



COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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April 28, 2022

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Arlene Barrera
Auditor-Controller

SUBJECT: **SHERIFF'S DEPARTMENT – INMATE WELFARE FUND FINANCIAL/
COMPLIANCE AUDIT AND AGREED-UPON PROCEDURES - FISCAL
YEARS 2016-17 THROUGH 2020-21**

Background

The Inmate Welfare Fund (IWF) is administered by the Sheriff's Department (Sheriff) and governed by the Inmate Welfare Commission (Commission). The Commission is comprised of private citizens appointed by the Sheriff. The IWF receives profits from sales of items and services to inmates and the public (e.g., commissary sales, inmate telephone services). IWF's monies are used for the benefit, education, and welfare of inmates, and for jail maintenance.

Audit Scope and Objectives

At the Sheriff's request, we contracted with an outside Certified Public Accounting firm, BCA Watson Rice LLP (BCA), to conduct a financial/compliance audit of the IWF for Fiscal Years 2016-17 through 2020-21. BCA's audit was intended to express an opinion on the IWF's financial statements and determine whether the Sheriff properly accounted for and disbursed IWF funds. BCA conducted the audit under the Auditor-Controller's Master Agreement. BCA also performed several agreed-upon procedures, primarily to evaluate the internal controls over revenues and expenditures, and the financial reporting system of the Commission's IWF for the period of July 1, 2016 through June 30, 2021.

Review Summary

BCA's review report (Attachment I) indicates that the IWF's financial statements present fairly, in all material respects, the financial position of the IWF as of June 30, 2017, 2018,

2019, 2020, and 2021, and the results of its operations and the changes in its net financial position for the years then ended.

As part of the audit, BCA reviewed the IWF's internal controls over financial reporting and did not identify any deficiencies that they consider to be material weaknesses. BCA tested the IWF's compliance with certain provisions of laws, regulations, contract agreements, and other matters, including California Penal Code Section 4025. BCA noted no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BCA's agreed-upon procedures report (Attachment II) indicates they performed the following procedures:

1. Reviewed the financial statement formats and made recommendations to improve functionality, lay-out, ease of understanding, terminology, and the requirement for each statement prepared.
2. Evaluated and made recommendations to strengthen the disbursement process and internal controls over revenue and expenditures.

During the course of their agreed-upon procedures, BCA made the following recommendations for the Sheriff:

1. Consider automating the preparation of Commission reports.
2. Strengthen the revenue accrual process to ensure that all revenues are recorded in the appropriate fiscal year.
3. Strengthen the IWF expenditures accruals reporting process to ensure that salary and employee benefit costs are accrued on a monthly basis so that the monthly report submitted to the Commission reflects the actual expenditures for each month.

Review of Report

BCA discussed the results of their review with Sheriff representatives, who generally agreed with the results of BCA's review. The Sheriff indicated they are examining approaches to implement the recommendations.

If you have any questions please call me, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

AB:OV:MP:YK

Attachments

c: Fesia A. Davenport, Chief Executive Officer
Celia Zavala, Executive Officer, Board of Supervisors
Alex Villanueva, Sheriff
Audit Committee
Countywide Communications

County of Los Angeles Sheriff's Department Inmate Welfare Fund

Financial Statements and Independent Auditors' Report

For the Fiscal Years Ended June 30, 2021, 2020, 2019, 2018, and 2017



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COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018, AND 2017

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INDEPENDENT AUDITORS' REPORT

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Los Angeles Sheriff's Department Inmate Welfare Fund (IWF), a fund of the County of Los Angeles, as of and for the fiscal years ended June 30, 2021, 2020, 2019, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the IWF's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The IWF's 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 IWF'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the IWF as of June 30, 2021, 2020, 2019, 2018 and 2017, and the results of its operations and the changes in its net financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

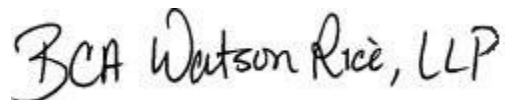
Other Matter

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information 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 statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated February 18, 2022, on our consideration of the IWF's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract 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 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 IWF's internal control over financial reporting and compliance.



Torrance, CA
February 18, 2022

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

BALANCE SHEETS
JUNE 30, 2021, 2020, 2019, 2018 and 2017

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets					
Assets					
Equity in cash and pooled investments	\$ 36,256,592	\$ 29,261,297	\$ 20,593,483	\$ 32,355,742	\$ 33,303,785
Interest receivable	34,598	41,189	90,803	114,076	127,742
Due from County of Los Angeles	1,094,962	1,174,563	1,126,845	2,606,981	1,158,238
Total assets	<u>\$ 37,386,152</u>	<u>\$ 30,477,049</u>	<u>\$ 21,811,131</u>	<u>\$ 35,076,799</u>	<u>\$ 34,589,765</u>
Liabilities and Fund Balance					
Liabilities					
Vouchers payable	\$ 1,774,626	\$ 355,295	\$ 947,708	\$ 504,891	\$ 1,204,076
Due to County of Los Angeles	2,621,307	9,804,634	5,591,083	13,232,693	9,023,615
Total liabilities	<u>4,395,933</u>	<u>10,159,929</u>	<u>6,538,791</u>	<u>13,737,584</u>	<u>10,227,691</u>
Fund Balance					
Assigned - approved purchased orders	9,383,060	11,563,562	10,778,962	19,211,011	15,927,521
Unassigned	23,607,159	8,753,558	4,493,378	2,128,204	8,434,553
Total net assets	<u>32,990,219</u>	<u>20,317,120</u>	<u>15,272,340</u>	<u>21,339,215</u>	<u>24,362,074</u>
Total liabilities and fund balance	<u>\$ 37,386,152</u>	<u>\$ 30,477,049</u>	<u>\$ 21,811,131</u>	<u>\$ 35,076,799</u>	<u>\$ 34,589,765</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018 AND 2017

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues					
Telephone services commission	\$ 15,000,000	\$ 15,040,300	\$ 15,000,000	\$ 15,016,500	\$ 15,000,000
Commissary sales	29,746,389	20,714,264	19,418,161	20,246,576	18,746,183
Investment income	163,909	365,415	532,016	463,445	363,152
Meal	-	-	-	295,206	309,983
Miscellaneous	1,980	14,075	69,573	330,762	497,660
Total revenues	<u>44,912,278</u>	<u>36,134,054</u>	<u>35,019,750</u>	<u>36,352,489</u>	<u>34,916,978</u>
Expenditures					
Program	9,211,148	16,324,556	20,057,979	18,461,201	18,087,846
Facilities maintenance	13,474,091	5,083,103	6,237,937	7,993,999	13,316,794
	<u>22,685,239</u>	<u>21,407,659</u>	<u>26,295,916</u>	<u>26,455,200</u>	<u>31,404,640</u>
Excess of revenues over expenditures	22,227,039	14,726,395	8,723,834	9,897,289	3,512,338
Other financing uses:					
Transfers-out to County of Los Angeles general fund					
Program	9,297,862	9,762,657	9,618,470	8,394,155	8,538,576
Facilities maintenance	-	-	5,314,530	4,662,000	662,000
Total transfers-out	<u>9,297,862</u>	<u>9,762,657</u>	<u>14,933,000</u>	<u>13,056,155</u>	<u>9,200,576</u>
Net change in fund balance	<u>12,929,177</u>	<u>4,963,738</u>	<u>(6,209,166)</u>	<u>(3,158,866)</u>	<u>(5,688,238)</u>
Fund balance at beginning of year, as originally stated	20,317,120	15,272,340	21,339,215	24,362,074	29,908,212
Prior-period adjustments (Note 8)	(256,078)	81,043	142,291	136,007	142,100
Fund balance at beginning of year, as restated	<u>20,061,042</u>	<u>15,353,383</u>	<u>21,481,506</u>	<u>24,498,081</u>	<u>30,050,312</u>
Fund balance at end of year	<u>\$ 32,990,219</u>	<u>\$ 20,317,121</u>	<u>\$ 15,272,340</u>	<u>\$ 21,339,215</u>	<u>\$ 24,362,074</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

SCHEDULE OF PROGRAM EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018 AND 2017

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>Grand Total</u>
Special department expense	\$ 8,029,316	\$ 10,672,575	\$ 10,005,001	\$ 160,373	\$ 80,823	\$ 28,948,088
Technical services	9,339	3,279,343	6,484,495	5,530,590	4,646,086	19,949,853
Food	-	-	94,695	5,717,755	10,804,172	16,616,622
Clothing and personal supplies	457,420	599,923	1,106,893	5,186,192	631,195	7,981,623
Professional services	36,236	622,032	769,168	963,180	767,571	3,158,187
Office expenses	791	476,529	503,900	372,306	375,222	1,728,748
Communications	166,056	143,001	144,685	135,625	141,898	731,265
Memberships	338,076	-	424	576	528	339,604
Telecommunications	27,412	20,485	79,721	118,154	49,486	295,258
Computing-Midrange	-	102,306	98,371	-	93,728	294,405
Equipment	-	25,787	262,785	-	-	288,572
Maintenance-building and improvements	533	30,241	61,525	45,395	76,341	214,035
Administrative services	231	77,673	102,062	362	394	180,722
Household expenses	13,346	10,991	31,726	30,370	88,935	175,368
Small tools and minor equipment	2,448	28,349	38,915	29,028	69,763	168,503
Computing mainframe	-	17,129	38,139	12,341	61,172	128,781
Transportation and travel	100	24,752	17,928	33,096	34,707	110,583
Maintenance-equipment	-	27,546	26,639	28,256	22,323	104,764
Rents and leases – equipment	898	12,657	18,259	18,081	45,979	95,874
Computing personal	11,458	11,041	22,438	12,335	36,466	93,738
Training	-	-	1,721	1,893	2,597	6,211
Medical, dental and laboratory supplies	-	1,354	451	652	2,189	4,646
Miscellaneous	117,488	140,842	148,037	64,641	56,271	527,279
<i>Total Program Expenditures</i>	<u>\$ 9,211,148</u>	<u>\$ 16,324,556</u>	<u>\$ 20,057,979</u>	<u>\$ 18,461,201</u>	<u>\$ 18,087,846</u>	<u>\$ 82,142,729</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

SCHEDULE OF FACILITIES MAINTENANCE EXPENDITURES
FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018 AND 2017

	2021	2020	2019	2018	2017
Special department expense	\$ 8,231,729	\$ 974,131	\$ 468,390	\$ 159,337	\$ 369,252
Computing mainframe	-	-	-	2,561,499	7,329,291
Administrative services	1,224,418	1,192,246	2,209,786	2,249,230	1,885,347
Maintenance-building and improvements	2,041,465	1,336,228	1,670,652	1,186,948	1,732,383
Maintenance-equipment	538,559	664,108	193,218	59,402	372,456
Professional services	4,520	278,335	338,042	648,241	264,351
Small tools and minor equipment	454,965	360,960	281,718	196,208	228,756
Technical services	238,804	138,370	247,565	162,557	244,028
Rents and leases – equipment	13,963	4,900	89,077	501,960	5,450
Food	-	-	90,982	-	483,260
Equipment	286,683	32,152	20,325	-	120,627
Clothing and personal supplies	-	-	422,418	-	1,371
Telecommunications	42,374	69,632	189,201	91,695	13,928
Information technology services	-	-	-	147,146	205,220
Computing-Midrange	303,909	-	-	-	-
Transportation and travel	23,569	18,553	6,403	8,022	16,633
Household expenses	14,083	8,631	6,527	20,369	9,006
Communications	32,923	-	-	-	-
Office expenses	9,244	-	1,448	1,385	16,044
Computing personal	12,883	-	-	-	12,790
Medical, dental and laboratory supplies	-	4,857	2,185	-	6,581
Miscellaneous	-	-	-	-	20
Total Facilities Maintenance	\$ 13,474,091	\$ 5,083,103	\$ 6,237,937	\$ 7,993,999	\$ 13,316,794

The accompanying notes are an integral part of these financial statements.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Los Angeles Sheriff's Department Inmate Welfare Fund (IWF) have been prepared in conformity with accounting principles generally accepted in the United States of America. The accounting policies of the IWF conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies.

Financial Reporting Entity

The IWF was established pursuant to the State of California Penal Code Section 4025. The major sources of revenues of the IWF are composed of commissions received from contracted telephone services and commissary sales and vending machine sales which are for the inmates' use and benefit. The expenditures of the IWF are governed by the California Penal Code Section 4025 which states that "The money and property in the inmate welfare fund shall be expended by the sheriff primarily for the benefit, education, and welfare of the inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of county jail facilities. Maintenance of county jail facilities may include, but is not limited to, the salary and benefits of personnel used in the programs to benefit the inmates, including, but not limited to, education, drug and alcohol treatment, welfare, library, accounting, and other programs deemed appropriate by the sheriff."

Starting with the fiscal year beginning July 2000, and as required by the State of California Penal Code Section 4025, fifty-one percent (51%) of the annual IWF revenue was assigned solely and exclusively to programs for the benefit, welfare, rehabilitation, and education of jail inmates. The remaining forty-nine percent (49%) of the annual IWF revenue is earmarked solely for jail maintenance.

The Inmate Welfare Commission (IWC) oversees the expenditures for inmate programs, including but not limited to educational, rehabilitative and other expenditures for the welfare and benefit of the inmates. The Sheriff's Correctional Services Division, County Counsel Representative, and Budget Authority oversee the expenditures for jail maintenance.

Basis of Accounting

The governmental fund financial statement is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or within 60 days after year-end. Expenditures are recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The IWF is reported as a special revenue governmental type fund of the County of Los Angeles. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Governmental funds are presented using the flow of current financial resources measurement focus. Generally, this means only current assets and current liabilities are included on the balance sheet. Governmental fund operating statements focus on measuring changes in financial position, rather than net income. The operating statement presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The unassigned fund balance is a measurement of available spendable resources.

Estimates

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

Concentration of Sources of Revenues

The majority of the IWF's revenues are derived from commissions from a few telephone and vending machine companies. For the fiscal years ended June 30, 2017 through 2021, the percentages of revenue received from each of the following companies to total revenues were as follows.

Revenue Source	Percentage to Total Revenue				
	2021	2020	2019	2018	2017
Telephone services commission	33%	42%	43%	41%	43%
Commissary sales	66%	57%	55%	56%	54%
Meal program	0%	0%	0%	1%	1%
<u>Other Revenues</u>					
Investment income	1%	1%	2%	1%	1%
Miscellaneous (Vocational Activities, Jail Enterprise Unit, etc.)	0%	0%	0%	1%	1%

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 2 - EQUITY IN CASH AND POOLED INVESTMENTS

The IWF cash is included in the County's balance sheet as "Equity in Cash and Pooled Investments". The County maintains a cash and investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Equity in cash and pooled investments balances were as follows:

As of June 30:	Amount
2021	\$ 36,256,592
2020	29,261,297
2019	20,593,483
2018	32,355,742
2017	33,303,785

Further disclosures regarding the County's cash and investments are included in the Notes of the County's fiscal years Comprehensive Annual Financial Report.

NOTE 3 - FUND BALANCE

In the fund financial statements, the governmental funds report the classification of fund balance in accordance with GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." The reported fund balances are categorized as non-spendable, restricted, committed, assigned, or unassigned based on the extent to which the IWF Commissioners are bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Non-spendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and long-term notes receivable.

Restricted Fund Balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

Committed Fund Balance – amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority, the Authority's Board. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 3 - FUND BALANCE (Continued)

Assigned Fund Balance – amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. Assigned fund balance as of the end of each fiscal year were as follows:

<u>As of June 30:</u>	<u>Amount</u>
2021	\$ 9,383,060
2020	11,563,562
2019	10,778,962
2018	19,211,011
2017	15,927,521

Unassigned Fund Balance – the residual classification for the Authority's General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes. Unassigned fund balance as of the end of each fiscal year were as follows:

<u>As of June 30:</u>	<u>Amount</u>
2021	\$ 23,607,159
2020	8,753,558
2019	4,493,378
2018	2,128,204
2017	8,434,553

The IWF Commissioners establishes, modifies, or rescinds fund balance commitments and assignments through the adoption of the budget and subsequent amendments that occur throughout the fiscal year.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 4 - DUE FROM/TO COUNTY OF LOS ANGELES

Due from/to County of Los Angeles consists of revenues that have been received on behalf of the IWF by the County of Los Angeles and have not yet been transferred to the IWF or expenditures that were not yet reimbursed to the County. Due from/to the County of Los Angeles balances were as follows:

<u>As of June 30:</u>	<u>Due from County</u>	<u>Due to County</u>
2021	\$ 1,094,962	\$ 2,621,307
2020	1,174,563	9,804,634
2019	1,126,845	5,591,083
2018	2,606,981	13,232,693
2017	1,158,238	9,023,615

NOTE 5 – VOUCHERS PAYABLE

Vouchers payable represents accruals of vendors' invoices not yet paid at the end of each fiscal year. Vouchers payable were as follows:

<u>As of June 30:</u>	<u>Amount</u>
2021	\$ 1,774,626
2020	355,295
2019	947,708
2018	504,891
2017	1,204,076

NOTE 6 – TRANSFERS-OUT

Transfers-out represents reimbursements to the County's General Fund for the payment of program and jail maintenance salaries and benefits of LASD's personnel and other expenditures that were chargeable to the Inmate Welfare Fund, which were paid through the County's General Fund. These reimbursements are recorded as "Transfers Out" and are classified as "Other Financing Uses."

Transfers-out to the County of Los Angeles General Fund were as follows:

<u>For the Fiscal Year Ended June 30:</u>	<u>Amount</u>
2021	\$ 9,297,862
2020	9,762,657
2019	14,933,000
2018	13,056,155
2017	9,200,576

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 7 – EQUIPMENT/CAPITAL OUTLAYS

Capital outlay consists of expenditures for equipment, machinery, and vehicles. The IWF does not capitalize these expenditures, but the County of Los Angeles (which the Inmate Welfare Fund is a fund of) does capitalize capital outlays. Please see the County of Los Angeles fiscal years ended June 30, 2017 through 2021, Comprehensive Annual Financial Report for further information regarding capital outlays.

NOTE 8 – AGREEMENTS AND COMMITMENTS

Inmates Education Services

On May 22, 2014, Agreement Number #51601 for Career Technical Education and Life Skills Courses was executed between the Sheriff's Department and the San Francisco Sheriff's Department Five Keys Charter School. The initial term of the Agreement was May 27, 2014, through May 31, 2019, which included five one-year option periods. The Agreement was amended to extend the contract through May 31, 2021, when the agreement expired. The agreement had a maximum contract amount of \$37,278,066.

Inmate Telephone System and Services

On September 20, 2011, the Los Angeles County Board of Supervisors adopted Agreement Number #77655 for Inmate Telephone System and Services between the Sheriff's Department and Public Communications Services, Inc. The initial term of the Agreement was November 1, 2011, through April 30, 2020, including option periods totaling three years and six months. The Agreement was amended on two subsequent occasions to extend the term through October 31, 2022.

Being a revenue sharing agreement, the Department received a Minimum Annual Guarantee (MAG) of \$15 million for each year of the Agreement, which was deposited into the Department's IWF. The agreement was amended again on October 7, 2021, to modify (reduce) the billing rates pursuant to rulemaking by California Public Utilities Commission and Federal Communications Commission. The rate reductions eliminated the MAG, and effective October 7, 2021, the earned revenue share deposited monthly to the IWF was based on a percentage of the Contractor's total billable amount for inmate telephone calls eligible for billing.

Food and Commissary Agreement

The Department has contracts with vendors providing commissary services and vending machine services for food and other items purchased by the inmates. The prices charged to the inmates are periodically checked to ensure parity with local retail prices. These contracts also share revenue that is deposited to the IWF based upon total monthly sales.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

The fund balance at the beginning of each fiscal year was restated to reflect the following adjustments:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Fund Balance beginning of the year, as originally stated	\$ 20,317,120	\$ 15,272,340	\$ 21,339,215	\$ 24,362,074	\$ 29,908,212
Prior-period adjustments:					
1) Prior-year Keef Web Sales recognized in current year	130,309	125,739	142,291	136,007	142,100
2) Prior-year revenues transferred from Inmates Welfare Fund to General Fund	(431,083)	-	-	-	-
3) Reclassification of expenditures	44,696	(44,696)			
Total prior-period adjustments	<u>(256,078)</u>	<u>81,043</u>	<u>142,291</u>	<u>136,007</u>	<u>142,100</u>
Fund balance beginning of the year, as restated	<u>\$ 20,061,042</u>	<u>\$ 15,353,383</u>	<u>\$ 21,481,506</u>	<u>\$ 24,498,081</u>	<u>\$ 30,050,312</u>

NOTE 10 – SIGNIFICANT FLUCTUATIONS OF EXPENDITURES

During the fiscal years ended June 30, 2017 through June 30, 2021, the following expenditures have fluctuated significantly:

<u>Accounts with Significant Fluctuations</u>	<u>Explanation of the Fluctuations</u>
<u>Program Expenditures:</u>	
Special department expense	The significant increase was due to the reclassification of food expenses (cost of commissary purchases) to Special Department Expenses-Commissary & vending services) (object code/object class), starting fiscal year 2019 as per opinion of the County Counsel.
Technical services	The decrease in fiscal years 2020 and 2021 was due to the suspension of the Inmates Education Program provided by a contracted Charter School due to the Covid-19 pandemic (see notes on agreements and commitments, Inmates Education Services).
Food	The decrease was due to the reclassification of food expenses to special department expenses starting in fiscal year 2019 (see explanation on special department expense significant increase above).

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 11 – SIGNIFICANT FLUCTUATIONS OF EXPENDITURES (Continued)

<u>Accounts with Significant Fluctuations</u>	<u>Explanation of the Fluctuations</u>
<u>Program Expenditures Continued:</u>	
Professional services	The decrease in fiscal year 2021 was due to the suspension of the classes on Gender Responsive Rehabilitation Program, which was provided by a third-party organization, due to the Covid-19 pandemic.
Office expenses	The decrease in fiscal year 2021 was due to the movement of this expense to memberships; and thus, resulted in a corresponding significant increase in the membership expenditure. This expenditure is related to the Inmates newspaper program.
<u>Facilities Maintenance Expenditures:</u>	
Computing mainframe	The decrease starting fiscal year 2018 was because the cost of maintaining the Jail Hospital Information System was transferred from the Inmate Welfare Fund to the Medical Services Bureau under the County of LA Department of Health Services.
Rents and leases-equipment	This is on a need basis expenditure to ensure normal operations of the jail. The sudden increase in fiscal year 2018 was due to an emergency rental of a chiller and generator.
Information technology services	The decrease starting fiscal year 2019 was because the contract with IBM for the development of the timekeeping system (Maximo) for the Jail workers was completed at the end of fiscal year 2018.
Telecommunications	This is on a need basis expenditure to ensure normal operations of the jail. In 2019 the IWF paid for the new Inmates answering machine and digital cameras.

COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021, 2020, 2019, 2018 AND 2017

NOTE 12 – COVID-19 IMPACT AND CONSIDERATIONS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. Inmates Welfare Fund expects this matter to negatively impact its operating environment; however, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 13 - SUBSEQUENT EVENTS

The IWF's management has evaluated subsequent events through February 18, 2022, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.



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INDEPENDENT AUDITORS' 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

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

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 County of Los Angeles Sheriff's Department Inmate Welfare Fund (IWF) as of and for the fiscal years ended June 30, 2021, 2020, 2019, 2018 and 2017 and the related notes to the financial statements and have issued our report thereon dated February 18, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the IWF's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the IWF's internal control. Accordingly, we do not express an opinion on the effectiveness of the IWF'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 IWF's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract agreements, and other matters, including California Penal Code Section 4025, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, including the requirement of California Penal Code Section 4025.

Restriction on Use

This report is intended for the information and use of the management of the County of Los Angeles Sheriff's Department, the County of Los Angeles Board of Supervisors, Auditor-Controller, and the Inmate Welfare Fund Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this limitation is not meant to limit the distribution of this report which is a matter of public record.

BCA Watson Rice, LLP

Torrance, CA
February 18, 2022



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February 18, 2022

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

We have audited the financial statements of the County of Los Angeles Sheriff's Department Inmate Welfare Fund (IWF) as of and for the fiscal years ended June 30, 2021, 2020, 2019, 2018 and 2017 and have issued our report thereon dated February 18, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

Our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you

Compliance with All Ethics Requirements Regarding Independence

The engagement team and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by IWF is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal years ended June 30, 2021, 2020, 2019, 2018 and 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are encumbrances. Encumbrances are estimations of cost related to unperformed contracts for goods and services.

Management's estimate of the encumbrance is based on expenditures that will ultimately result if unperformed contracts in process at fiscal year-end are completed. We evaluated the key factors and assumptions used to develop the encumbrance and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting IWF's financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There was no material, corrected financial statement misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the letter dated February 18, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the IWF's auditors.

This report is intended solely for the information and use of the use of the management of the County of Los Angeles Sheriff's Department, the County of Los Angeles Board of Supervisors, Auditor-Controller, and the Inmate Welfare Fund Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this limitation is not meant to limit the distribution of this report which is a matter of public record.

Very truly yours,

BCA Watson Rice, LLP

County of Los Angeles
Sheriff's Department Inmate Welfare Fund

Report on Applying Agreed-Upon Procedures

For the Period Ended July 1, 2016 through June 30, 2021



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COUNTY OF LOS ANGELES
SHERIFF'S DEPARTMENT INMATE WELFARE FUND

AGREED-UPON PROCEDURES
FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Arlene Barrera
Auditor-Controller
County of Los Angeles
Los Angeles, California

We have performed the procedures enumerated below solely to assist the County in evaluating the internal controls over revenues and expenditures, and the financial reporting system of the County of Los Angeles Sheriff's Department (LASD) Inmate Welfare Fund (IWF) for the period July 1, 2016 through June 30, 2021. The management of the LASD is responsible for compliance for the implementation of the internal controls over revenues and expenditures and the financial reporting requirements of the IWF.

The County has agreed and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the internal controls over revenues and expenditures, and the financial reporting system of the LASD IWF for the period July 1, 2016 through June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results of those procedures are as follows:

1. We reviewed the financial statements formats and made recommendations to improve functionality, lay-out, ease of understanding, terminology, and the requirement for each statement prepared.

Results

The LASD prepares and submit the following monthly financial reports to the IWF Commission:

- Statement of Net Assets
- Cash Balance Schedule
- Carry Over Fund
- Anticipated Revenue Worksheet

- Expenditures Summary
- Schedule of Due From Other Funds
- Schedule of Due To Other Funds
- Schedule of Accounts Payable
- Schedule of Vouchers Payable
- Schedule of Encumbrances
- Schedule of Approved Requests

The description and purposes of the above reports are presented in Exhibit A of this report. We reviewed each of the foregoing reports and considered the usefulness of the data presented with regards to the requirements of the Inmate Welfare Commission. We found that the foregoing reports are useful for the Commissioners in making decisions in overseeing the IWF. We also found that the formats of the reports are adequate to address the reporting needs of the Inmate Welfare Commission. Thus, no improvements are needed over its functionality and lay-out.

We noted however, that the preparation of the foregoing reports would entail considerable time to complete since most of these reports are manually prepared using the Microsoft Excel software, which is also reconciled to the eCAPS reports. Of the eleven (11) reports reviewed, only two reports have been automated, the Schedules of Expenditures Summary and Encumbrances.

Recommendation No. 1

Accordingly, as indicated in the prior-year audit recommendations, we recommend that the Department consider automating the preparation of the foregoing reports by using computerized bookkeeping software or to have the above reports captured and designed from the eCAPS.

2. We reviewed and made recommendations to strengthen the disbursement process.

Results

The following are the procurement and disbursement processes adopted by the IWF:

The Inmate Service Bureau (ISB) and the Facility Service Bureau (FSB) are the two units mainly responsible for the processing of the IWF program and facilities maintenance expenditures. The ISB and FSB send a Purchase Requisition Form (based on the budget and authorization approved by the Inmate Welfare Commission) to the Special Funds Accounting Unit (SFA) for review and approval of the Purchase Request. The Purchase Requisition received from FSB are mainly for the Maintenance expenditures of the Jail Facilities, and the Purchase Requisition received from the ISB are for the program expenditures. SFA reviews the Purchase Requisition to make sure that funds are available and the expenditure request is in compliance with the Penal Code section 4025. The service requisition is reviewed by the Accountant and approved by the Supervisor. After the purchase requisition is approved and signed it is electronically returned to the ISB or FSB

to start the procurement and disbursement process. Approval of the disbursements or payment of the expenditures are assigned to the designated LASD personnel. The disbursements of salaries and employees' benefits (S&EB) that were chargeable to the IWF are paid through the County's general fund and reimbursed to the general fund in lump sum at the end of the fiscal year. The SFA maintains separate books to record the IWF program and facilities maintenance expenditures.

In our review, we found that the controls surrounding the procurement and disbursements process are adequate and effectively working. Thus, no recommendation is necessary in this area.

3. We evaluated and made recommendations to strengthen the internal controls over revenue and expenditures.

Results

Deposits into the IWF are derived from profits from sales of various items and services to inmates and to the public. Revenue for the IWF is derived from six sources: profits from commissary sales, vocational services, barbershops, vending machines, inmate telephone service agreements, and interest earned on deposits. Funds from commissary sales, vocational services, barbershops, as well as the commissions from vending machines, and inmate telephone services are deposited to the Inmate Welfare Fund Trust account. The Auditor-Controller through the electronic Countywide Accounting and Purchasing System allocates and posts interest earned on the IWF Trust account, when received. As explained in procedure number 2 above, the internal controls over the IWF expenditures are implemented by the Inmate Service Bureau (ISB), the Facility Service Bureau (FSB) and the Special Funds Accounting Unit (SFA) of the LASD. The Inmate Welfare Commission supervises the overall revenue and expenditures controls by reviewing the monthly reports submitted to the Inmate Welfare Commission. The Inmate Welfare Commission also conducts monthly meetings with the LASD officers/personnel to discuss IWF operational and administrative matters.

In our review, we found that the internal controls over revenue and expenditures are generally working. However, we identified that some Commissary revenues (FY 2021 - \$130,309, FY 2020 - \$125,739, FY 2019 - \$142,291, FY 2018 - \$136,007, and FY 2017 - \$142,100) were not recorded in the appropriate fiscal year.

Recommendation No. 2

We recommend that LASD strengthen its revenue accrual process to ensure that all revenues are recorded in the appropriate fiscal year.

We also identified that the recording and reporting of the Salaries and Employee Benefits (S&EB) were not done on a monthly basis. Instead, S&EB costs were accrued, recorded, and reported annually during the fiscal years 2017 through 2020 and quarterly starting in fiscal year 2021. Thus, the monthly report submitted to the Inmate Welfare Commission did not reflect the actual expenditures for each reporting month.

Recommendation No. 3

We recommend that the LASD strengthen its IWF expenditures accruals reporting process to ensure that S&EB costs are accrued on a monthly basis so that the monthly report submitted to the Inmate Welfare Commission reflects the actual expenditures for each month.

We were engaged by the County of Los Angeles to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 the LASD IWF transactions for the period from July 1, 2016 to June 30, 2021. 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.

We are required to be independent of the County of Los Angeles and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the County of Los Angeles Sheriff's Department, the County of Los Angeles Board of Supervisors, Auditor-Controller, and the Inmate Welfare Commission and is not intended to be, and should not be used by anyone other than these specified parties.

BCA Watson Rice, LLP

February 18, 2022
Torrance, California

LOS ANGELES COUNTY
SHERIFF'S INMATE WELFARE FUND

AGREED-UPON PROCEDURES
REVIEW OF FINANCIAL STATEMENTS FORMATS SUBMITTED TO
INMATE WELFARE COMMISSION (IWC)
FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2021

Reports Submitted
to Inmate Welfare Commission

Observations, Comments,
Recommendations
and Management's Response

- 1) **Statement of Net Assets** – This statement contains the assets (cash, interest receivable and due from other funds), liabilities (vouchers payable and due from other funds), and net assets (comprising the encumbrances, approved request and the available funds). The primary purpose of this report is to present the remaining available net assets, which will serve as a guide for the Commissioners to determine whether funds are available when they make a decision to approve or disapprove a funding request. As is, no improvements recommended.

- 2) **Cash Balance Schedule** – The primary purpose of this report is to present the movement of the cash account from the beginning of the fiscal year until the end of the fiscal year. The ending balance is the amount of cash presented in the Statement of Net Assets report (no. 1 above) As is, no improvements recommended.

- 3) **Carry Over Fund** - The primary purpose of this page is to support the amount of the carry over fund presented in the cash balance schedule. This report shows the difference between the balances of the assets (except cash) and liabilities, which is forwarded to the Cash Balance Schedule report. As is, no improvements recommended.

- 4) **Anticipated Revenue Worksheet** - This schedule presents the itemized year-to-date anticipated revenue and actual revenue collected. It also presents the over and under revenue realized (anticipated versus actual) during the year. The format of this report was designed to assist the Commissioners in determining at a glance how much was the anticipated revenue and the actual As is, no improvements recommended.

LOS ANGELES COUNTY
SHERIFF'S INMATE WELFARE FUND

AGREED-UPON PROCEDURES
REVIEW OF FINANCIAL STATEMENTS FORMATS SUBMITTED TO
INMATE WELFARE COMMISSION (IWC)
FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2021

Reports Submitted to Inmate Welfare Commission	Observations, Comments, Recommendations and Management's Response
amount collected or realized. The amount of collected revenue in this report supports the amount of revenue as presented in the cash balance schedule.	
5) <i>Expenditures Summary</i> – This schedule is an itemization of the year-to-date inmate programs and facilities expenditures by expenditure categories.	As is, no improvements recommended.
6) <i>Schedule Due From Other Funds</i> – This schedule is an itemization of the year-to-date money due from other funds (within the County) to the inmate programs and facilities infrastructure. The total amount of due from other funds flows to the Closing Statement of Net Assets.	As is, no improvements recommended.
7) <i>Schedule of Due To Other Funds</i> – This schedule is an itemization of the year to date money due to other funds (within the County) from the inmate programs and facilities infrastructure. The total amount of due to other funds flows to the Closing Statement of Net Assets.	As is, no improvements recommended.
8) <i>Schedule of Accounts Payable</i> – This is an itemization of the inmate programs and facilities infrastructure vouchers payable balance year to date that flows into the Statement of Net Asset.	As is, no improvements recommended
9) <i>Schedule of Vouchers Payable</i> – This is an itemization of the inmate programs and facilities infrastructure vouchers payable balance year to date that flows into the Statement of Net Asset.	As is, no improvements recommended.

LOS ANGELES COUNTY
SHERIFF'S INMATE WELFARE FUND

AGREED-UPON PROCEDURES
REVIEW OF FINANCIAL STATEMENTS FORMATS SUBMITTED TO
INMATE WELFARE COMMISSION (IWC)
FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2021

Reports Submitted
to Inmate Welfare Commission

Observations, Comments,
Recommendations
and Management's Response

-
- | | |
|--|--|
| <p>10) <i>Schedule of Encumbrances</i> – This is an itemization of the inmate programs and facilities infrastructure encumbrances (approved purchased orders but no delivery yet of the products or services). This amount is presented under net assets in the closing statement of net assets.</p> | <p>As is, no improvements recommended.</p> |
| <p>11) <i>Schedule of Approved Requests</i> – This is an itemization of the inmate programs and facilities infrastructure requests (approved request for funding but no purchased order yet). This amount is presented under net assets in the closing statement of net assets.</p> | <p>As is, no improvements recommended.</p> |