

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

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2017

Judicial Expense Fund of the Twenty-First Judicial District Court

Amite, Louisiana

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As of and For the Year Ended December 31, 2017

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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, 2017, 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, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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

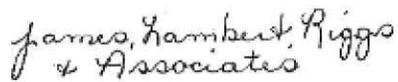
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District Court's basic financial statements. The schedule of compensation, benefits, and other payments to agency head is presented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

Judicial Expense Fund of the Twenty-First Judicial District Court
June 11, 2018

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2018, 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 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.

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

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

June 11, 2018

**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, 2017

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 82,124
Investments	138,489
Accounts Receivable, Net	498,761
Restricted Cash and Cash Equivalents	70,697
Capital Assets, Net of Accumulated Depreciation (Note 6)	<u>-</u>
Total Assets	<u>\$ 790,071</u>
Liabilities	
Accounts Payable	<u>\$ 270,892</u>
Total Liabilities	<u>\$ 270,892</u>
Net Position	
Net Investment in Capital Assets	\$ -
Restricted	71,267
Unrestricted	<u>447,912</u>
Total Net Position	<u>\$ 519,179</u>

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, 2017

Exhibit B

	Governmental Activities
Expenses:	
District Court Activities:	
Salaries / Related Benefits	\$ 1,149,253
Payroll Administration Fee	43,940
Operating Grant Expenses	1,326,422
Probation Office Expenses	346,890
Cooperative Endeavor Agreement	-
Automobile	64,800
General Office Expenses	124,082
Insurance	15,777
Legal & Professional	22,316
Miscellaneous	5,966
Telephone	63,352
Travel, Training, & Meetings	42,140
Depreciation	-
Total Expenses	3,204,938
 Program Revenues:	
Charges for Services	-
Operating Grants	-
Total Program Revenues	2,997,536
 Net Program (Expense) / Revenue	 (207,402)
 General Revenues:	
Criminal Court Reimbursement	-
Interest	-
Miscellaneous Income	635
Total General Revenues	207,842
 Change in Net Position	 440
 Net Position - Beginning of the Year	 518,739
Net Position - End of the Year	\$ 519,179

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, 2017

	General Fund	Court Support Fund	Indigent Transcript Fund	Total
Assets				
Cash and Cash Equivalents	\$ 48,727	\$ 33,397	\$ -	\$ 82,124
Investments	138,489	-	-	138,489
Accounts Receivable, Net	301,629	196,562	570	498,761
Due from Other Funds	-	-	-	-
Restricted Cash & Cash Equivalents	-	-	70,697	70,697
Total Assets	<u>\$ 488,845</u>	<u>\$ 229,959</u>	<u>\$ 71,267</u>	<u>\$ 790,071</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 224,401	\$ 46,491	\$ -	\$ 270,892
Due to Other Funds	-	-	-	-
Total Liabilities	224,401	46,491	-	270,892
Fund Balances:				
Restricted for Indigent Transcripts	-	-	71,267	71,267
Assigned for General Usage	-	183,468	-	183,468
Unassigned	264,444	-	-	264,444
Total Fund Balances	<u>264,444</u>	<u>183,468</u>	<u>71,267</u>	<u>519,179</u>
Total Liabilities and Fund Balances	<u>\$ 488,845</u>	<u>\$ 229,959</u>	<u>\$ 71,267</u>	<u>\$ 790,071</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, 2017

	General Fund	Court Support Fund	Indigent Transcript Fund	Total
Revenues:				
Charges for Services	\$ 1,243,854	\$ 524,077	\$ 6,485	\$ 1,774,416
Federal Operating Grants	-	355,757	-	355,757
State Operating Grants	-	867,363	-	867,363
Interest	235	47	-	282
Miscellaneous Income	635	-	-	635
Criminal Court Reimbursement	162,707	44,218	-	206,925
Total Revenues	<u>1,407,431</u>	<u>1,791,462</u>	<u>6,485</u>	<u>3,205,378</u>
Expenditures:				
Administrator's Contract	121,173	-	-	121,173
Salaries & Related Benefits	355,587	-	-	355,587
Payroll Administration Fee	43,940	-	-	43,940
General Office Expenditures	120,382	3,691	9	124,082
Telephone	63,352	-	-	63,352
Travel, Training, & Meetings	31,110	11,030	-	42,140
Vehicle Expense	64,800	-	-	64,800
Insurance	15,777	-	-	15,777
Legal & Professional	11,466	10,850	-	22,316
Contracted Law Clerks	244,120	-	-	244,120
Court Reporters	22,461	68,419	6,363	97,243
Probation Office Expenditures	346,890	-	-	346,890
Miscellaneous	2,256	3,710	-	5,966
Hearing Officer	-	270,980	-	270,980
Stenographer, Public Defender, & Minute Clerk	-	60,150	-	60,150
FINS Program Expenditures	-	151,926	-	151,926
TASC Program Expenditures	-	188,629	-	188,629
Juvenile Drug Court	-	288,280	-	288,280
Adult Drug Court	-	697,587	-	697,587
Total Expenditures	<u>1,443,314</u>	<u>1,755,252</u>	<u>6,372</u>	<u>3,204,938</u>
Excess (Deficiency) of Revenues over Expenditures	(35,883)	36,210	113	440
Other Financing Sources / (Uses):				
Operating Transfers In / (Out)	10,000	(10,000)	-	-
Total Other Financing Sources / (Uses)	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(25,883)	26,210	113	440
Fund Balance - Beginning of the Year	290,327	157,258	71,154	518,739
Fund Balance - End of the Year	<u>\$ 264,444</u>	<u>\$ 183,468</u>	<u>\$ 71,267</u>	<u>\$ 519,179</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, 2017

Net Change in Fund Balances, Governmental Funds (Exhibit E)	\$	440
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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>440</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, 2017

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, 2017

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, 2017

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, 2017. 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 2017 were adopted by the Judges on December 27, 2016.
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 27, 2017.
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, 2017.

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

Notes To The Financial Statements (Continued)
For the Year Ended December 31, 2017

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, 2017, 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 estimated fair market value 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, 2017, 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, 2017

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, 2017

N. Estimates

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

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds. All annual appropriations lapse at year-end. See Note 1 regarding operating budgets. The District Court compiled with the Local Government Budget Act in adopting and amending its budget for the year ended December 31, 2017.

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, 2017, the District Court had no funds with deficit fund equities.

3. Cash and Cash Equivalents

At December 31, 2017, the District Court had \$152,821 (book balance) in interest-bearing demand deposits as follows:

	Statement of Net Position
Cash and Cash Equivalents	\$ 82,124
Restricted Cash and Cash Equivalents	70,697
Total Interest-Bearing Deposits	\$ 152,821

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, 2017

The following is a summary of cash and investments at December 31, 2017, with the related federal deposit insurance and pledge securities:

Bank Balances and Investments:	
Insured (FDIC Insurance)	\$ 388,777
Collateralized:	
Collateral held by pledging bank's trust department not in the District Court's name	-
Uninsured and Uncollateralized	-
Total Deposits	<u>\$ 388,777</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, 2017, \$-0- of the District Court's bank balance of \$388,777 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, 2017, consists of the following:

	<u>Judicial Expense Fund</u>	<u>Court Support Fund</u>	<u>ITF Fund</u>	<u>Total</u>
Civil Court Fees	\$ 2,040	\$ -	\$ 233	\$ 2,273
Criminal Court Fees	15,826	-	337	16,163
Support Enforcement Fees	-	39,553	-	39,553
State of Louisiana Grants:				
TASC Grant	-	39,225	-	39,225
Adult Drug Court	-	54,457	-	54,457
Juvenile Drug Court	-	19,009	-	19,009
21st JDC Criminal Court Fund	179,666	44,218	-	223,884
21st JDC Collections Dept.	-	-	-	-
Other	104,097	100	-	104,197
Less: Allowance for Uncollectible Accounts	-	-	-	-
Total Receivables	<u>\$ 301,629</u>	<u>\$ 196,562</u>	<u>\$ 570</u>	<u>\$ 498,761</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, 2017

5. Capital Assets

Capital asset activity for the year ended December 31, 2017, is as follows:

Description	Balance 01/01/17	Additions	Deductions	Balance 12/31/17
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>151,926</u>
Excess of Expenditures over Revenues	\$ <u>72,630</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, 2017

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, 2017:

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 2017.

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, 2017.

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, 2017, 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, June 11, 2018, 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, 2017

Schedule 1

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Civil & Criminal Court Fees	\$ 411,000	\$ 406,100	\$ 398,900	\$ (7,200)
Bond Forfeiture Rebates	170,000	212,000	212,164	164
Criminal Probation Supervision Fees	612,500	590,100	632,790	42,690
Interest Earned	50	35	235	200
Miscellaneous Income	-	-	635	635
Reimbursement from Criminal Court	-	118,005	162,707	44,702
Total Revenues	1,193,550	1,326,240	1,407,431	81,191
Expenditures:				
Administrator's Contract	120,000	121,175	121,173	2
Salaries & Related Benefits	370,500	355,800	355,587	213
Payroll Administration Fee	420	44,040	43,940	100
General Office Expenditures	122,850	120,570	120,382	188
Telephone	64,000	61,000	63,352	(2,352)
Travel, Training, & Meetings	22,800	31,360	31,110	250
Vehicle Expense	64,800	64,800	64,800	-
Insurance	12,000	21,200	15,777	5,423
Legal & Professional	15,000	15,000	11,466	3,534
Contracted Law Clerks	115,000	244,000	244,120	(120)
Court Reporters	15,520	21,829	22,461	(632)
Probation Office Expenditures	337,800	347,650	346,890	760
Miscellaneous	1,650	2,575	2,256	319
Capital Outlay	-	-	-	-
Total Expenditures	1,262,340	1,450,999	1,443,314	7,685
Excess (Deficiency) of Revenues over Expenditures	(68,790)	(124,759)	(35,883)	88,876
Other Financing Sources (Uses):				
Operating Transfers In	60,000	40,000	10,000	(30,000)
Total Other Financing Sources (Uses)	60,000	40,000	10,000	(30,000)
Net Change in Fund Balances	(8,790)	(84,759)	(25,883)	58,876
Fund Balance - Beginning of the Year	290,327	290,327	290,327	-
Fund Balance - End of the Year	\$ 281,537	\$ 205,568	\$ 264,444	\$ 58,876

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, 2017

Schedule 2

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Support Enforcement Fees	\$ 521,000	\$ 501,000	\$ 497,303	\$ (3,697)
Federal Grants	-	-	355,757	355,757
State Grants	1,184,507	1,182,107	867,363	(314,744)
Adult Drug Court Program Fees	25,000	27,000	26,774	(226)
Interest Earned	40	40	47	7
Miscellaneous Income	-	-	-	-
Reimbursement from Criminal Court	50,000	44,000	44,218	218
Total Revenues	1,780,547	1,754,147	1,791,462	37,315
Expenditures:				
Court Reporters	69,500	68,708	68,419	289
General Office Expenditures	3,900	4,140	3,691	449
Travel, Training, & Meetings	14,758	11,858	11,030	828
Data Processing	3,000	-	-	-
Legal & Professional	-	12,000	10,850	1,150
Hearing Officer	266,187	271,087	270,980	107
Stenographer, Public Defender, & Minute Clerk	57,400	59,750	60,150	(400)
FINS Program Expenditures	146,750	151,307	151,926	(619)
TASC Program Expenditures	185,311	185,311	188,629	(3,318)
Juvenile Drug Court	278,000	278,010	288,280	(10,270)
Adult Drug Court	676,300	666,900	697,587	(30,687)
Miscellaneous	100	3,710	3,710	-
Capital Outlay	150	150	-	150
Total Expenditures	1,701,356	1,712,931	1,755,252	(42,321)
Excess (Deficiency) of Revenues over Expenditures	79,191	41,216	36,210	(5,006)
Other Financing Sources (Uses):				
Operating Transfers Out	(100,000)	(40,000)	(10,000)	30,000
Total Other Financing Sources (Uses)	(100,000)	(40,000)	(10,000)	30,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(20,809)	1,216	26,210	24,994
Fund Balance - Beginning of the Year	157,258	157,258	157,258	-
Fund Balance - End of the Year	\$ 136,449	\$ 158,474	\$ 183,468	\$ 24,994

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, 2017

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	\$ 5,875	\$ 6,515	\$ 6,485	\$ (30)
Total Revenues	<u>5,875</u>	<u>6,515</u>	<u>6,485</u>	<u>(30)</u>
Expenditures:				
Court Reporters	1,200	6,363	6,363	-
General Office Expenditures	<u>50</u>	<u>-</u>	<u>9</u>	<u>(9)</u>
Total Expenditures	<u>1,250</u>	<u>6,363</u>	<u>6,372</u>	<u>(9)</u>
Excess (Deficiency) of Revenues over Expenditures	4,625	152	113	(39)
Fund Balance - Beginning of the Year	<u>71,154</u>	<u>71,154</u>	<u>71,154</u>	<u>-</u>
Fund Balance - End of the Year	<u>\$ 75,779</u>	<u>\$ 71,306</u>	<u>\$ 71,267</u>	<u>\$ (39)</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, 2017

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)	1,244
Home Office / Fax Machine (Paid Direct to AT&T)	1,393
Dues	-
Per Diem	-
Reimbursements (Travel above the amount allowed by the LA Supreme Court)	1,321
Travel / Training	-
Registration Fees (Paid Direct to Conference)	750
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 11,908</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.

See auditor's report.

**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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& ASSOCIATES, INC.**
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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 for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twenty-First Judicial District Court's basic financial statements, and have issued our report thereon dated June 11, 2018.

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 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

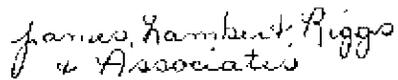
As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twenty-First Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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

Judicial Expense Fund of the Twenty-First Judicial District Court
June 11, 2018

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

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

June 11, 2018

Judicial Expense Fund of the Twenty-First Judicial District Court

Amite, Louisiana

Schedule of Findings and Responses

For the Year Ended December 31, 2017

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, 2017, and the related notes to the financial statements, which collectively comprise the District Court's basic financial statements, and have issued our report thereon dated June 11, 2018. 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, 2017**

<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, 2017

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

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

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

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) for the fiscal period January 1, 2017 through December 31, 2017. The District Court's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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.

Our procedures and findings are detailed in Schedule "A"

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

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. 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

June 11, 2018

Written Policies and Procedures

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

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

Results: We sighted the District Court's written policies and procedures for budgeting.

- 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 sighted the District Court's written policies and procedures for purchasing.

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

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

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

Results: The District Court did not have any written policies and procedures for receipts.

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

Results: We sighted the District Court's written policies and procedures for payroll / personnel.

- 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, and (5) monitoring card usage

Results: We sighted the District Court's written policies and procedures for credit cards and fuel cards.

- 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 sighted the District Court's written policies and procedures for travel and expense reimbursements.

- 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. Note: Ethics requirements are not applicable to nonprofits.

Results: We sighted the District Court's written policies and procedures for ethics.

- j) **Debt Service**, including (1) debt issuance approval, (2) 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.

Board (or Finance Committee, if applicable)

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

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

Results: Per a review of the minutes of the District Court for the period January 1, 2017 through December 31, 2017, the District Court Judges met three times.

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

Results: Per a review of the minutes of the District Court for the period January 1, 2017 through December 31, 2017, the minutes referenced budget-to-actual comparisons on the District Court's major funds.

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

Results: Per a review of the minutes of the District Court for the period January 1, 2017 through December 31, 2017, there was a budgeted deficit throughout the year; however, this was anticipated and the District Court maintained an adequate fund balance to support this deficit.

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

Results: Per a review of the minutes of the District Court for the period January 1, 2017 through December 31, 2017, the District Court approved contracts and grant agreements in at least one meeting during the year.

Bank Reconciliations

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

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

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Results: For the three (3) bank accounts selected, all bank reconciliations were prepared for all twelve months for the period January 1, 2017 through December 31, 2017.

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

Results: For the three (3) bank accounts selected, evidence existed that the bank statements and bank reconciliations were reviewed by a member of management or a board member for the period January 1, 2017 through December 31, 2017.

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

Results: For the three (3) bank accounts selected, no accounts had outstanding items over 6 months as of December 31, 2017.

Collections

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

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

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in

the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Results: No cash is collected by the District Court. Two (2) employees that are responsible for collecting checks / money orders are bonded. One (1) employee that collects checks / money orders is responsible for preparing the deposits, recording the transactions in the accounting system, and for reconciling the bank account. Each employee responsible for collecting cash has his / her own check / money order drawer.

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

Results: Management provided us with written documentation for reconciling cash collections to the general ledger. This daily reconciliation is performed by an individual not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

Results: All five (5) days' collections were deposited either the same day or within one business day.

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

Results: Daily cash collections for the highest week of cash collections were completely supported by documentation.

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

Results: The District Court did not have written policies and procedures for receipts.

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

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

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

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

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

Results: For the twenty-five (25) transactions selected, all transactions selected were initiated using a purchase order system that separated the initiation and approval functions.

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

Results: For the twenty-five (25) transactions selected, all transactions selected were initiated using a purchase order system that separated the initiation and approval functions.

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

Results: For the twenty-five (25) transactions selected, all transactions selected were initiated using an approved purchase order. All twenty-five (25) transactions including a receiving report, when applicable, and all twenty-five (25) transactions had an approved invoice.

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

Results: We sighted the District Court's written policies and procedures for purchasing. The accounts payable clerk responsible for processing payments is able to add vendors to the District Court's purchasing / disbursement system.

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

Results: We sighted the District Court's written policies and procedures for purchasing. The individuals who can initiate or record purchases do not have signatory authority.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: We sighted the District Court's written policies and procedures for purchasing. Checks are maintained in a locked filing cabinet, with access restricted to those who do not have signatory authority.

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

Results: No signature stamp or machine is utilized by the District Court.

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

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

Results: Management provided us with the required listing of credit cards and fuel cards as well as management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized cardholder. [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.)]

Results: For the two (2) credit cards selected, the statements of both cards were reviewed and approved, in writing, by the Judicial Administrator, who is the authorized cardholder. The credit card statements are also reviewed and approved by the Chief Judge.

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

Results: For the two (2) credit cards selected, no finance charges and / or late charges were assessed.

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

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased).

Results: For the two (2) credit cards selected, both cards had supporting itemized receipts for all transactions.

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

Results: For the two (2) credit cards selected, both cards selected had supporting documentation of the business / public purpose, and all meal receipts contained documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.).

Results: We sighted the District Court's written policies and procedures for credit cards and fuel cards. For the two (2) credit cards selected, both cards selected had other supporting documentation required by the District Court's written policy.

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

Results: For the two (2) credit cards selected, no transactions reviewed required the solicitation of bids or quotes.

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

Results: For the two (2) credit cards selected, there were no violations of Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

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

Results: Management provided us with the required listing of travel and related expense reimbursements as well as management's representation that the listing is complete.

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

Results: We sighted the District Court's written policies and procedures for travel and expense reimbursements. No reimbursement rates exceeded GSA rates.

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

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

Results: For the three (3) employees selected, all travel and expense reimbursements were paid in accordance with written policy.

- b) Report whether each expense is supported by:

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

Results: For the three (3) employees selected, all travel and expense reimbursements were documented by original itemized receipts.

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

Results: For the three (3) employees selected, all travel and expense reimbursements documented the business / public purchase of the expense.

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

Results: We sighted the District Court's written policies and procedures for travel and expense reimbursements. For the three (3) employees selected, all three (3) employee reimbursements had other supporting documentation required by the District Court's written policy.

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

Results: For the three (3) employees selected, there were no violations of Article 7, Section 14 of the Louisiana Constitution.

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

Results: For the three (3) employees selected, each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Results: Management provided us with a listing of all contracts in effect during the period January 1, 2017 through December 31, 2017 as well as management's representation that the listing is complete.

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

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

Results: For the two (2) contracts selected, there was a formal / written contract that supported the services arrangement and the amount paid.

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

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

Results: For the two (2) contracts selected, neither were subject to the Louisiana Public Bid Law.

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

Results: For the two (2) contracts selected, the District Court did not solicit quotes.

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

Results: For the two (2) contracts selected, neither were amended during the period January 1, 2017 through December 31, 2017.

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

Results: For the two (2) contracts selected, the largest payments contained supporting invoices that complied with the terms and conditions of the contract.

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

Results: For the two (2) contracts selected, both contracts were approved by the District Court.

Payroll and Personnel

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

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

Results: Management provided us with the required list of employees and salaries as well as management's representation that the listing is complete. For the five (5) randomly selected employees, compensation paid to each employee was made in accordance with each employee's approved pay rate.

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

Results: Management provided us with the required list of employees and salaries as well as management's representation that the listing is complete. For the five (5) randomly selected employees, all changes to each employee's approved pay rates were approved in writing and in accordance with written policy.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees / officials (or randomly select one-third of employees / officials if the entity had less than 25 employees during the fiscal period), and:

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

Results: Management provided us with all attendance and leave records for the period January 1, 2017 through December 31, 2017. For the twenty-five (25) selected employees, twenty-one (21) employees did not have their daily attendance and leave documented.

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

Results: Management provided us with all attendance and leave records for the period January 1, 2017 through December 31, 2017. For the twenty-five (25) selected employees, only seventeen (17) employees took leave during the pay period. We sighted documentation for all seventeen (17) employees that supervisors approved attendance and leave.

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

Results: Management provided us with all attendance and leave records for the period January 1, 2017 through December 31, 2017. For the twenty-five selected employees (25), leave documentation was available for all required employees.

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

Results: Management provided us with the required list of employees terminated for the period January 1, 2017 through December 31, 2017. No employees were terminated during the period.

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

Results: Management provided us with all supporting documentation related to payroll taxes and retirement contributions for the period January 1, 2017 through December 31, 2017. For this period, all payroll tax deposits and retirement contribution payments were paid by the required deadlines.

Ethics (excluding nonprofits)

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

Results: For the five (5) randomly selected employees, all ethics compliance documentation was provided to us and the required ethics training was completed for all employees.

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

Results: Per conversation with Sara Brumfield, Judicial Administrator, the District Court had no alleged ethics violations reported during the period January 1, 2017 through December 31, 2017.

Debt Service (excluding nonprofits)

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

Results: The District Court had no new debt issued during the period January 1, 2017 through December 31, 2017.

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

Results: During the period January 1, 2017 through December 31, 2017, the District Court did not have any outstanding debt.

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

Results: The District Court had no tax millages relating to debt service during the period January 1, 2017 through December 31, 2017.

Other

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

Results: Per conversation with Sara Brumfield, Judicial Administrator, the District Court had no misappropriations of public funds or assets during the period January 1, 2017 through December 31, 2017.

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

Results: Sighted copy of the notice posted on the premises and on the District Court's website.

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

Results: There were no exceptions regarding management's representations in the procedures above.



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, 2018

James Lambert Riggs & Associates, Inc.
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 no in place as of the audit, the District Court is in the process of adopting these policies and procedures.

In response to the policies and procedures concerning only having one or two people to perform certain duties, our operation in not large enough to justify hiring additional personnel for these. Checks and balances have been put in place to assure that all details of use by the credit cards and the balancing of bank statements if sufficient.

In response to the two contracts that the court has. We do not solicit quotes as no other parties are available in our area to provide the services that we require for our drug court.

In response to the payroll and personnel time attendance. The Court addressed this prior to our audit being done and all personnel except three people are now punching a time clock. Those three people not punching a time clock are filling out attendance charts and they are being signed off by their judge.

Sincerely,

Sara Brumfield
21st Judicial Administrator