

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

HAHNVILLE, LOUISIANA

FINANCIAL REPORT

As of and for the Year Ended December 31, 2017



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**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

As of and for the year ended December 31, 2017

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**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

As of and for the year ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

**To The Judges
Twenty-Ninth Judicial District
Judicial Clerk's Fund
Hahnville, Louisiana**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twenty-Ninth Judicial District Judicial Clerk's Fund (the Court) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court, as of December 31, 2017, and the respective

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

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The accompanying supplementary information, the *Budgetary Comparison Schedule – General Fund, Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers*, and *Schedule of Expenditures of Federal Awards* on page 22-26 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The *Budgetary Comparison Schedule – General Fund, Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers*, and *Schedule of Expenditures of Federal Awards* are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *Budgetary Comparison Schedule – General Fund, Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officers* and *Schedule of Expenditures of Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2018, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 department's internal control over financial reporting and compliance.



Thibodaux, Louisiana

June 26, 2018

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

**Statement of Net Position
December 31, 2017**

	Governmental Activities
	2017
Assets	
Cash and cash equivalents	\$ 1,732,207
Receivables	
Due from other governments	54,479
Capital assets, net of depreciation	2,585
Total assets	1,789,271
 Liabilities	
Accounts payable	25,488
Total liabilities	25,488
 Deferred Inflows of Resources	
Grants	3,119
Total deferred inflows of resources	3,119
 Net position	
Net investment in capital assets	2,585
Unrestricted	1,758,079
Total net position	\$ 1,760,664

The accompanying notes are an integral part of the basic financial statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

**Statement of Activities
For the Year ended December 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Increase (Decrease) in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental activities:					
Judicial Court - General	\$ 402,243	\$ 426,224	\$ -	\$ -	\$ 23,981
FINS Court	35,230	-	37,428	-	2,198
Adult Drug Court	219,808	28,156	191,214	-	(437)
Juvenile Drug Court	491	-	-	-	(491)
Total governmental activities:	\$ 657,772	\$ 454,380	\$ 228,642	\$ -	\$ 25,250
General revenues:					
Interest				\$ 1,746	
Total general revenues				\$ 1,746	
Increase (decrease) in net position					26,996
Net position - beginning of the year					1,733,668
Net position - end of the year					\$ 1,760,664

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

**Fund Balance Sheet - Governmental Funds
December 31, 2017**

	Special Revenue Funds				Total (Memo Only)
	General Fund	Families In Need Of Services	Adult Drug Court Program	Juvenile Drug Court Program	
ASSETS					
Cash	\$ 1,717,794	\$ 13,084	\$ 1,329	\$ -	\$ 1,732,207
Due from other governmental units	39,271	-	15,208	-	54,479
Total assets	<u>1,757,065</u>	<u>13,084</u>	<u>16,537</u>	<u>-</u>	<u>1,786,686</u>
LIABILITIES & FUND BALANCES					
Liabilities					
Accounts payable	9,188	-	16,300	-	25,488
Total liabilities	<u>9,188</u>	<u>-</u>	<u>16,300</u>	<u>-</u>	<u>25,488</u>
DEFERRED INFLOWS OF RESOURCES					
Grant	-	3,119	-	-	3,119
Total deferred inflows of resources	<u>-</u>	<u>3,119</u>	<u>-</u>	<u>-</u>	<u>3,119</u>
Fund balances					
Restricted for special purposes	-	9,965	237	-	10,202
Unreserved - unassigned	1,747,877	-	-	-	1,747,877
Total fund balances	<u>\$ 1,747,877</u>	<u>\$ 9,965</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 1,758,079</u>

The accompanying notes are an integral part of the basic financial statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

**Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
For the Year ended December 31, 2017**

	Special Revenue Funds				Total (Memo Only)
	General Fund	Families in Need of Services Program	Adult Drug Court Program	Juvenile Drug Court Program	
REVENUES					
Criminal Fees	\$ 402,227	\$ -	\$ -	\$ -	\$ 402,227
Civil Fees	20,453	-	-	-	20,453
Drug Court TANF	-	-	117,067	-	117,067
Drug Court Non TANF	-	-	74,147	-	74,147
FINS Grant	-	37,428	-	-	37,428
Drug Participant Fees	-	-	28,156	-	28,156
Reimbursements	3,545	-	-	-	3,545
Interest	1,727	11	7	-	1,745
Total revenues	<u>\$ 427,952</u>	<u>\$ 37,439</u>	<u>\$ 219,377</u>	<u>\$ -</u>	<u>\$ 684,768</u>
EXPENDITURES					
Current:					
Dues & Publication	\$ 3,261	\$ 100	\$ -	\$ -	\$ 3,361
Office Expenses	2,542	-	118	-	2,660
Personnel Services & Benefits	29,455	-	-	-	29,455
Professional Services	332,812	31,200	3,324	-	367,336
Treatment & Testing	660	-	96,605	-	97,265
Insurance	1,536	-	-	-	1,536
Meetings / Meals	2,674	761	-	-	3,435
Travel / Workshops	24,374	2,628	2,022	-	29,024
Telephone	2,737	-	205	-	2,942
TANF Federal Expenses	-	-	117,093	491	117,584
Total current expenditures	<u>400,051</u>	<u>34,689</u>	<u>219,367</u>	<u>491</u>	<u>654,598</u>
Total expenditures	<u>400,051</u>	<u>34,689</u>	<u>219,367</u>	<u>491</u>	<u>654,598</u>
Excess of revenues over/(under) expenditure	27,901.47	2,750	10	(491)	30,170
Net increase (decrease) in fund balance	27,901	2,750	10	(491)	30,170
FUND BALANCE					
Beginning of year	1,719,976	7,215	227	491	1,727,909
End of year	<u>\$ 1,747,877</u>	<u>\$ 9,965</u>	<u>\$ 237</u>	<u>\$ -</u>	<u>\$ 1,758,079</u>

The accompanying notes are an integral part of the basic financial statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2017**

Total fund balance for governmental funds at December 31, 2017	\$ 1,758,079
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Total net position reported for governmental activities are not financial resources in the current period and, therefore, are not reported in the funds.
Those assets consist of:

Equipment, net of \$39,775 accumulated depreciation	<u>2,585</u>
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Total net position of governmental activities at December 31, 2017	<u>\$ 1,760,664</u>
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The accompanying notes are an integral part of the basic financial statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017**

Total net changes in fund balance at December 31, 2017 per Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 30,170
Total change in net position reported for governmental activities in the Statement of Activities is different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balances	-0-
Basis of capital assets removed from service	-0-
Depreciation expense for the year ending December 31, 2017	<u>(3,174)</u>
	<u>(3,174)</u>
Total changes in net position at December 31, 2017 per Statement of Activities	<u>\$ 26,996</u>

The accompanying notes are an integral part of the basic financial statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

INTRODUCTION

The Twenty-Ninth Judicial District Clerk's Fund, (the Court) State of Louisiana was established under the Louisiana Revised Statute 13:996.13-15 for the purpose of collecting funds to pay for the judicial and courtroom expenses necessary for the efficient operation of the court. The Judicial Clerk's Fund also manages the operation of the Adult Drug Court Program, Juvenile Drug Court Program, and Families In Need of Services (FINS) Program. These programs are authorized by the legislature and receive funding primarily from federal and state grants. The Court is comprised of three independently elected judges with 6-year terms.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Court have been prepared in conformity with generally accepted accounting principles (GAAP) accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the St. Charles Parish Council is considered to be the primary government for financial reporting purposes for the Parish of St. Charles.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body.
 - a. The ability of the council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Management has determined that the Twenty - Ninth Judicial District Judicial Clerk's Fund is not considered a component unit of the parish if applying the criteria above. Instead the Court is considered to be a "standalone" special purpose government. This decision is based on the following:

- a. The Court enjoys a separate legal standing from the Parish Council and other governmental entities. The Court has the ability to sue or be sued in its own name.
- b. The Parish Council does not appoint the Judges. The Judges' position was created by Article V, Section 21:24 of the Louisiana Constitution of 1974. The Judges' are a separately elected official elected by the citizenry in a general, popular election.
- c. The Parish Council does not have the ability to impose its will on the Judges. The Parish Council cannot remove the Judges from office. The day-to-day operations of the Court's office are under the responsibility and control of no one other than the Judges.
- d. The Court does not provide a significant financial benefit or burden to the Parish Council. While the Parish Council does provide the Judges' with a certain amount of its office space at no cost and pays a certain amount of operating expenses on behalf of the Court, these transactions are not considered significant enough to make the Parish Council financially accountable for the Court's Office.
- e. The Court is not fiscally dependent on the Parish. The primary sources of funding for the Court include state and federal grants and licenses and fees on behalf of other governmental entities.

Therefore, the accompanying financial statements of the Court are separate and apart from the Parish Council. The financial statements include all funds and account groups, as well as component units, of the Court.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Court is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Court are described below:

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

Governmental Funds -

General Fund

The General Fund is the principal fund of the Judicial Clerk's Fund and is used to account for the operations of the Court's office. General revenues are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenues sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Court has established three special revenue funds. The following are brief descriptions for the purpose of each special revenues fund.

1. Adult Drug Court Fund – The Adult Drug Court Fund accounts for the operation of the adult drug court, has one program director, and pays for drug prevention and treatment programs as directed by the court. The fund receives revenues from a state grant through the Supreme Court of the State of Louisiana and a federal grant from the Temporary Assistance for Needy Families Program (TANF) passed through the Supreme Court.
2. Juvenile Drug Court Fund – The Juvenile Drug Court Fund also receives TANF grant money passed through the Supreme Court in order to fund the operation of the Juvenile Drug Court Fund and provide services to juveniles with potential substance abuse problems prior to being convicted of any charges.
3. Families In Need of Services Fund (FINS) - The FINS Fund receives a state grant in order to provide funding for addressing the needs of children and families before they enter the legal system.

C. Measurement Focus / Basis of Accounting

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

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized 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.

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds of Statements C and D, are accounted for using a current financial resources measurement focus. 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 is then reconciled, through adjustment, to a government-wide view of Court wide operations.

The amounts reflected in the Governmental Funds of Statements C and D, 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 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 –

Revenues are generally recognized when they become measurable and available as net current assets.

Expenditures –

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

D. Budgets and Budgetary Accounting

As required by the Louisiana Revised Statutes 39:1303, the Judges are required to adopt

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
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**Notes to the Financial Statements
December 31, 2017**

a budget for the Court's general fund. The Judges follow these procedures in establishing the budgetary data reflected in the financial statements:

1. The Judges' office prepares a proposed budget for the general revenue funds and submits it to the Judges for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts shown are as originally adopted and as amended. Budget amendments are passed on an as-needed basis, and a balance budget is required.

E. Encumbrances

The court does not use encumbrance accounting.

F. Cash and cash equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents also include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Receivables

The Court considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts. If uncollectible amounts are identified, necessary

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JUDICIAL CLERK'S FUND
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**Notes to the Financial Statements
December 31, 2017**

adjustments are made when information becomes available. These amounts are not considered to be material to the financial statements.

H. Inventories

Physical inventories consist of expendable supplies held for consumption. Because inventories are expended within one operating cycle they are recorded as expenditures when paid for and are not recorded as an inventory asset.

I. Capital assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) 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 \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net positions and Statement of Activities. Since surplus assets are disposed of or sold for an immaterial amount when declared as no longer needed for public purposes, 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:

Description	Estimated Life
Equipment	5-7

J. Equity Classifications

In the Government-Wide statements, equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position — Consists of Net Position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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**Notes to the Financial Statements
December 31, 2017**

- c. Unrestricted Net Position — All other Net Position that does not meet the definition of "restricted" or "net investment in capital assets".

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal decision of the Court, which is the highest level of decision-making authority.
- d. Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. These amounts are assigned based upon authority of the Court.
- e. Unassigned - all other spendable amounts.

When an expenditure is incurred for the purpose for which both restricted and unrestricted fund balance is available, the Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Court has provided otherwise in its commitment or assignment actions.

K. Use of Estimates

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

L. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
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**Notes to the Financial Statements
December 31, 2017**

required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

M. Subsequent Events

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (June 26, 2018).

NOTE 2. CASH AND CASH EQUIVALENTS

At December 31, 2017, the Court has cash balances (book balances) totaling \$1,732,207 as follows:

Demand Deposits	<u>\$ 1,732,207</u>
Total	<u>\$ 1,732,207</u>

These deposits are stated at cost, which approximate market. Under state law, these deposits or 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. These securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

NOTE 3. CUSTODIAL CREDIT RISK

Custodial credit risk is the risk in the event of a bank failure, the Court's deposits may not be returned to it. The Court does not have a policy for custodial credit risk. At December 31, 2017, the Court has \$1,732,207 in deposits (collected) bank balance. The deposits were secured from risk by federal deposits insurance and pledged securities. All of the Court's deposits were properly secured at December 31, 2017. Of the \$1,732,207 in bank balances, \$250,000 was secured by FDIC and \$1,482,207 was secured by pledged securities.

NOTE 4. DUE FROM OTHER GOVERNMENTS

The amounts due to the Twenty-Ninth Judicial District from other governments of \$ 54,479 consist of amounts owed for fees and grants at December 31, 2017 but not remitted until the subsequent period. The Court considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

NOTE 5. CHANGES IN CAPITAL ASSETS

A summary of changes in general fixed assets are as follows:

	<u>12/31/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2017</u>
Governmental Activities:				
Capital assets being depreciated:				
Equipment	\$ 39,775	-	-	\$ 39,775
Less accumulated depreciation for:				
Equipment	(34,016)	\$ (3,174)	-	(37,190)
Total capital assets, net of depreciation	<u>\$ 5,758</u>	<u>\$ (3,174)</u>	<u>-</u>	<u>\$ 2,585</u>

Depreciation expense of \$3,174 was charged to the judicial fund in 2017.

NOTE 6. EXPENDITURES OF THE COURT PAID BY THE PARISH

The St. Charles Parish Government provides the Twenty-Ninth Judicial District Judicial Clerk's Fund with certain amounts of office space at no cost. These expenditures are not recorded on the books of the Judicial Clerk's Fund.

NOTE 7. COOPERATIVE AGREEMENT

The Twenty-Ninth Judicial District Court's Office entered into an agreement to pay for assigned employees of the Twenty-Ninth Judicial District Attorney's Office to assist with the daily activities of the Court. The Court reimbursed the District Attorney's Office \$29,455 for salaries and benefits of these assigned employees.

NOTE 8. FAMILIES IN NEED OF SERVICES (FINS) PROGRAM

The Twenty-Ninth Judicial District Court entered into a contract with the State of Louisiana, Department of Public Safety and Corrections Youth Services under the Families in Need of Services Assistance Program. The program was created to consider issues arising with children and families in the St. Charles Parish. The main purpose of the program is to address the needs of children and families before they enter the legal system. The program helps child who are considered at risk of offending stay out of the court system. Services provided can include all facets of the mental health spectrum, including substance abuse treatment.

NOTE 9. ADULT AND JUVENILE DRUG COURT PROGRAMS

The primary mission of the Adult Drug Court and Juvenile Drug Court is to break the cycle

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Notes to the Financial Statements
December 31, 2017**

of addiction and rehabilitate substance-abusing offenders by utilizing governmental agencies and community resources. The Supreme Court Drug Court Office of Louisiana reimburses drug courts for services to Temporary Assistance for Needy Families (TANF) Eligible Drug Court Program clients to help these families understand the health risk associated with substance abuse and to assist them in becoming better able to successfully function in the family setting.

NOTE 10. RISK MANAGEMENT

The Twenty-Ninth Judicial District Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Court has decided to retain the risk of liability exposure and presently, does not have any funds appropriated for the potential liability exposure.

NOTE 11. LITIGATION AND CLAIMS

There are no claims or litigation pending at December 31, 2017.

OTHER SUPPLEMENTAL INFORMATION

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND**

**Budgetary Comparison Schedule
General Fund
For the Year ended December 31, 2017**

	Original Budget	Amended/Final Budget	Actual	Variance
REVENUES				
Criminal Fees	\$ 344,306	\$ 344,306	\$ 402,227	\$ 57,921
Civil Fees	21,202	21,202	20,453	(750)
Reimbursements	-	-	3,545	3,545
Interest	1,655	1,655	1,727	72
Total revenues	<u>\$ 367,163</u>	<u>\$ 367,163</u>	<u>\$ 427,952</u>	<u>\$ 60,789</u>
EXPENDITURES				
Current:				
Dues & Publication	\$ 4,725	\$ 4,725	\$ 3,261	\$ 1,464
Office Expenses	1,727	1,727	2,541	(814)
Personnel Services & Benefits	93,250	93,250	29,455	63,795
Professional Services	260,400	260,400	332,812	(72,412)
Treatment & Testing	315	315	660	(345)
Insurance	-	-	1,536	(1,536)
Meetings / Meals	1,890	1,890	2,674	(784)
Travel / Workshops	31,395	31,395	24,374	7,021
Telephone	652	652	2,737	(2,085)
Total current expenditures	<u>394,354</u>	<u>394,354</u>	<u>400,051</u>	<u>(5,697)</u>
Capital Outlay	525	525	-	1,050
Total expenditures	<u>394,879</u>	<u>394,879</u>	<u>400,051</u>	<u>(4,647)</u>
Excess of revenues over/(under) expenditures	(27,716)	(27,716)	27,901	65,435
Net increase (decrease) in fund balance	(27,716)	(27,716)	27,901	65,435
FUND BALANCE				
Beginning of year	<u>1,716,567</u>	<u>1,716,567</u>	<u>1,719,976</u>	<u>(3,409)</u>
End of year	<u>\$ 1,688,851</u>	<u>\$ 1,688,851</u>	<u>\$ 1,747,877</u>	<u>\$ 62,026</u>

The accompanying notes are an integral part of the basic financial statements.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Schedule of Compensation, Benefits, and Other Payments to Agency Head or
Chief Executive Officer
As of and for the Year Ended December 31, 2017**

Agency Head Name: Judge Emile R. St. Pierre

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	1,416
Reimbursements	186
Travel	0
Registration fees	2,840
Conference travel	5,928
Continuing professional education fees	496
Housing	0
Unvouchered expenses*	0
Special meals	1,531
Other – Data service	1,119

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Schedule of Compensation, Benefits, and Other Payments to Agency Head or
Chief Executive Officer
As of and for the Year Ended December 31, 2017**

Agency Head Name: Judge M. Lauren Lemmon

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	263
Travel	0
Registration fees	0
Conference travel	1,457
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	147
Other – Data service	1,619

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Schedule of Compensation, Benefits, and Other Payments to Agency Head or
Chief Executive Officer
As of and for the Year Ended December 31, 2017**

Agency Head Name: Judge Timothy S. Marcel

Purpose	Amount
Salary	\$0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	0
Vehicle provided by government	0
Per diem	354
Reimbursements	236
Travel	530
Registration fees	0
Conference travel	3,338
Continuing professional education fees	590
Housing	0
Unvouchered expenses*	0
Special meals	558
Other	0

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017**

FEDERAL GRANTOR / PASS-THROUGH <u>GRANTOR / PROGRAM TITLE</u>	CFDA <u>NUMBER</u>	PASS-THROUGH FEDERAL <u>GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>PASS-THROUGH PROGRAMS</u>			
DRUG COURT PROGRAM TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	N/A	\$ 117,584



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To The Judges
Twenty-Ninth Judicial District
Judicial Clerk's Fund
Hahnville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twenty-Ninth Judicial District Judicial Clerk's Fund (the Court), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated June 26, 2018.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not identified.

Compliance and Other Matters

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

Purpose of this Report

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



Thibodaux, Louisiana
June 26, 2018

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Summary of Schedule of Prior Year Audit Findings
As of and for the Year Ended December 31, 2017**

**Section I – Internal Control and Compliance Material to the
Financial Statements**

Ref. No.

1612-01

Description of Finding

Noncompliance with LRS 39:1301-15 (Local Government Budget Act)

The Court did not comply with state laws regarding the Local Government Budget Act as the 2016 budget was not adopted for the current year until November 2016, eleven months after the state law requirements.

Corrective Action Plan

Management was not aware of the Court's requirement to adopt a budget until the completion of 2015's audit report. At that time, a budget policy was created and implemented to prepare and adopt an annual budget for the general fund, in accordance with state law.

Name of Contact Person

Judge Emile R. St. Pierre

Anticipated Completion Date

Completed

Section II - Internal Control and Compliance Material to Federal Awards
No findings.

Section III – Management Letter

A management letter was not issued.

**TWENTY-NINTH JUDICIAL DISTRICT
JUDICIAL CLERK'S FUND
Hahnville, Louisiana**

**Summary of Schedule of Current Year Audit Findings
As of and for the Year Ended December 31, 2017**

**Section I – Internal Control and Compliance Material to the
Financial Statements**

No findings.

Section II - Internal Control and Compliance Material to Federal Awards

No findings.

Section III – Management Letter

A management letter was not issued.



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To: Twenty-Ninth Judicial District Judicial Clerk's Fund
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Twenty-Ninth Judicial District Judicial Clerk's Fund (the Court) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 to December 31, 2017. The Court's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

The Court has no written policy for budgeting.

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The Court has no written policy for purchasing.

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

The Court has no written policy for disbursements.

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

The Court has no written policy for receipts.

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

The Court has no policy on payroll/personnel because it is not applicable.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

The Court has no policy on contracting.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

The Court does not have a policy for credit cards because it is not applicable.

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

The Court has no policy on travel and expense reimbursement.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

The Court has no policy on ethics.

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

The Court has no policy on Debt Service because it is not applicable.

Board (or Finance Committee, if applicable)

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

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The Court consists of three independently elected judges. No board exists; therefore, 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.

Obtained a listing of the Court's bank accounts and obtained management's representation that the list is complete.

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

- a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for all bank accounts.

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

Although there were no signatures showing evidence that a member of management has reviewed each bank reconciliation, every Judge receives a copy of the bank statements as well as the bank reconciliations monthly.

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

There were no checks outstanding for more than 6 months as of the end of the fiscal period.

Collections

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

Obtained a listing of the Court's collection location and obtained management's representation that the list is complete.

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

- 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.

Each person responsible for collecting cash is not bonded. Each person responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. Each person responsible for collecting cash is not required to share the same cash register or drawer with another employee.

- 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 entity does not have 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.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - 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 deposits were made within one day of collection except for one deposit being made three business days after the collected day. All collections are completely supported by documentation.

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

The entity does not have written documentation containing a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

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

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

Obtained a listing of the Court's disbursements from the general ledger and obtained management's representation that the general ledger population is complete.

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

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

Randomly selected 25 disbursements. Inquired of management as to requisition/purchase orders, and how invoices are approved. At least two people were involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

Inquired of management as to the approval process. All purchases involved at least two people in processing and approving payments to vendors.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; (3) and an approved invoice.

Inquired of management and observed invoices. All payments for purchases were processed with a purchase order. None of the payments tested were for goods that would contain a receiving report. All payments require two Judge's signature for which the invoices are provided when signed.

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.

Inquired as to separation of duties. The person responsible for processing payments is allowed to add vendors to the system. However, this person does not have signatory authority.

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 Judges are the only people with signatory authority who makes the final authorization for disbursements. However, they are also the only people responsible for submitting purchase orders. The Judges have no responsibility for recording purchases.

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

documentation) and report whether the persons with signatory authority have system access to print checks.

All checks are kept in a locked location. The Judges, who are the authorized bank signers, do not have access to print checks.

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.

A signature stamp or signature machine is not used.

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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
 - a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized 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.]
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- 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.
- 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 Court has no active credit cards, bank debit cards, fuel cards, or P-cards. Therefore, this section does not apply to the Court.

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.

*Obtained the general ledger and sorted/filtered for travel reimbursements, by person.
Obtained management's representation that the general ledger is complete.*

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

The Court's procedures related to travel and expense reimbursements do not exceed the GSA rates for per diem and mileage.

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

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

Each expense was reimbursed or prepaid in accordance with GSA rates.

- 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.]

Each expense was supported by an original itemized receipt which identified what was purchased.

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

Each expense is supported by documentation of the business/public purpose.

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

Not applicable.

- 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 exceptions.

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

Each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement except for one instance of reimbursement not being reviewed by another agency head.

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.

Obtained a listing of all contracts in effect during the fiscal period; additionally, obtained the general ledger and sort/filter to obtain contract payment amounts. Obtained management's representation that the general ledger is complete.

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

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

For each of the five vendors, there are formal/written contracts that support the services arrangement and the amount paid.

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

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

Not applicable. No contracts were subject to the public bid law.

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

Not applicable.

- 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.

No contracts were amended.

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

For all five contracts selected, invoices and related payments complied with the terms and conditions of the contract.

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

Not applicable.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
 - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - 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.
- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - 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.
- 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.

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 Court has no employees nor do they have any control over the payroll records. All personnel is paid through the District Attorney's office. Therefore, this section does not apply to the Court.

Ethics

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 Court has no employees. See note in procedure #22 - #25.

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.

Management has stated that no alleged ethics violations were reported to the Court's office during the fiscal period.

Debt Service

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

Not applicable. Debt was not issued during the fiscal period.

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.

Not applicable. The Court did not have outstanding debt during the fiscal 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.

Not applicable. The Court did not have tax millages relating to debt service.

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.

Management stated that the Court had no misappropriations of public funds or assets.

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.

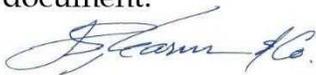
The Court has posted on its premises and website, the notice required by R.S. 24:523.1.

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

No exception.

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

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



T.S. Kearns & Co., CPA
June 26, 2018



29th Judicial District Court

TIMOTHY S. MARCEL
JUDGE, DIVISION E

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June 27, 2018

Timothy Kearns
T.S. Kearns & Co., CPA
164 W Main Street
Thibodaux, LA 70301

RE: Managements response to 2017 State AUPs

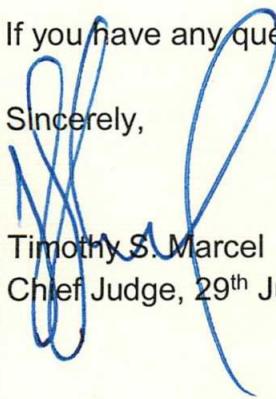
Mr. Kearns,

Please accept this letter as a formal response to the exceptions noted during your performance of the 2017 Statewide Agreed Upon Procedures.

We will continue to work toward developing written policies where needed and consider additional procedures and processes to ensure proper handling of all transactions.

If you have any questions, please contact Lucas Henderson at 985-331-2788.

Sincerely,


Timothy S. Marcel
Chief Judge, 29th Judicial District Court