LLA") on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (the "SAUPs") of the District Court for the period January 1, 2019 through December 31, 2019. The District Court's management is responsible for those control and compliance 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*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the District Court and the LLA. 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.

Our procedures and findings are detailed in Schedule "A."

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 control and compliance 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 control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information and use of the District Court and the LLA and is not intended to be and should not be used by anyone other than those specified parties. 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.

James Lambert Riggs & Associates, Inc.  
Hammond, Louisiana

June 30, 2020

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

**Results:** We viewed the District Court's written policies and procedures for budgeting with no exceptions.

- 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.

**Results:** We viewed the District Court's written policies and procedures for purchasing with no exceptions.

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

**Results:** We viewed the District Court's written policies and procedures for disbursements with no exceptions.

- d) ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**Results:** We viewed the District Court's written policies and procedures for receipts / collections with no exceptions.

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

**Results:** We viewed the District Court's written policies and procedures for payroll / personnel with no exceptions.

- 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

**Results:** We viewed the District Court's written policies and procedures for contracting with no exceptions.

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

**Results:** We viewed the District Court's written policies and procedures for credit cards with no exceptions.

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

**Results:** We viewed the District Court's written policies and procedures for budgeting with no exceptions.

- 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.

**Results:** We viewed the District Court's written policies and procedures for ethics with no exceptions.

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

**Results:** The District Court did not have any written policies and procedures for debt service, as the District Court is not authorized under State Law to issue debt.

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

**Results:** We viewed the District Court's written policies and procedures for disaster recovery / business continuity with no exceptions.

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

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

**Results:** Management provided us with the required listing of payment processing locations as well as management's representation that the listing is complete.

3. For each location selected under #2 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

**Results:** No exceptions in performing the above procedure.

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

**Results:** No exceptions in performing the above procedure.

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

**Results:** No exceptions in performing the above procedure.

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

**Results:** No exceptions in performing the above procedure.

- 4. For each location selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

**Results:** No exceptions in performing the above procedure.

- b) Observe that the disbursement documentation included evidence (e.g., initial / date, electronic logging) of segregation of duties tested under #3, as applicable.

**Results:** No exceptions in performing the above procedure.