

**FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
December 31, 2017
With Supplemental Information Schedules**

FIFTH JUDICIAL DISTRICT -
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 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

Annual Financial Statements
 With Independent Auditor's Report
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Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

Independent Auditor's Report

HONORABLE MACK LANCASTER,
DISTRICT ATTORNEY OF THE JUDICIAL CRIMINAL COURT
Parishes of Franklin, Richland, and West Carroll, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and major fund of the Fifth Judicial District - Judicial Criminal Court Fund, a component unit of the Franklin, Richland, and West Carroll Parish Police Juries, as of December 31, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Criminal 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 Fifth Judicial District - Judicial Criminal Court Fund'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 Fifth Judicial District - Judicial Criminal Court Fund's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Fifth Judicial District - Judicial Criminal Court Fund 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 management's discussion and analysis on pages 7 through 10 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

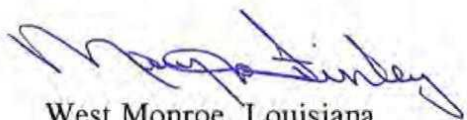
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fifth Judicial District - Judicial Criminal Court Fund's office basic financial statements. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The supplemental information schedules listed in the table of contents 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. The schedule of compensation, benefits, and other payments to agency head on page 27 presented for purposes of additional analysis and is not a required part of 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 my opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

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Independent Auditor's Report,
December 31, 2017

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated July 7, 2018, on my consideration of the Fifth Judicial District - Judicial Criminal Court Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 Fifth Judicial District-Judicial Criminal Court 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 the Fifth Judicial District - Judicial Criminal Court Fund's internal control over financial reporting and compliance.



West Monroe, Louisiana
July 7, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana

Management's Discussion and Analysis
December 31, 2017

As management of the Fifth Judicial District - Judicial Criminal Court Fund, we offer readers of the Fifth Judicial District - Judicial Criminal Court Fund's financial statements this narrative overview and analysis of the financial activities of the Fifth Judicial District - Judicial Criminal Court Fund for the fiscal year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the criminal court's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Fifth Judicial District - Judicial Criminal Court Fund's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Fifth Judicial District - Judicial Criminal Court Fund's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Fifth Judicial District - Judicial Criminal Court Fund is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and

expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fifth Judicial District - Judicial Criminal Court Fund, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Fifth Judicial District - Judicial Criminal Court Fund are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fifth Judicial District - Judicial Criminal Court Fund is not subject to the local government budget act.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Fifth Judicial District - Judicial Criminal Court Fund's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Fifth Judicial District - Judicial Criminal Court Fund exceeded liabilities by \$119,185. Approximately 4% of the Fifth Judicial District - Judicial Criminal Court Fund's net position reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. The restricted assets are to defray excessive costs incurred in first degree murder cases or very serious felony trials wherein venue has been changed.

The balance in unrestricted net position is affected by two factors: 1) resources expended, over time, by the Fifth Judicial District - Judicial Criminal Court Fund to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET POSITION

	2017	2016
ASSETS		
Cash and cash equivalents	\$160,705	\$175,746
Receivables	66,858	35,864
Capital assets (net of accumulated depreciation)	4,480	7,115
TOTAL ASSETS	\$232,043	\$218,725
LIABILITIES		
Accounts payable	\$36,341	\$24,017
Due to DA operating	76,517	149,000
TOTAL LIABILITIES	112,858	173,017
NET POSITION		
Invested in capital assets, net of related debt	4,480	7,115
Restricted	117,420	117,304
Unrestricted	(2,715)	(78,711)
TOTAL NET POSITION	\$119,185	\$45,708

STATEMENT OF ACTIVITIES

	2017	2016
Judicial:		
Operating services	\$270,264	\$280,021
Materials and supplies	99,514	35,795
Travel	2,093	1,258
Intergovernmental	384,697	459,677
Depreciation expense	2,635	2,634
Total Program Expenses	759,203	779,385
Program revenues:		
Fines and forfeitures	538,385	534,481
Total program revenues	538,385	534,481
Net Program Expenses	(220,818)	(244,904)
General revenues		
State funds	84,640	
Local funds	200,750	130,000
Interest earned	195	88
Other revenues	8,710	6,729
Total general revenues	294,295	136,817
Change in Net Position	73,477	(108,087)
Net Position - Beginning of year	45,708	153,795
Net Position - End of year	\$119,185	\$45,708

Financial Analysis of the Government's Funds

As noted earlier, the Fifth Judicial District - Judicial Criminal Court Fund uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017 the General Fund's portion of the unreserved, undesignated fund balance of \$114,705 shows an increase (of approximately \$76,112) from the prior year amount.

General Fund Budgetary Highlights

The Fifth Judicial District - Judicial Criminal Court Fund is not subject to the local government budget act.

Capital Asset and Debt Administration

Capital assets. The Fifth Judicial District - Judicial Criminal Court Fund's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$4,480 (net of accumulated depreciation). This investment includes furniture and equipment. There were no increases in capital assets for the year and no decreases in capital assets for the year.

Long-term debt. At the end of the fiscal year, the Fifth Judicial District - Judicial Criminal Court Fund's had no debt outstanding.

Requests for Information

This financial report is designed to provide a general overview of the Fifth Judicial District - Judicial Criminal Court Fund's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fifth Judicial District - Judicial Criminal Court Fund, P.O. Box 417, Rayville, LA 71269.

BASIC FINANCIAL STATEMENTS

FIFTH JUDICIAL DISTRICT -
 JUDICIAL CRIMINAL COURT FUND
 Parishes of Franklin, Richland,
 and West Carroll, Louisiana

STATEMENT OF NET POSITION
 December 31, 2017

ASSETS

Cash and cash equivalents	\$160,705
Receivables	66,858
Capital assets (net of accumulated depreciation)	<u>4,480</u>
TOTAL ASSETS	<u><u>\$232,043</u></u>

LIABILITIES

Liabilities	
Accounts payable	\$36,341
Due to DA Operating	<u>76,517</u>
TOTAL LIABILITIES	112,858

NET POSITION

Invested in capital assets, net of related debt	4,480
Restricted	117,420
Unrestricted	<u>(2,715)</u>
TOTAL NET POSITION	<u><u>\$119,185</u></u>

The accompanying notes are an integral part of this statement.

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STATEMENT OF ACTIVITIES
 December 31, 2017

Judicial:	
Operating services	\$270,264
Materials and supplies	99,514
Travel	2,093
Intergovernmental	384,697
Depreciation expense	2,635
Total Program Expenses	<u>759,203</u>
Program revenues -	
Fines and forfeitures	<u>538,385</u>
Total program revenues	<u>538,385</u>
Net Program Expenses	<u>(220,818)</u>
General revenues:	
State funds	84,640
Local funds	200,750
Interest earned	195
Other revenues	8,710
Total general revenues	<u>294,295</u>
Change in Net Position	73,477
Net Position - Beginning of year	<u>45,708</u>
Net Position - End of year	<u><u>\$119,185</u></u>

The accompanying notes are an integral part of this statement.

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GOVERNMENTAL FUNDS

Balance Sheet, December 31, 2017

ASSETS

Cash and cash equivalents	\$160,705
Receivables	<u>66,858</u>
TOTAL ASSETS	<u><u>\$227,563</u></u>

LIABILITIES AND FUND EQUITY

Liabilities	
Accounts payable	\$36,341
Due to District Attorney general fund	<u>76,517</u>
TOTAL LIABILITIES	<u>112,858</u>
Fund Equity:	
Restricted - Other general government	117,420
Unassigned	<u>(2,715)</u>
TOTAL FUND EQUITY	114,705
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$227,563</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND
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Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

For the Year Ended December 31, 2017

Total Fund Balances at December 31, 2017 - Governmental Funds (Statement C)		<u>\$114,705</u>
Cost of capital assets at December 31, 2017	\$13,175	
Less: Accumulated depreciation as of December 31, 2017	<u>(8,695)</u>	<u>4,480</u>
Net Position at December 31, 2017 (Statement A)		<u><u>\$119,185</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL CRIMINAL COURT FUND
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 GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
 and Changes in Fund Balances

For the Year Ended December 31, 2017

REVENUES

Intergovernmental:

State funds	\$84,640
Local funds	200,750
Fines and forfeitures	538,385
Use of money and property - interest earnings	195
Asset forfeitures	8,710
Total revenues	<u>832,680</u>

EXPENDITURES

Current:

General government - judicial:

Operating services	270,264
Materials and supplies	99,514
Travel and other charges	2,093
Intergovernmental	<u>384,697</u>
Total expenditures	<u>756,568</u>

EXCESS OF REVENUES OVER EXPENDITURES	76,112
FUND BALANCES AT BEGINNING OF YEAR	<u>38,593</u>
FUND BALANCES AT END OF YEAR	<u><u>\$114,705</u></u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
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Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended December 31, 2017

Total net change in fund balances - governmental funds (Statement D)	\$76,112
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 those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	<u>(2,635)</u>
Change in net position of governmental activities (Statement B)	<u>\$73,477</u>

The accompanying notes are an integral part of this statement.

FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND

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Notes to the Financial Statements

As of and For the Year Ended December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by LRS 15:571.11 which creates the Fifth Judicial District - Judicial Criminal Court fund of the Fifth Judicial District from which certain expenses of the parish court system, including the expenses of the District Attorney's Office and the District Judge's Office may be paid. Revenues for the criminal court fund are derived from fines and costs ordered as part of a court conviction and levied amounts from the police juries. The Fifth Judicial District encompasses the parishes of Franklin, Richland, and West Carroll, Louisiana.

The accompanying financial statements of the Fifth Judicial District - Judicial Criminal Court Fund have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

A. REPORTING ENTITY

As governing authorities of the parishes, for reporting purposes, the Franklin, Richland, and West Carroll Parish Police Juries are considered separate financial reporting entities. The financial reporting entity consists of (a) the primary government (the 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Franklin, Richland, and West Carroll Parish Police Juries for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or

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Notes to the Financial Statements (Continued)

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Franklin, Richland, and West Carroll Parish police juries maintain and operate the parish courthouses in which the district judge's offices are located, the Fifth Judicial District - Judicial Criminal Court Fund was determined to be a component unit of the police juries, the financial reporting entities. The accompanying financial statements present information only on the funds maintained by the Fifth Judicial District - Judicial Criminal Court Fund and do not present information on the police juries, the general government services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The court's basic financial statements include both government-wide (reporting the court as a whole) and fund financial statements (reporting the court's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the court are classified as governmental.

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the court.

In the Statement of Net Position, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net position are reported in three parts; invested in capital assets, net of any related debt; restricted net position; and unrestricted net position. The court first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized

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Notes to the Financial Statements (Continued)

when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the court's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the court's general revenues.

Allocation of Indirect Expenses - The court reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the court are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the court. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The court's current operations require the use of only governmental funds. The governmental fund type used by the court is described as follows:

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Notes to the Financial Statements (Continued)

Governmental Fund Type - Major Funds

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the court and is used to account for the operations of the court's office. The various fees and charges due to the court's office are accounted for in this fund. General operating expenditures are paid from this fund.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and

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Notes to the Financial Statements (Continued)

certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Fines and forfeitures are recorded in the year they are collected by the sheriff.

Interest income on demand deposits is recorded in the month earned and credited to the account.

Substantially all other revenues are recorded when they become available.

Based on the above criteria, fines and forfeitures and witness fees have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the 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 principal offices in Louisiana. At December 31, 2017, the court has cash and cash equivalents (book balances) totaling \$160,705.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) 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 or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Criminal Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Criminal Court's name.

FIFTH JUDICIAL DISTRICT -
 JUDICIAL CRIMINAL COURT FUND
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, 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 bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2017, total \$167,826 and are fully secured by federal deposit insurance and pledged securities.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the court, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

All leave time is reported in the Fifth Judicial District Attorney's audit report.

H. RISK MANAGEMENT

The criminal court is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the criminal court maintains commercial insurance policies covering automobiles, workmen's compensation and surety bond coverage. No claims were paid on any of the

FIFTH JUDICIAL DISTRICT -
 JUDICIAL CRIMINAL COURT FUND
 Parishes of Franklin, Richland,
 And West Carroll, Louisiana
 Notes to the Financial Statements (Continued)

policies during the past three years which exceeded the policies coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2017.

2. RECEIVABLES

The following is a summary of receivables at December 31, 2017:

<u>Class of Receivable</u>	
Fines	\$33,386
Reimbursements	33,235
Suspension fees	<u>237</u>
Total	<u>\$66,858</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, December 31, 2016	\$13,175
Additions	NONE
Deletions	<u>NONE</u>
Balance, December 31, 2017	13,175
Less accumulated depreciation	<u>(8,695)</u>
Net Capital Assets	<u>\$4,480</u>

4. PENSION PLAN

All salaries and pension are reported in the Fifth Judicial District Attorney's audit report.

5. LITIGATION AND CLAIMS

The Fifth Judicial District - Judicial Criminal Court Fund is not involved in any litigation at December 31, 2017, nor is it aware of any unasserted claims.

FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland,
And West Carroll, Louisiana
Notes to the Financial Statements (Continued)

**6. EXPENDITURES OF THE FIFTH JUDICIAL
DISTRICT - JUDICIAL CRIMINAL COURT FUND
NOT INCLUDED IN THE FINANCIAL STATEMENTS**

The Fifth Judicial District - Judicial Criminal Court Fund's primary office is located in the Richland Parish courthouse. They also have offices in the West Carroll and Franklin courthouse buildings. The cost of maintaining and operating these courthouses, as required by Louisiana Revised Statute 33:4715, is paid by the respective police juries.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland and West Carroll, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2017

JOHN M. LANCASTER, DISTRICT ATTORNEY

PURPOSE	AMOUNT
Insurance Bonds (Criminal Court)	\$1,050

Note: District Attorney's salary and benefits are paid thru the District Attorney's Office.

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

MARY JO FINLEY, CPA, INC.
A PROFESSIONAL ACCOUNTING CORPORATION
116 Professional Drive - West Monroe, LA 71291
Phone (318) 329-8880 - Fax (318) 239-8883

Practice Limited to
Governmental Accounting,
Auditing and
Financial Reporting

**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 *Government Auditing Standards***

HONORABLE MACK LANCASTER,
Parishes of Franklin, Richland,
and West Carroll, Louisiana

I 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 the major funds of the Fifth Judicial District - Judicial Criminal Court Fund, a component unit of the Franklin, Richland, and West Carroll Parish Police Juries, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Fifth Judicial District - Judicial Criminal Court Fund's basic financial statements, and have issued my report thereon dated July 7, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exist 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

FIFTH JUDICIAL DISTRICT -
JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland,
and West Carroll, Louisiana
Independent Auditor's Report on Compliance
And Internal Control Over Financial Reporting, etc.
December 31, 2017

Compliance and Other Matters

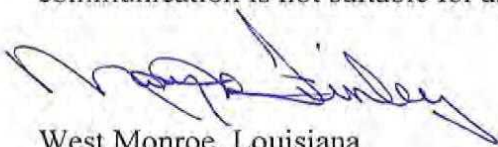
As part of obtaining reasonable assurance about whether Fifth Judicial District - Judicial Criminal Court Fund's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as Finding 2017-001 and 2017-002.

Fifth Judicial District - Judicial Criminal Court Fund's Response to Findings

Fifth Judicial District - Judicial Criminal Court Fund's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Fifth Judicial District - Judicial Criminal Court Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

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



West Monroe, Louisiana
July 7, 2018

FIFTH JUDICIAL DISTRICT - JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland, and West Carroll, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Fifth Judicial District - Judicial Criminal Court Fund.
2. Two instances of noncompliance material to the financial statements of the Fifth Judicial District - Judicial Criminal Court Fund were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2017-001 Failing to file Financial Statements Pursuant to R.S. 24:513 B.(3)

Finding: The Fifth Judicial District Criminal Court's financial statements were due to the legislative auditor by June 30, 2018. The Criminal Court Fund did not provide the information needed to file the financial statements by the due date.

Condition: The Fifth Judicial District Criminal Court's audited financial statements were not completed and submitted to the Louisiana Legislative Auditor's office by the statutory date of June 30, 2018.

Criteria: State law requires audited financial statements of governments to be submitted within six months of year end.

Cause of Condition: Management was unable to provide a complete set of books in time for the external auditor to complete the audit by its due date.

Effect of Condition: Material noncompliance relating to the financial statements.

Recommendation: Management should have financial records completed in a timely manner.

Response: Management will work closely with the external auditors to ensure that the audited financial statements are submitted to the Legislative Auditor by the statutory due date.

FIFTH JUDICIAL DISTRICT - JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland, and West Carroll, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

2017-002 Need To Obtain Bond Commission Approval

Finding: Funds were borrowed without obtaining the proper approval from the Louisiana State Bond Commission. Louisiana Revised Statutes 39:1410.60 prohibits the Criminal Court Fund from incurring debt in excess of ninety days without approval from the bond commission. In 2017 the Criminal Court Fund entered into a twenty-four month copier lease with Executive Officelinx. The Criminal Court Fund also entered into 2 separate leases with TEC for telephone services. The Criminal Court Fund did not seek State Bond Commission approval for the leases.

Condition: The Fifth Judicial District Criminal Court's failed to obtain bond commission approval for the 3 leases. The Executive Officelinx lease contained a nonappropriation clause, but it also had an anti substitution clause. The 2 TEC contracts did not contain a nonappropriation clause.

Criteria: State law requires that the agency obtain bond commission approval for any debt in excess of ninety days.

Cause of Condition: Management failed to obtain bond commission approval before entering into the 3 leases.

Effect of Condition: The Fifth Judicial District Criminal Court is not in compliance with state law.

Recommendation: Bond Commission approval should be obtained for all debt in excess of ninety days..

Response: Management stated that in the future they will comply with state law.

FIFTH JUDICIAL DISTRICT - JUDICIAL CRIMINAL COURT FUND
Parishes of Franklin, Richland, and West Carroll, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2017

There were no findings reported in the audit report for the year ended December 31, 2016.

FIFTH JUDICIAL DISTRICT

WEST CARROLL, RICHLAND, FRANKLIN PARISHES

CRIMINAL COURT FUND

PO Box 417
Rayville, LA 71269

July 7, 2018

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: 05th Judicial District Criminal Court Fund Audit

In reference to finding 2017-001. Failure to file audit when required.

The time related to gathering and complying with the new AUP requirements were more time-consuming and burdensome than expected. The same people are responsible for both the 05th JD CCF Audit/AUP and the 05th JDA Audit/AUP and since we better understand what type of time and organizational commitment to expect, we will start the process earlier and be on time next year.

In reference to finding 2017-002. Failure to obtain bond commission approval (3 leases)

We understand and will comply with what contracts must contain or exclude in order to be in compliance with R.S. 39:1410.60.

Sincerely,



John M. Lancaster
05th Judicial District Attorney



Jonathan D. Knight
05th JDCCF Administrator

Member:
American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

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Practice Limited to
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Financial Reporting

Independent Accountant's Report on Applying Agreed-Upon Procedures

Fifth Judicial District Criminal Court
PO Box 417
Rayville, LA 71269

To the Fifth Judicial District Criminal Court's Office

I have performed the procedures enumerated below, which were agreed to by the management of the Fifth Judicial District Criminal Court's Office and the Louisiana Legislative Auditor, State of Louisiana, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. Management of Fifth Judicial District Criminal Court's Office 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, I 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:

AGREED-UPON PROCEDURES

1. WRITTEN POLICIES AND PROCEDURES

The Criminal Court Fund has no written policies and procedures for the test period.

2. BOARD (OR FINANCE COMMITTEE, IF APPLICABLE)

There is no board or committee, so this section is not applicable.

BANK RECONCILIATIONS

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

The agency provided me with a certified list of all bank accounts.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). 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:

The agency had a total of 3 bank accounts, so all 3 bank accounts were selected to test the following:

- A) Bank reconciliations have been prepared;

For the 3 bank accounts selected above, all were reconciled each month for the period tested.

- 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;

For the 3 bank accounts selected above, it was determined that all 3 bank reconciliations are performed by the CCF administrator.

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

For the 3 bank accounts selected above, 2 of the 3 accounts had no outstanding reconciling items over six months. One account had outstanding items over 6 months old.

COLLECTIONS

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

Agency provided me with a certified list of collection locations and I verified that it was complete.

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

The agency has 1 collection location. It was selected for testing for the following:

- 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.

The CCF does not have any employees. The CCF administrator has surety bond coverage on him and the department heads for the district attorneys office which handle the criminal court funds. The agency has no cash drawers. The District Attorney receptionist receives the check payments and money orders and gives them to the administrator who prepares the deposits and makes the appropriate entries to the accounting quickbooks system. At the end of the month, the CCF administrator reconciles the bank accounts for the Criminal Court fund. Deposits are made twice a month.

- 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.

The Criminal Court Fund makes deposits twice a month. The deposit is posted to the accounting system when deposit is made by the administrator.

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

The agency provided a certified list of the highest (dollar) week of cash collections for each collection location. We verified the highest week was November 12, 2017 thru November 18, 2017, which was tested for the following:

- ▶ 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.

All funds were tested for deposits of collections. For the week tested, daily deposits were not made. The Criminal Court office deposits twice a month.

- ▶ 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.

All funds of the criminal court's office was tested for deposits of collections. All collections for the week tested had proper 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.

The agency does not have a written policies or procedures to determine completeness of collections or revenue sources.

DISBURSEMENTS-GENERAL (EXCLUDING CREDIT CARD/DEBIT 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.

Agency provided a complete year to date general ledger for all funds and represented that the general ledger was 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/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.

The Criminal Court does not use purchase orders or requisitions.

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

The Criminal Court does not use purchase orders or requisitions. The CCF administrator initiates and approves all purchases.

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.

Of the disbursements selected to be tested, all were processed with all of the required support. The Criminal Court did not use purchase orders or requisitions.

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.

The 5th Judicial District Criminal Court uses Quickbooks software which does not allow them to restrict any user from adding vendors.

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.

The CCF administrator initiates all checks and the CCF administrator and a designated District Attorney employee signs all checks. The CCF administrator reconciles all of the 3 bank accounts tested.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those person 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.

The unused checks are stored in a secure location, but are not restricted to the employees with 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.

The 5th Judicial District Criminal Court uses a signature check stamp only in cases of emergencies. It is kept in a locked location and is only used with the approval of the District Attorney.

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.

The CCF administrator provided a certified list of its active credit cards, fuel cards, etc.

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.

From the list in #14, the one card was randomly selected to test the following:

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

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

The Criminal Court has 1 credit card. The CCF administrator reviews all credit card statements, then writes the checks and the CCF administrator and a designated District Attorney employee both sign the checks. The CCF administrator reconciles the bank accounts. The CCF administrator is the authorized card holder.

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

The Criminal Court has 1 credit card, finance charges or late fees were noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for the card selected (i.e. each of the 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)

The credit card statements tested had all original itemized receipts.

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

The Criminal Court's charges were for business purposes.

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

There is no other documentation required for the credit card purchases.

- 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.

There were no charges on the credit card that meet the requirements for using the bid law.

- 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.

The Criminal Court had no credit card transactions that violate 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.

The agency provided me with a certified list of District Attorney employees who received travel or related expense reimbursements from the Criminal Court Fund during the testing period.

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.

Agency does not have written policy and procedures for travel. The 2 District Attorney employees selected that were paid the highest amount for travel or related expenses from the Criminal Court Fund during the test period were tested against the GSA website.

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 expense selected:

The 2 District Attorney employees with the travel costs paid from the Criminal Court Fund during the test period were selected and tested for the following:

The District Attorney employee travel costs received from the Criminal Court Fund were tested against the GSA website - no exceptions noted.

- 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.

The agency does not have written policies or procedures for travel and the 2 District Attorney employees that received the highest reimbursements for travel and related from the Criminal Court Fund were tested against the GSA website - no exceptions noted.

- 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.]

The 2 District Attorney employees that received travel and related reimbursements during the test period from the Criminal Court Fund were tested against the GSA website - no exceptions noted.

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

The 2 District Attorney employees that received travel and related reimbursements during the test period from the Criminal Court Fund were tested against the GSA website - no exceptions noted.

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

No other documentation is required by the agency for travel reimbursements.

- 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.

No violations of Article 7 Section 14 were noted during testing.

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

All District Attorney employees that received any travel or related expense reimbursements during the test period from the Criminal Court Fund were approved by the CCF administrator.

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.

Agency provided a certified list of all contracts in effect during the test period.

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:

The 5 contracts that were paid the most money were selected from the list of contracts from #20 and tested for the following:

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

Agency has a formal/written contract for all selected to be tested.

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

For the contracts tested, none of them required compliance with the public bid law. The agency did solicit quotes to get the best deal for the Criminal Court.

- 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.

The contracts selected was not amended.

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

The contract payments that were tested were in compliance with the contract terms and conditions.

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

This is not applicable to the Criminal 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:

The Criminal Court does not have any employees.

- 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.

The Criminal Court does not have any employees.

- 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.

The Criminal Court does not have any employees.

- 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/official 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.)

The Criminal Court does not have any employees.

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

The Criminal Court does not have any employees.

- 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.

The Criminal Court does not have any 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.

The Criminal Court does not have any employees.

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.

The Criminal Court does not have any employees.

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.

The Criminal Court does not have any 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.

There were no ethics violations reported to the CFF administrator during the test period.

DEBT SERVICE (EXCLUDING NONPROFIT)

The Criminal Court Fund has no debt outstanding, therefore this section is not applicable.

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

The Criminal Court Fund had no debt outstanding during the test period that required bond commission approval.

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.

The Criminal Court Fund has no debt outstanding during the test period.

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.

The Criminal Court Fund has no debt outstanding, therefore, this does not apply.

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.

The Criminal Court Fund has no known misappropriation of funds during the test period.

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.

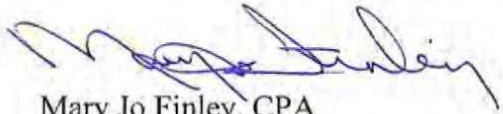
I observed the fraud hotline notice posted on the premises.

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

There were no other exceptions noted during procedures.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Mary Jo Finley, CPA

July 7, 2018

FIFTH JUDICIAL DISTRICT

WEST CARROLL, RICHLAND, FRANKLIN PARISHES

CRIMINAL COURT FUND

PO Box 417
Rayville, LA 71269

Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: 2017 Application of Agreed-Upon Procedures

Dear Sir:

We respond to the application of the AUPs as follow, to-wit:

1. The Fifth Judicial District Criminal Court Fund (05th JD CCF) has no written policies and procedures for the 2017 test period. There will be written policies and procedures in place for the 2018 test period.
- 4.B. Due to the size of the office, lack of personnel and the desegregated nature of office locations separation of duties related check writing and reconciliation is not practical at this time.
- 4.C. We are in the process of researching outstanding items over 6 months old and will include in our policies and procedures how to handle those items in the future.
- 6.A.B.C. The 05th JD CCF is not statutorily required to carry coverage for employee theft, but will research options to insure or obtain surety bond coverage for all employees that collect or deposit funds. The CCF administrator has surety bond coverage in place.

Due to the size of the office, lack of personnel and the desegregated nature of office locations separation of duties related check writing and reconciliation is not practical at this time

7. The 05th JD CCF generally has the same type of payments from other agencies throughout the year, a review is made at the end of the year to determine if expected collections have been received based on historical collection from certain agencies. This will be part of our policies and procedures for 2018.

- 9.B. Purchase orders are not used by the 05th JD CCF; all purchases are approved by the administrator based on need.
10. The 05th JD CCF uses QuickBooks which does not have constraints on adding vendors. The administrator adds any vendors necessary.
11. Due to the size of the office segregation of duties is not possible. The Administrator initiates all checks and either the administrator, DA or an authorized account signer reviews documentation and signs the check. All checks must have 2 signatures. The administrator reconciles the bank accounts.
12. Due to the size of the office segregation of duties is not possible. The administrator prints checks on preprinted forms. All blank checks are kept in a locked office and accessible to the administrator and the DA.
15. The 05th JD CCF has one credit card; all charges are reviewed for accuracy and then prepare a check which is then signed by the 2 of the 3 authorized signatories. The administrator reconciles the account and will make sure the statement is received and paid before the due date.
18. The 05th JD CCF is in the process of implementing policy and procedures related to travel.
- 19.A.B. The 05th JD CCF is in the process of implementing policy and procedures related to travel.
28. The 05th CCF did not obtain bond approval on 3 leases that did not contain the anti-substitution clause. We will not sign any contracts in the future that do not contain the necessary terminology to release us from having to obtain the bond commission approval.

Signature of Certifying Official

05th Judicial District Atty Name and Title

July 7, 2018 Date