

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

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018

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 and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court as of and for the year ended December 31, 2018, 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 and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court as of December 31, 2018, 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 25 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.

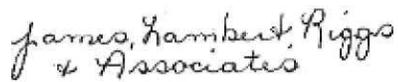
Other Information

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 May 30, 2019, 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

May 30, 2019

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

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Statement of Net Position
December 31, 2018

Exhibit A

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 134,288
Investments	138,656
Accounts Receivable, Net	508,420
Restricted Cash and Cash Equivalents	76,458
Capital Assets, Net of Accumulated Depreciation (Note 6)	-
Total Assets	\$ 857,822
Liabilities	
Accounts Payable	\$ 290,675
Total Liabilities	\$ 290,675
Net Position	
Net Investment in Capital Assets	\$ -
Restricted	76,964
Unrestricted	490,183
Total Net Position	\$ 567,147

The accompanying notes are an integral part of this statement.

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Statement of Activities
For the Year Ended December 31, 2018

Exhibit B

	Governmental Activities
Expenses:	
District Court Activities:	
Salaries / Related Benefits	\$ 1,137,691
Payroll Administration Fee	39,223
Operating Grant Expenses	1,275,259
Probation Office Expenses	347,510
Cooperative Endeavor Agreement	-
Automobile	64,800
General Office Expenses	116,175
Insurance	42,098
Legal & Professional	27,346
Miscellaneous	821
Telephone	62,267
Travel, Training, & Meetings	30,580
Depreciation	-
Total Expenses	3,143,770
Program Revenues:	
Charges for Services	1,690,604
Operating Grants	1,169,939
Total Program Revenues	2,860,543
Net Program (Expense) / Revenue	(283,227)
General Revenues:	
Criminal Court Reimbursement	329,860
Interest	335
Miscellaneous Income	1,000
Total General Revenues	331,195
Change in Net Position	47,968
Net Position - Beginning of the Year	519,179
Net Position - End of the Year	\$ 567,147

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

Exhibit C

Amite, Louisiana

Governmental Funds – Balance Sheet

December 31, 2018

	General Fund	Court Support Fund	Indigent Transcript Fund	Total
Assets				
Cash and Cash Equivalents	\$ 72,482	\$ 61,806	\$ -	\$ 134,288
Investments	138,656	-	-	138,656
Accounts Receivable, Net	262,252	245,662	506	508,420
Due from Other Funds	-	-	-	-
Restricted Cash & Cash Equivalents	-	-	76,458	76,458
Total Assets	<u>\$ 473,390</u>	<u>\$ 307,468</u>	<u>\$ 76,964</u>	<u>\$ 857,822</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 172,624	\$ 118,051	\$ -	\$ 290,675
Due to Other Funds	-	-	-	-
Total Liabilities	172,624	118,051	-	290,675
Fund Balances:				
Restricted for Indigent Transcripts	-	-	76,964	76,964
Assigned for General Usage	-	189,417	-	189,417
Unassigned	300,766	-	-	300,766
Total Fund Balances	<u>300,766</u>	<u>189,417</u>	<u>76,964</u>	<u>567,147</u>
Total Liabilities and Fund Balances	<u>\$ 473,390</u>	<u>\$ 307,468</u>	<u>\$ 76,964</u>	<u>\$ 857,822</u>

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, 2018

	General Fund	Court Support Fund	Indigent Transcript Fund	Total
Revenues:				
Charges for Services	\$ 1,161,110	\$ 522,955	\$ 6,539	\$ 1,690,604
Federal Operating Grants	-	378,575	-	378,575
State Operating Grants	-	791,364	-	791,364
Interest	238	97	-	335
Miscellaneous Income	1,000	-	-	1,000
Criminal Court Reimbursement	283,477	46,383	-	329,860
Total Revenues	<u>1,445,825</u>	<u>1,739,374</u>	<u>6,539</u>	<u>3,191,738</u>
Expenditures:				
Administrator's Contract	123,240	-	-	123,240
Salaries & Related Benefits	343,549	-	-	343,549
Payroll Administration Fee	39,223	-	-	39,223
General Office Expenditures	110,287	5,826	62	116,175
Telephone	62,267	-	-	62,267
Travel, Training, & Meetings	23,019	7,561	-	30,580
Vehicle Expense	64,800	-	-	64,800
Insurance	42,098	-	-	42,098
Legal & Professional	13,958	13,388	-	27,346
Contracted Law Clerks	252,995	-	-	252,995
Court Reporters	15,736	68,966	780	85,482
Probation Office Expenditures	347,510	-	-	347,510
Miscellaneous	821	-	-	821
Hearing Officer	-	272,742	-	272,742
Stenographer, Public Defender, & Minute Clerk	-	59,683	-	59,683
FINS Program Expenditures	-	152,657	-	152,657
TASC Program Expenditures	-	193,422	-	193,422
Juvenile Drug Court	-	255,314	-	255,314
Adult Drug Court	-	673,866	-	673,866
Total Expenditures	<u>1,439,503</u>	<u>1,703,425</u>	<u>842</u>	<u>3,143,770</u>
Excess (Deficiency) of Revenues over Expenditures	6,322	35,949	5,697	47,968
Other Financing Sources / (Uses):				
Operating Transfers In / (Out)	30,000	(30,000)	-	-
Total Other Financing Sources / (Uses)	<u>30,000</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	36,322	5,949	5,697	47,968
Fund Balance - Beginning of the Year	264,444	183,468	71,267	519,179
Fund Balance - End of the Year	<u>\$ 300,766</u>	<u>\$ 189,417</u>	<u>\$ 76,964</u>	<u>\$ 567,147</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, 2018

Net Change in Fund Balances, Governmental Funds (Exhibit E)	\$	47,968
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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		-
		<hr/>

Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>47,968</u>
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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, 2018

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 Statute (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, 2018

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 and Indigent Transcript Fund are considered major funds.

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, 2018

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, Court Support Fund, and Indigent Transcript Fund for the fiscal year ended December 31, 2018. 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 2018 were adopted by the Judges on December 27, 2017.
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 December 28, 2018.
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, 2018.

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

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2018

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, 2018, 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, 2018, 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, 2018

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 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, 2018

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 complied with the Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2018.

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, 2018, the District Court had no funds with deficit fund equities.

3. Cash and Cash Equivalents

At December 31, 2018, the District Court had \$210,746 (book balance) in interest-bearing demand deposits as follows:

	Statement of Net Position
Cash and Cash Equivalents	\$ 134,288
Restricted Cash and Cash Equivalents	76,458
Total Interest-Bearing Deposits	\$ 210,746

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, 2018

The following is a summary of cash and investments at December 31, 2018, 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	145,406
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 395,406</u>

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, 2018, \$-0- of the District Court's bank balance of \$395,406 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, 2018, consists of the following:

	<u>Judicial Expense Fund</u>	<u>Court Support Fund</u>	<u>ITF Fund</u>	<u>Total</u>
Civil Court Fees	\$ 2,860	\$ -	\$ 93	\$ 2,953
Criminal Court Fees	46,311	-	413	46,724
Support Enforcement Fees	-	81,277	-	81,277
State of Louisiana Grants:				
TASC Grant	-	43,149	-	43,149
Adult Drug Court	-	54,474	-	54,474
Juvenile Drug Court	-	20,379	-	20,379
21st JDC Criminal Court Fund	128,260	46,383	-	174,643
21st JDC Collections Dept.	34,920	-	-	-
Other	49,901	-	-	49,901
Less: Allowance for Uncollectible Accounts	-	-	-	-
Total Receivables	<u>\$ 262,252</u>	<u>\$ 245,662</u>	<u>\$ 506</u>	<u>\$ 508,420</u>

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

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2018

5. Capital Assets

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

Description	Balance 01/01/18	Additions	Deductions	Balance 12/31/18
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)
Total Capital Assets, Net	\$ -	\$ -	\$ -	\$ -

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	<u>-</u>
Revenue Recognized	79,296
Expenditures	<u>152,657</u>
Excess of Expenditures over Revenues	<u>\$ 73,361</u>

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, 2018

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, 2018:

The District Court currently leases office space in Tangipahoa Parish on a monthly basis. The lease amounts are as follows: \$576 per month for the Probation Office, \$240 per month for the Drug Court, and \$784 per month for the FINS / TASC office.

Rental expense amounted to \$19,200 in 2018.

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, 2018.

9. Commitments and Contingencies

Act 20 of the 2011 Regular Session of the Louisiana Legislature authorized Livingston Parish to collect additional court filing fees needed to pay the revenue bond debt identified in the Loan Agreement by and between the Louisiana Local Governmental Environment Facilities and Community Development Authority and Parish of Livingston relating to \$17,865,000 Revenue Bond Series 2011 (Livingston Parish Courthouse Project) dated September 1, 2011. Anticipating a shortage of revenue generated by the collection of the additional filing costs to debt service the bonds, on February 28, 2012, the Livingston Parish Council, the Twenty-First Judicial District Court, the District Attorney of the Twenty-First Judicial District, the Sheriff for the Parish of Livingston and the Clerk of Court for the Parish of Livingston executed a Cooperative Endeavor Agreement whereby each party has agreed that they will contribute proportionally based on "private quarters" square footage used such funds as may be necessary to pay the bond indebtedness as it comes due, in the event of a shortfall, to avoid default on the bond obligations. The agreement shall remain in effect until the bond indebtedness is paid in accordance with the "bond documents." In the event that the monthly filing fees authorized by Act 20 decrease below the monthly debt service amount required to pay the bonds, the District Court will be required to fund their proportionate share of the shortfall, and this amount could be material to the financial statements.

For the year ended December 31, 2018, monthly filing fees were adequate to pay the monthly debt service requirements. As a result, the District Court was not required to fund any shortfall of the revenue bonds.

10. Subsequent Event

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 30, 2019, and determined that no events occurred that require disclosure. No 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
Budgetary Comparison Schedule (GAAP Basis) – Judicial Expense Fund
For the Year Ended December 31, 2018

Schedule 1

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Civil & Criminal Court Fees	\$ 421,600	\$ 419,100	\$ 410,507	\$ (8,593)
Bond Forfeiture Rebates	225,000	225,000	204,705	(20,295)
Criminal Probation Supervision Fees	645,000	567,000	545,898	(21,102)
Interest Earned	50	50	238	188
Miscellaneous Income	200	1,000	1,000	-
Reimbursement from Criminal Court	83,000	216,200	283,477	67,277
Total Revenues	1,374,850	1,428,350	1,445,825	17,475
Expenditures:				
Administrator's Contract	122,000	123,400	123,240	160
Salaries & Related Benefits	334,100	342,760	343,549	(789)
Payroll Administration Fee	44,000	39,520	39,223	297
General Office Expenditures	119,800	112,560	110,287	2,273
Telephone	64,000	59,550	62,267	(2,717)
Travel, Training, & Meetings	31,050	23,300	23,019	281
Vehicle Expense	64,800	64,800	64,800	-
Insurance	16,000	42,400	42,098	302
Legal & Professional	18,000	18,000	13,958	4,042
Contracted Law Clerks	220,000	253,085	252,995	90
Court Reporters	21,775	18,545	15,736	2,809
Probation Office Expenditures	349,450	346,525	347,510	(985)
Miscellaneous	2,450	2,660	821	1,839
Capital Outlay	-	-	-	-
Total Expenditures	1,407,425	1,447,105	1,439,503	7,602
Excess (Deficiency) of Revenues over Expenditures	(32,575)	(18,755)	6,322	25,077
Other Financing Sources (Uses):				
Operating Transfers In	40,000	30,000	30,000	-
Total Other Financing Sources (Uses)	40,000	30,000	30,000	-
Net Change in Fund Balances	7,425	11,245	36,322	25,077
Fund Balance - Beginning of the Year	264,444	264,444	264,444	-
Fund Balance - End of the Year	\$ 271,869	\$ 275,689	\$ 300,766	\$ 25,077

See auditor's report.

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
Budgetary Comparison Schedule (GAAP Basis) – Court Support Fund
For the Year Ended December 31, 2018

Schedule 2

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Support Enforcement Fees	\$ 512,000	\$ 504,000	\$ 502,246	\$ (1,754)
Federal Grants	-	-	378,575	378,575
State Grants	1,167,107	1,202,107	791,364	(410,743)
Adult Drug Court Program Fees	27,500	22,500	20,709	(1,791)
Interest Earned	40	78	97	19
Miscellaneous Income	-	-	-	-
Reimbursement from Criminal Court	46,000	46,400	46,383	(17)
Total Revenues	1,752,647	1,775,085	1,739,374	(35,711)
Expenditures:				
Court Reporters	70,500	69,000	68,966	34
General Office Expenditures	4,150	6,473	5,826	647
Travel, Training, & Meetings	12,360	8,160	7,561	599
Data Processing	-	-	-	-
Legal & Professional	13,000	15,000	13,388	1,612
Hearing Officer	272,200	272,900	272,742	158
Stenographer, Public Defender, & Minute Clerk	59,750	59,950	59,683	267
FINS Program Expenditures	157,550	154,522	152,657	1,865
TASC Program Expenditures	185,311	185,311	193,422	(8,111)
Juvenile Drug Court	262,700	263,275	255,314	7,961
Adult Drug Court	670,600	705,600	673,866	31,734
Miscellaneous	3,710	-	-	-
Capital Outlay	150	-	-	-
Total Expenditures	1,711,981	1,740,191	1,703,425	36,766
Excess (Deficiency) of Revenues over Expenditures	40,666	34,894	35,949	1,055
Other Financing Sources (Uses):				
Operating Transfers Out	(40,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	(40,000)	(30,000)	(30,000)	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	666	4,894	5,949	1,055
Fund Balance - Beginning of the Year	183,468	183,468	183,468	-
Fund Balance - End of the Year	\$ 184,134	\$ 188,362	\$ 189,417	\$ 1,055

See auditor's report.

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
 Budgetary Comparison Schedule (GAAP Basis) – Indigent Transcript Fund
 For the Year Ended December 31, 2018

Schedule 3

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget Favorable / (Unfavorable)</u>
Revenues:				
Civil & Criminal Court Fees	\$ 6,525	\$ 6,525	\$ 6,539	\$ 14
Total Revenues	<u>6,525</u>	<u>6,525</u>	<u>6,539</u>	<u>14</u>
Expenditures:				
Court Reporters	1,300	1,300	780	520
General Office Expenditures	<u>100</u>	<u>100</u>	<u>62</u>	<u>38</u>
Total Expenditures	<u>1,400</u>	<u>1,400</u>	<u>842</u>	<u>558</u>
Excess (Deficiency) of Revenues over Expenditures	5,125	5,125	5,697	572
Fund Balance - Beginning of the Year	<u>71,267</u>	<u>71,267</u>	<u>71,267</u>	<u>-</u>
Fund Balance - End of the Year	<u>\$ 76,392</u>	<u>\$ 76,392</u>	<u>\$ 76,964</u>	<u>\$ 572</u>

See auditor's report.

Other Supplemental Information

Judicial Expense Fund of the Twenty-First Judicial District Court
Amite, Louisiana
 Schedule of Compensation, Benefits, and Other Payments to Agency Head
 For the Year Ended December 31, 2018

Schedule 4

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

<u>Purpose</u>	<u>Amount</u>
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)	1,303
Home Office / Fax Machine (Paid Direct to AT&T)	1,589
Dues	-
Per Diem	-
Reimbursements (Travel above the amount allowed by the LA Supreme Court)	821
Travel / Training	-
Registration Fees (Paid Direct to Conference)	425
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 11,338</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
Christie J. Barado
Megan E. Lynch
B. Jacob Steib
Debbie G. Faust, EA
Ramona K. Huckabee, EA



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Society of Louisiana CPAs

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 and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court, as of and for the year ended December 31, 2018, 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 May 30, 2019.

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.

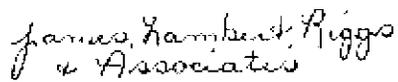
Compliance and Other Matters

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.

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

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

May 30, 2019

Judicial Expense Fund of the Twenty-First Judicial District Court

Amite, Louisiana

Schedule of Findings and Responses

For the Year Ended December 31, 2018

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 and each major fund of the Judicial Expense Fund of the Twenty-First Judicial District Court as of and for the year ended December 31, 2018, 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 May 30, 2019. 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	<u> </u>	Yes	<u> X </u>	No
Significant Deficiencies	<u> </u>	Yes	<u> X </u>	No

Compliance:

Compliance Material to the Financial Statements	<u> </u>	Yes	<u> X </u>	No
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2. Management Letter

Was a management letter issued?	<u> </u>	Yes	<u> X </u>	No
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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, 2018**

<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, 2018

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

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Christie J. Barado
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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 and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) of the Judicial Expense Fund of the Twenty-First Judicial District Court for the period January 1, 2018 through December 31, 2018. The Judicial Expense Fund of the Twenty-First Judicial District Court's management is responsible for those control and compliance areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the Judicial Expense Fund of the Twenty-First Judicial District Court and the Louisiana Legislative Auditor. 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."

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. 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 Judicial Expense Fund of the Twenty-First Judicial District Court and the Louisiana Legislative Auditor 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 Legislative Auditor as a public document.

James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

May 30, 2019

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: The District Court did not have any policies and procedures for disbursements.

- 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: The District Court did not have any policies and procedures for receipts or collections.

- 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: The District Court did not have any written policies and procedures for contracts.

- 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.

Collections

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash / checks / money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

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

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers / registers.

Results: Employees that are responsible for collecting cash do not share cash drawers / registers.

- b) Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Results: Employees responsible for collecting cash are responsible for preparing / making bank deposits; however, all transactions are reconciled by another individual before the deposit is made.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee / official is responsible for reconciling ledger postings to each other and to the deposit.

Results: Employees responsible for collecting cash are responsible for posting collection entries to the general ledger; however all transactions are reconciled by another individual before the deposit is posted to the general ledger.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: Employees responsible for collecting cash are responsible for preparing / making bank deposits; however, all transactions are reconciled by another individual before the deposit is made.

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

Results: All employees who have access to cash are bonded.

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Results: No exceptions in performing the above procedure.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions in performing the above procedure.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions in performing the above procedure.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Results: No exceptions in performing the above procedure.

- e) Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions in performing the above procedure.

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

6. 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.

7. For each location selected under #6 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: The employee responsible for processing payments can add vendors to the accounting software.

- 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.

8. For each location selected under #6 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 #7, as applicable.

Results: No exceptions in performing the above procedure.

Contracts

9. Obtain from management a listing of all agreements / contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: No contracts were subject to the Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body / board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Results: The contracts selected were approved by the Chief Judge.

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

Results: No contracts selected were amended during the fiscal period.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: The invoices for the contracts selected complied with the contract terms.

Payroll and Personnel

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

Results: All selected employees' salaries matched the authorized rates in the personnel files.

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

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

Results: No exceptions in performing the above procedure.

- b) Observe that supervisors approved the attendance and leave of the selected employees / officials.

Results: No exceptions in performing the above procedure.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: No exceptions in performing the above procedure.

12. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees / officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee / officials' cumulative leave records, and agree the pay rates to the employee / officials' authorized pay rates in the employee/officials' personnel files.

Results: No exceptions in performing the above procedure.

13. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: No exceptions in performing the above procedure.



Twenty-First Judicial District Court
State of Louisiana
Parishes of
Livingston, St. Helena and Tangipahoa

Sara F. Brumfield
Judicial Administrator

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June 18, 2019

James, Lambert, Riggs & Associates, Inc.
P O Drawer 369
Hammond, LA 70404

RE: Responses to AUP Write Ups

In response to the Written Policies and Procedures as addressed in our annual audit

For Policies and Procedures that are not in place as of the audit, the District Court is in the process of adopting these policies and procedures.

Sincerely

A handwritten signature in blue ink, appearing to read "Sara Brumfield".

Sara Brumfield
21st Judicial Administrator