14TH JUDICIAL DISTRICT COURT

CHILD SUPPORT ENFORCEMENT FUND

COMPONENT UNIT FINANCIAL REPORT

DECEMBER 31, 2018

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND

LAKE CHARLES, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge Lilynn Cutrer
14th Judicial District Court
Child Support Enforcement Fund
Lake Charles, Louisiana

Report on the Financial Statements

We have audited the accompanying component unit financial statements of the governmental activities of 14th Judicial District Court Child Support Enforcement Fund, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

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

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 of the 14th Judicial District Court Child Support Enforcement Fund 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 as listed in the table of contents 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 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 14th Judicial District Court Child Support Enforcement Fund's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head is presented for the purpose 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 basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019, on our consideration of the 14th Judicial District Court Child Support Enforcement Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 14th Judicial District Court Child Support Enforcement Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 14th Judicial District Court Child Support Enforcement Fund's internal control over financial reporting and compliance.

McElroy Quirk & Burch

Lake Charles, Louisiana
June 21, 2019

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS
December 31, 2018

ASSETS	
Cash and cash equivalents	$ 1,576,891
Interest receivable	2,050
Miscellaneous receivable	2,815
Intergovernmental receivable	165,686
	1,747,442
NONCURRENT ASSETS	
Capital assets, net of depreciation	44,026
Total assets	1,791,468
LIABILITIES	
Accounts payable	3,876
Noncurrent liabilities:	
Due within one year	4,858
Due in more than one year	13,489
Total liabilities	22,223
NET POSITION	
Net investment in capital assets	44,026
Unrestricted	1,725,219
Total net position	$ 1,769,245

The accompanying notes are an integral part of this statement.

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF ACTIVITIES
December 31, 2018

	Functions/Programs			
	Expenses	Charges for Services	Operating Grants and Contributions	Total Net Revenue (Expense)
Governmental activities:				
Public safety	$ 750,581	$ 647,845	$ 164,632	61,896
General revenues:				
Interest				8,126
Change in net position				70,022
Net position - beginning				1,699,223
Net position - ending				$ 1,769,245

The accompanying notes are an integral part of this statement.

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

BALANCE SHEET - GENERAL FUND
December 31, 2018

ASSETS	
Cash and cash equivalents	$ 1,576,891
Interest receivable	2,050
Miscellaneous receivable	2,815
Intergovernmental receivable	165,686
Total assets	$ 1,747,442
LIABILITIES	
Accounts payable	$ 3,876
FUND BALANCE	
Unassigned	1,743,566
Total liabilities and fund balance	$ 1,747,442

The accompanying notes are an integral part of this statement.

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
December 31, 2018

Revenues:	
Collection fees	$ 647,845
Grant revenues	164,632
Interest income	8,126
Total revenues	820,603
Expenditures:	
Current operations:	
Public safety	768,724
Excess of revenue over expenditures	51,879
Fund balance - beginning	1,691,687
Fund balance - ending	$ 1,743,566

The accompanying notes are an integral part of this statement.

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2018

Total governmental fund balances	$ 1,743,566
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	44,026
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	(18,347)
Net position of governmental activities	$ 1,769,245

The accompanying notes are an integral part of this statement.

FOURTEENTH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2018

Amounts reported for governmental activities in the Statement of activities is different because:	
Net change in fund balance	$ 51,879
Amounts reported for governmental activities in the statement of net position is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. There was a current period increase in capital assets of $19,603. Depreciation expense for the current period was $1,815.	12,688
Principal payments of long-term debt	5,455
Change in net position of governmental activities	$ 70,022

The accompanying notes are an integral part of this statement.

14TH JUDICIAL DISTRICT COURT CHILD SUPPORT ENFORCEMENT FUND

NOTES TO FINANCIAL STATEMENTS
December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 14th Judicial District Court Child Support Enforcement Fund was created by Louisiana Revised Statute 46:236.5. This fund was established as an expedited process for the establishment or enforcement of child support obligations. According to the authorizing statute, any court with jurisdiction to establish paternity or to establish or enforce support obligations may implement the above expedited process. This fund was established in 1991.

The accompanying financial statements of the Fourteenth Judicial District Court Child Support Enforcement Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

A. REPORTING ENTITY

This fund is a function of the Calcasieu Parish District Court System, which is a component unit of the Calcasieu Parish Police Jury, and as such, this fund is also a component unit of the Calcasieu Parish Police Jury. This report includes all of the funds relating to the Child Support Enforcement Fund itself as of December 31, 2018 but not the District Court or the Calcasieu Parish Police Jury.

The financial statements of the Fund include all operations and activities under control and authority of the Fund and it was determined that no other agency should be included in this reporting entity.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Internal service fund activity is eliminated to avoid doubling up revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

The Statement of Net Position and the Statement of Activities report financial information for the Child Support Enforcement Fund as a whole. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

FUND FINANCIAL STATEMENTS

The Fund uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The financial statements in this report are grouped into one governmental fund type, the General Fund.

The governmental fund (general fund) is the primary operating fund. It accounts for the collection of authorized child support payments. The child support payments are collected by the State and then distributed to the 14th Judicial District Court Child Support Fund.

Grants received by the Fund are characterized by administrative and/or direct financial involvement. As such, they are accounted for in the general fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement focus - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

Basis of accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available." Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

D. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. ASSETS, LIABILITIES AND NET POSITION, EQUITY OR NET FUND BALANCES

Cash, Cash Equivalents, and Investments - "Cash and Cash Equivalents" includes all demand deposits, savings accounts and certificates of deposit maturing within one year. Certificates maturing beyond one year are considered investments.

Receivables - In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are included in the fund financial statements if they are both measurable and available.

Capital assets - In the government-wide financial statements, capital assets purchased or acquired with an original cost of $2,500 or more are reported at historical cost. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Computer equipment, including software	5 - 10 years
Furniture, office equipment	5 - 10 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures of the fund upon acquisition. Capital assets reported herein include only those assets purchased by the Child Support Enforcement Fund and do not reflect assets of the court obtained from other sources. The Fund has no infrastructure assets.

F. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

G. NET POSITION FLOW ASSUMPTION

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balances - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net position:

Net position is displayed in three components:

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Program Revenues - Program revenues include amounts for administering expedited support payments as well as the various operational and capital grants. Management's policy is to allocate indirect expenses to the programs in the statement of activities based on the relative amount of time spent administering each program. Indirect expenses associated with administration of the grant programs in 2018 were negligible and not allocated.

H. Budgets and Budgetary Accounting - Annually, the Fund adopts a revenue and expenditure budget for the general fund. A forecast of revenues and expenditures is made based upon the prior year's expenditures, taking into consideration additional expenditures which can be predetermined and estimated. Amendment to the budget is required when actual receipts for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures for the year exceeded budgeted expenditures by five percent or more. The budget is adopted on the cash basis method of accounting. Budgetary comparisons presented in this report are on this non-GAAP budgetary basis. Budget amounts are as originally adopted, adjusted for subsequent amendments.

Encumbrance accounting is not used.

J. Retirement/Vacation Benefits - The various court employees' salaries are paid by the Calcasieu Parish Police Jury and their retirement and vacation benefits are established and provided by the Police Jury since these individuals are employees of the Police Jury. The Child Support Fund does reimburse the Police Jury for the salaries and benefits of individuals specifically working with this fund's activities. The Fund does not provide any direct benefits in the form of retirement or vacation.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all demand deposits, savings deposits, and certificates of deposit maturing within one year. The Fund's cash and cash equivalent balance at December 31, 2018 consists of cash in the amount of $1,019,088 and two certificates of deposit in the amounts of $400,000 and $158,020 maturing April 5, 2019 and January 25, 2019, respectively.

The Fund maintains demand deposits through local depository banks which are members of the Federal Reserve System.

Deposits in excess of federally insured amounts are required by Louisiana state statute to be protected by collateral of equal market value. Authorized collateral includes general obligations of the U.S. Government, general obligation bonds of any state of the U.S., or of any Louisiana parish, municipality or school district.

The Fund's bank demand and time deposits at year end of $1,588,035 (bank balances) were entirely covered by federal depository insurance or by pledge of securities owned by the financial institution in the Fund's name.

Interest rate risk. The Fund's investment policy does not address interest rate risk.

Credit risk. In accordance with state law, the Fund limits investments to the following:

1. Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.

2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the U.S., including U.S. Export Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration Debentures, General Services Administration, Government National Mortgage Association (guaranteed mortgage-backed bonds and guaranteed pass-through obligations), U.S. Maritime Administration (guaranteed Title XI financing), and U.S. Department of Housing and Urban Development.

3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored, including Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Resolution Funding Corporation.

4. Direct security repurchase agreements of any federal bank entry only securities enumerated above.

5. Time certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, or share accounts and share certificates accounts of federally or state chartered credit unions issuing time certificates of deposit; provided that the rate of interest paid for time certificates of deposit shall be not less than fifty basis points below the prevailing market interest rate on direct obligations of the U.S. Treasury with a similar length of maturity.

6. Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies.

As of December 31, 2018, all of the Fund's investments were held according to policy.

As of December 31, 2018, the Fund had the following investments and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Certificate of deposit	$ 558,020	$ 558,020	$ -	$ -	$ -

Custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

3. RECEIVABLES

The Fund participates in several federal, state, and local programs from which it received grants to partially or fully finance certain activities. Amounts due from federal and state governments for collections activities and grants are reflected as amounts due from governmental units on the financial statements. Receivables as of year end are not believed to have a credit risk exposure and consist of amounts due from governmental units, reimbursements receivable and interest receivable as follows:

Intergovernmental receivable:	
Domestic Violence Grant - CFDA #16.575	$ 13,723
Crime Victim Counseling Grant - CFDA #16.575	49,946
Collections receivable	102,017
Due from governmental units	165,686
Interest receivable	2,050
Miscellaneous receivable	2,815
Total receivable	$ 170,551

4. CAPITAL ASSETS

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

	Balance 1/1/18	Increases	Decreases	Balance 12/31/18
Computers, furniture and equipment	$ 126,565	$ 19,603	$ -	$ 146,168
Accumulated depreciation	(95,227)	(6,913)	-	(102,142)
Capital assets, net	$ 31,338	$ 12,688	$ -	$ 44,026

5. FUND BALANCE

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Fund classifies governmental fund balances as follows:

Non-spendable -
includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted -
includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained or due to constitutional provisions or enabling legislation.

Committed -
includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (the Judges) and does not lapse at year end. Formal action by the same authority is required to rescind such a commitment.

Assigned -
includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Judges.

Unassigned -
includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Fund uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the government would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Fund does not have a formal minimum fund balance policy.

6. COMMITMENTS AND CONTINGENCIES

Reimbursement payments may be subject to review and audit by the grantor agencies. No provision has been made in the financial statements for the reimbursement of any expenditure that may be disallowed as a result of such a review or audit.

Management has represented that there is no litigation pending against the Child Support Enforcement Fund at December 31, 2018.

7. Leases

Minimum future lease payments under capital leases as of December 31, 2018 are as follows:

2019	$ 4,858
2020	4,858
2021	4,858
2022	3,773
	18,347
Amount representing interest	-
Present value of minimum lease payable	$ 18,347

Following is a summary of property held under capital lease:

Copier	$ 25,502
Accumulated depreciation	(6,801)
	$ 18,701

The Fund is the lessee of a copier under capital lease expiring in 2022. In the government-wide financial statements, the assets and liabilities under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The asset is depreciated over the lower of its related lease terms or its estimated productive life. Depreciation of the asset under capital lease is included in depreciation expense for 2018.

8. Subsequent Events

Subsequent events have been evaluated through June 21, 2019, the date the financial statements were available to be issued.

14TH JUDICIAL DISTRICT COURT CHILD SUPPORT ENFORCEMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2018

Required supplementary information includes financial information and disclosures that are required by GASB and are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary (Non-GAAP) Basis

- Note to Required Supplementary Information - Budgetary Reporting

14TH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND BUDGET (NON-GAAP BASIS) AND ACTUAL
Year Ended December 31, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Collection fees	$ 651,756	$ 655,284	$ 651,986	$ (3,298)
Grant revenues	183,905	102,165	125,439	23,274
Interest income	450	2,485	8,126	5,641
Total revenues	836,111	759,934	785,551	25,617
Expenditures:				
Accounting and audit	12,000	14,500	14,500	-
Office equipment	15,000	28,000	28,190	(190)
Meeting expenses	5,000	3,000	3,155	(155)
Dues and subscriptions	4,200	4,200	4,436	(236)
Equipment rental	8,000	5,500	5,408	92
Parking fees	3,600	3,600	3,612	(12)
Miscellaneous	5,000	2,500	4,226	(1,726)
Office supplies	14,000	8,000	8,117	(117)
Salaries	566,126	567,313	567,312	1
Postage and delivery	3,500	2,000	2,947	(947)
Printing	10,000	9,000	6,500	2,500
Professional fees-other	4,000	2,000	1,034	966
Repairs	12,000	9,000	10,528	(1,528)
Computer programming	9,000	6,000	259	5,741
Telephone	7,500	6,000	5,449	551
Travel	10,000	10,000	10,504	(504)
Grant expenses	192,382	110,642	90,967	19,675
Total expenditures	881,308	791,255	767,144	24,111
Excess of revenues over expenditures	(45,197)	(31,321)	18,407	49,728
Fund balance - beginning	1,691,687	1,691,687	1,691,687	-
Fund balance - ending	$ 1,646,490	$ 1,660,366	$ 1,710,094	$ 49,728

The accompanying note is an integral part of this schedule.

14TH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

The accompanying Budgetary Comparison Schedule presents comparisons of the adopted budget with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basic timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended December 31, 2018 is presented below:

Excess of revenues and other financial resources over expenditures and other uses of financial resources (budgetary basis)	$ 18,407
Adjustments:	
To adjust revenues for program and interest revenue accruals	35,054
To adjust expenditures for expense accruals	(1,582)
Excess of expenditures and other financial resources over revenues and other uses of financial resources (GAAP basis)	$ 51,879

14TH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
Year Ended December 31, 2018

Agency Head Name: Judge Lilynn Cutrer

The Officer herein is a District Judge and as such is an employee of the State of Louisiana. The payments as required to be disclosed per Act 706 for the fiscal year ended December 31, 2018, are as follows:

Through the 14th Judicial District Court:	
Conference and seminar fees	$ 2,157.65
Through the Supreme Court of Louisiana:	
Conference and seminar fees	7,284.23
Through the 14th JDC-CS Fund:	
Conference and seminar fees	165.24

The Judge did not receive any salary, retirement, or insurance benefits from the fund.

14TH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
Year Ended December 31, 2018

Agency Head Name: Judge Guy Bradberry

The Officer herein is a District Judge and as such is an employee of the State of Louisiana. The payments as required to be disclosed per Act 706 for the fiscal year ended December 31, 2018, are as follows:

Through the 14th Judicial District Court:	
Conference and seminar fees	$ 5,640.99
Through the Supreme Court of Louisiana:	
Conference and seminar fees	8,022.04
Through the 14th JDC-CS Fund:	
Conference and seminar fees	146.08

The Judge did not receive any salary, retirement, or insurance benefits from the fund.

14TH JUDICIAL DISTRICT COURT
CHILD SUPPORT ENFORCEMENT FUND
LAKE CHARLES, LOUISIANA

STATEMENT OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
Year Ended December 31, 2018

Agency Head Name: Judge Mitch Redd

The Officer herein is a District Judge and as such is an employee of the State of Louisiana. The payments as required to be disclosed per Act 706 for the fiscal year ended December 31, 2018, are as follows:

Through the 14th Judicial District Court:	
Conference and seminar fees	$ 2,268.30
Through the Supreme Court of Louisiana:	
Conference and seminar fees	7,146.00
Through the 14th JDC-CS Fund:	
Conference and seminar fees	19.28

The Judge did not receive any salary, retirement, or insurance benefits from the fund.

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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*

Honorable Judge Lilynn Cutrer
14th Judicial District Court Child
Support Enforcement Fund
Lake Charles, 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 component unit financial statements of the governmental activities of the 14th Judicial District Court Child Support Enforcement Fund, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the 14th Judicial District Court Child Support Enforcement Fund's basic financial statements and have issued our report thereon dated June 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 14th Judicial District Court Child Support Enforcement Fund's internal control over financial reporting (internal control)to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 14th Judicial District Court Child Support Enforcement Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the 14th Judicial District Court Child Support Enforcement Fund's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We considered the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. 2018-001 and 2018-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 14th Judicial District Court Child Support Enforcement Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

14th Judicial District Court Child Support Enforcement Fund's Response to Findings

The 14th Judicial District Court Child Support Enforcement Fund's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The 14th Judicial District Court Child Support Enforcement Fund's responses were not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

McElroy Quirk & Burch

Lake Charles, Louisiana
June 21, 2019

14TH JUDICIAL DISTRICT COURT CHILD
SUPPORT ENFORCEMENT FUND

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2018

Section I Summary of Auditors' Reports/Results

A. The type of report issued on the financial statements was an unmodified opinion.

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

Internal Control Material Weaknesses	X Yes	___ No
Internal Control Other Matters	___ Yes	X No

Noncompliance Material to Financial Statements ___ Yes X No

C. Federal Awards

Not Applicable

Section II Financial Statement Findings

2018-001 Lack of Segregation of Duties

Condition: There is a lack of segregation of duties over financial activity.

Criteria: An effective internal control is dependent to a great extent on segregation of responsibilities for initiating, evaluating, and approving transactions from those for detail accounting and other related functions.

Effect: When internal control is limited by a lack of segregation of duties there is always a possibility that transactions could be processed that would negatively affect the entity.

Cause: Because of the entity's size, it is not feasible to segregate duties to achieve effective internal accounting control.

Recommendation: We do recommend that, whenever possible, management take an active interest in reviewing the monthly financial information.

Management's response: Management concurs with the above recommendation.

2018-002 Financial Statement Reporting Controls

Criteria: The Auditing Standards Board issued guidance to auditors related to entity's internal controls over financial reporting. Many small organizations rely on their auditor to generate the annual financial statements including footnotes. Standards emphasize that the auditor cannot be part of the system of internal control over financial reporting.

Condition: In our judgment, the Fund's accounting personnel and those charged with governance, in the course of their assigned duties, lack the resources to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles and to detect and correct a material misstatement, if present.

Effect: Material misstatements in financial statements could go undetected.

Recommendation: In our judgment, due to the lack of resources available to management to correct this material weakness in financial reporting, we recommend management mitigate this weakness by having a heightened awareness of all transactions being reported.

Management's response: We concur with this recommendation. Management has implemented supervision and review procedures to the extent possible.

14TH JUDICIAL DISTRICT COURT CHILD
SUPPORT ENFORCEMENT FUND

MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)
DECEMBER 31, 2018

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2018-001: Lack of Segregation of Duties.

Due to limited personnel and the small size of the entity, it is not feasible to segregate these duties. Management does perform a monthly overview of the accountability of the fund and will continue to do so.

2018-002: Financial Statement Reporting Controls

Management has implemented supervision and review procedures to the extent possible.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

This section is not applicable to the Fund.

14TH JUDICIAL DISTRICT COURT CHILD
SUPPORT ENFORCEMENT FUND

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
December 31, 2018

2017-001

Finding: Lack of segregation of duties.

Status: Due to the entity's size, there is an ongoing lack of segregation of duties. Refer to current year item 2018-001.

2017-002

Finding: Financial statement reporting controls.

Status: In our opinion, the Fund's accounting personnel and those charged with governance, in the course of their assigned duties, lack the capable resources to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles and to detect and correct a misstatement, if present. Refer to current year item 2018-002.

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09000 000 AUP REPORT 14TH JDC

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To Honorable Judge Lilynn Cutrer
14th Judicial District Court
Child Support Fund
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the 14th Judicial District Court Child Support Enforcement Fund and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

   No exceptions noted.

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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.

No exceptions noted.

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

No exceptions noted.

d) ***Receipts***, 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.

No exceptions noted.

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

No exceptions noted.

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

There is a written policy; however, it does not fully address all of the listed elements due to infrequent use of contracting.

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

No exceptions noted.

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

No exceptions noted.

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.

No exceptions noted.

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

Not applicable.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year.

a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

See note above.

b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statement or (budget-to-actual comparisons, if budgeted) for proprietary funds.

See note above.

c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general ledger. If the general fund has a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

See note above.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

There is no evidence that a member or management or a board member, with no involvement in the transactions, has reviewed each bank reconciliation.

c. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections

4. 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).

No exceptions noted.

5. 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 not written policies or procedures, inquire of employees about their job duties) at each 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.

Only one person responsible for collecting cash. There are no cash drawers or 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 to the deposit.

The employee responsible for collecting cash is also responsible for preparing/making bank deposits.

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.

Only one employee responsible for collecting cash. That employee is also responsible for posting collection entries 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.

No exceptions noted.

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

No exceptions noted.

7. 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 not deposits were made on the same day). Obtain supporting documentation for each of the 10 deposits and:

   a. Observe that receipts are sequentially pre-numbered.

   No exceptions noted.

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

   No exceptions noted.

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

   No exceptions noted.

   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).

   No exceptions noted.

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

   No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations 9or all locations if less than 5).

   No exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employee 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 relating to the job duties (if the agency has no written policies and procedures, inquired 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.

      No exceptions noted.

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

      No exceptions noted.

   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.

      No exceptions noted.

   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.

      An employee and official both sign checks. The employee is also responsible for processing the payment.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

       No exceptions noted.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9 as applicable.

No exceptions noted.

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

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

No exceptions noted.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

a.) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

There is no evidence that the monthly statement was reviewed and approved in writing by someone other than the authorized card holder.

b.) Observe that finance charges and late fees were assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions is less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Two transactions did not have an original itemized receipt. Four transactions did not have a documented business purpose.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year.

    a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

    See note above.

    b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased:

    See note above

    c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h):

    See note above

    d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

    See note above.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. 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:

The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year.

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:

See note above.

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):

See note above.

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

See note above.

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:

See note above.

Payroll and Personnel

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

The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year.

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

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

See note above.

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

See note above.

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

See note above.

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

See note above.

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

See note above.

Ethics

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

The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year.

a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period:

See note above.

b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period:

See note above.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued:

    The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants:

    See note above.

Other

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

    The procedures in this category were excluded, as allowed by the Legislative Auditor "Rotation of Procedures" policy, due to this category having no exceptions in the previous year

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds:

    See note above

Management's Response and Corrective Action

Management's response and corrective action plan for exceptions noted in the above agreed-upon procedures:

Written Policies and Procedures: Procedure 1(f): Due to the Fund's infrequent use of contracting, it is not necessary for the written policy to fully address all listed elements.

Bank Reconciliations: Procedure 3b: All bank reconciliations are reviewed by a Judge. In the future, the Fund will document bank reconciliation reviews by initialing the bank reconciliation upon review.

Collections: Procedure 5b: Due to the Fund's size, it is not feasible to segregate collection duties.

Collections: Procedure 5c: Due to the Fund's size, it is not feasible to segregate collection duties.

Disbursements: Procedure 9d: The administrator has signatory authority and can process payments; however, all checks must be signed by a Judge also, who cannot process payments.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: Procedure 12a: The Fund will establish a policy in which monthly statements are reviewed and approved in writing by someone other than the authorized card holder.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: Procedure 13(1): The Fund will establish a policy in which each transaction is supported by an itemized receipt.

Credit Cards/Debit Cards/Fuel Cards/P-Cards: Procedure 13(2): The Fund will establish a policy in which the business purpose is written on each receipt.

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

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

McElroy Quirk & Burch

Lake Charles, Louisiana
June 21, 2019