

**SIXTEENTH (16th) JUDICIAL DISTRICT
COURT - DISTRICT JUDGE**

New Iberia, Louisiana

Financial Report

Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Judges of the
Sixteenth Judicial District Court-District Judge
Parishes of Iberia, St. Martin and St. Mary, Louisiana
New Iberia, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sixteenth Judicial District Court-District Judge (District Court Judge) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Court Judge'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 of 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District Court Judge, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 32 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Court Judge's basic financial statements. The budgetary comparison schedules on pages 40 through 42 are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020 on our consideration of the District Court Judge'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 District Court Judge's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
June 16, 2020

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Statement of Net Position
December 31, 2019

| | Governmental Activities |
|---|----------------------------|
| <hr/> | |
| ASSETS | |
| Current assets: | |
| Cash and interest-bearing deposits | \$ 1,189,397 |
| Investments | 856,562 |
| Due from other governments | 510,814 |
| Other receivable | 2,750 |
| Prepaid expenses | <u>617</u> |
| Total current assets | 2,560,140 |
| Noncurrent assets: | |
| Capital assets, net of accumulated depreciation | <u>22,777</u> |
| TOTAL ASSETS | <u>2,582,917</u> |
| | |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | <u>766,232</u> |
| | |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 27,386 |
| Accrued liabilities | 4,394 |
| Due to other governments | <u>79,572</u> |
| Total current liabilities | <u>111,352</u> |
| Noncurrent liabilities: | |
| Net pension liability | 860,434 |
| OPEB liability | <u>3,069,951</u> |
| Total noncurrent liabilities | <u>3,930,385</u> |
| TOTAL LIABILITIES | <u>4,041,737</u> |
| | |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pensions | <u>53,573</u> |
| | |
| NET POSITION | |
| Net investment in capital assets | 22,777 |
| Unrestricted (deficit) | <u>(768,938)</u> |
| TOTAL NET POSITION (DEFICIT) | <u>\$ (746,161)</u> |

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

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Statement of Activities
Year Ended December 31, 2019

| Functions/Programs | Expenses | Program Revenues | | Governmental Activities |
|-------------------------------|---------------------|--------------------------------|------------------------------------|--|
| | | Charges for Services and Fines | Operating Grants and Contributions | Net (Expense) Revenue and Change in Net Position |
| Governmental activities: | | | | |
| Public safety - | | | | |
| District Court | \$ 691,795 | \$ 511,263 | \$ 154,382 | \$ (26,150) |
| Hearing Officer | 565,356 | 823,574 | - | 258,218 |
| St. Mary Drug Court Testing | <u>1,492</u> | <u>2,700</u> | <u>-</u> | <u>1,208</u> |
| Total governmental activities | <u>\$ 1,258,643</u> | <u>\$ 1,337,537</u> | <u>\$ 154,382</u> | <u>233,276</u> |
| General revenues: | | | | |
| | | | | 32,211 |
| | | | | 14,814 |
| | | | | <u>4,540</u> |
| | | | | <u>51,565</u> |
| | | | | 284,841 |
| | | | | <u>(1,031,002)</u> |
| | | | | \$ (746,161) |

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

FUND FINANCIAL STATEMENTS

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Balance Sheet
Governmental Funds
December 31, 2019

| | General Fund | Hearing Officer Fund | St. Mary Drug Court Testing Fund | Total Governmental Funds |
|--|------------------------|----------------------------|---|--------------------------------|
| Assets: | | | | |
| Cash and interest-bearing deposits | \$ 275,635 | \$ 908,939 | \$ 4,823 | \$1,189,397 |
| Investments | 417,879 | 427,301 | 11,382 | 856,562 |
| Due from other governments | 437,178 | 73,636 | - | 510,814 |
| Due from other funds | - | 82,848 | - | 82,848 |
| Other receivable | 2,605 | 145 | - | 2,750 |
| Prepaid expenses | <u>617</u> | <u>-</u> | <u>-</u> | <u>617</u> |
| Total assets | <u>\$1,133,914</u> | <u>\$1,492,869</u> | <u>\$ 16,205</u> | <u>\$2,642,988</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 21,986 | \$ 5,400 | \$ - | \$ 27,386 |
| Accrued liabilities | 1,134 | 3,260 | - | 4,394 |
| Due to other governments | 79,572 | - | - | 79,572 |
| Due to other funds | <u>82,848</u> | <u>-</u> | <u>-</u> | <u>82,848</u> |
| Total liabilities | <u>185,540</u> | <u>8,660</u> | <u>-</u> | <u>194,200</u> |
| Fund balances: | | | | |
| Committed for court costs | - | 1,484,209 | - | 1,484,209 |
| Committed for drug testing | - | - | 16,205 | 16,205 |
| Unassigned | <u>948,374</u> | <u>-</u> | <u>-</u> | <u>948,374</u> |
| Total fund balances | <u>948,374</u> | <u>1,484,209</u> | <u>16,205</u> | <u>2,448,788</u> |
| Total liabilities and fund balances | <u>\$1,133,914</u> | <u>\$1,492,869</u> | <u>\$ 16,205</u> | <u>\$2,642,988</u> |

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

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2019

| | | | |
|--|--|------------------|---------------------|
| Total fund balance for governmental funds at December 31, 2019 | | | \$ 2,448,788 |
| Total net position reported for governmental activities in the statement of net position is different because: | | | |
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of: | | | |
| Equipment and furniture, net of \$135,909 accumulated depreciation | | | 22,777 |
| The deferred outflows of expenditures for pensions are not a use of current resources and, therefore, are not reported in the funds. | | | 766,232 |
| Long-term liabilities are not due and payable, and the net pension liability is not available, in the current period, and therefore, not reported in the governmental funds. | | | |
| Net OPEB obligation | | \$(3,069,951) | |
| Net pension liability | | <u>(860,434)</u> | (3,930,385) |
| The deferred inflows of contributions for pensions are not available resources and, therefore, are not reported in the funds. | | | <u>(53,573)</u> |
| Net position (deficit) at December 31, 2019 | | | <u>\$ (746,161)</u> |

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

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
Year Ended December 31, 2019

| | General Fund | Hearing Officer Fund | St. Mary Drug Court Testing Fund | Total Governmental Funds |
|---|-------------------|----------------------------|---|--------------------------------|
| Revenues: | | | | |
| Fees and fines | \$ 511,263 | \$ 823,574 | \$ 2,700 | \$ 1,337,537 |
| State grant - FINS | 84,072 | - | - | 84,072 |
| Parish government's reimbursements | 70,310 | - | - | 70,310 |
| Interest | 13,842 | 18,117 | 252 | 32,211 |
| Other | 4,540 | - | - | 4,540 |
| Total revenues | <u>684,027</u> | <u>841,691</u> | <u>2,952</u> | <u>1,528,670</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Public safety: | | | | |
| Salaries and related benefits | 245,164 | 593,884 | - | 839,048 |
| Operating services | 50,802 | 15,796 | - | 66,598 |
| Professional fees | 35,109 | 55,928 | - | 91,037 |
| Materials and supplies | 72,576 | 14,080 | - | 86,656 |
| Travel and other charges | 46,481 | 10,268 | 1,217 | 57,966 |
| Appropriations | 163,645 | - | - | 163,645 |
| Capital outlay | <u>7,403</u> | <u>2,920</u> | <u>-</u> | <u>10,323</u> |
| Total expenditures | <u>621,180</u> | <u>692,876</u> | <u>1,217</u> | <u>1,315,273</u> |
| Excess of revenues over expenditures | 62,847 | 148,815 | 1,735 | 213,397 |
| Other financing sources (uses): | | | | |
| Transfers in (out) | <u>11,047</u> | <u>(11,047)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 73,894 | 137,768 | 1,735 | 213,397 |
| Fund balances, beginning | <u>874,480</u> | <u>1,346,441</u> | <u>14,470</u> | <u>2,235,391</u> |
| Fund balances, ending | <u>\$ 948,374</u> | <u>\$ 1,484,209</u> | <u>\$ 16,205</u> | <u>\$ 2,448,788</u> |

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

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2019

| | |
|---|------------|
| Total net changes in fund balances for the year ended December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 213,397 |
|---|------------|

The 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 | \$ 10,323 | |
| Depreciation expense for the year ended December 31, 2019 | (10,801) | |
| Loss on disposal of capital assets | <u>(208)</u> | (686) |

Because some revenues are not considered measurable at year end,
they are not considered "available" revenues in the governmental funds.

| | |
|----------------------------|--------|
| Non-employer contributions | 14,814 |
|----------------------------|--------|

Some expenses reported in the statement of activities do not require the
use of current financial resources and therefore, are not reported as
expenditures in the governmental funds.

| | | |
|--------------------------------|----------------|--------|
| Pension expense | (202,728) | |
| Other post-employment benefits | <u>260,044</u> | 57,316 |

| | |
|---|-------------------|
| Total changes in net position for the year ended December 31, 2019 per Statement of Activities | \$ <u>284,841</u> |
|---|-------------------|

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

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Basic Financial Statements

INTRODUCTION

The Sixteenth Judicial District Court-District Judge (District Court Judge) is comprised of three parishes within the State of Louisiana: Iberia, St. Mary and St. Martin. The courthouses of the Sixteenth Judicial District are located in the three parish seats of New Iberia (Iberia Parish), Franklin (St. Mary Parish) and St. Martinville (St. Martin Parish). The caseload of the Sixteenth Judicial District Court is handled by eight judges, six are elected at-large and two are elected from sub-districts within the entire district. These judges all have general trial jurisdiction throughout the district and preside over individual divisions designated by the letters A through H as follows:

| | |
|------------|--------------------------------|
| Division A | Honorable Anthony Thibodeaux |
| Division B | Honorable Suzanne deMahy |
| Division C | Honorable Vincent J. Borne |
| Division D | Honorable Lewis H. Pitman, Jr. |
| Division E | Honorable Keith R. J. Comeaux |
| Division F | Honorable Gregory P. Aucoin |
| Division G | Honorable Curtis Sigur |
| Division H | Honorable Lori A. Landry |

The District Court Judge was created by Louisiana Revised Statute (R.S.) 13:996.37, which provides for the creation of the Judicial Expense Fund (general fund) for the Sixteenth Judicial District. The District Court Judge previously had two general funds, the Judicial Expense Fund and the Criminal Court Fund, which were managed by the Iberia Parish Government. Effective April 1, 1994, an intergovernmental agreement was entered into allowing the said court funds to be administered by the office of the Sixteenth Judicial District Attorney in order to avoid the expense of staff and equipment necessary to administer the court funds. Effective in 1997, the Judicial Expense Fund began to be administered by the Sixteenth Judicial District Court and is accounted for separately in this report. The Criminal Court Fund is accounted for as a special revenue fund in the District Attorney's financial statements.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

For financial reporting purposes, in conformance with Section 2100 of the Governmental Accounting Standards Board Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification), the Sixteenth Judicial District Court- District Judge herein referred to as the District Court Judge, includes all funds and activities, et cetera, that are controlled by the District Court Judge, comprised of independently elected parish officials. As independently elected parish officials, the District Court Judge is solely responsible for the operations of its office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the District Court Judge that are paid for or provided by the Iberia, St. Mary and St. Martin parish governments, such as maintenance and operation of the parish courthouses in which the District Court Judge's offices are located and funds for equipment and furniture of the District Court Judge, the District Court Judge is financially independent.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

Codification section 2100 established the following criteria for determining if a governmental entity is primary government or a component unit of a primary government.

- a. It has a separately elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other governments.

Because it meets the above criteria the District Court Judge is not considered a component unit of any other governmental entity, nor is it considered a primary government for any other governmental entities. Accordingly, the District Court Judge is a separate governmental reporting entity. The activities of the parish government, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity are not included within the accompanying financial statements as they are considered autonomous governments. These units of government issue financial statements separate from those of the District Court Judge.

B. Basis of Presentation

The accompanying financial statements of the District Court Judge have been prepared in conformity with governmental accounting principles generally 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. The accompanying basic financial statements have been prepared in conformity with the GASB codification.

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 all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District Court Judge'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, fines, and charges paid by the recipients of 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.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

Fund Financial Statements (FFS)

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

A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities.

Governmental Funds –

General Fund - The General Fund is the general operating fund of the District Court Judge. It is used to account for all financial resources relative to judicial expense funds. R.S. 13:996.37 provides for the collection of a \$35 court fee on every civil suit and a \$25 court fee on every criminal case over which the District Court Judge has jurisdiction and the defendant is convicted. These monies can be used to pay personnel, maintain the law library, purchase equipment, and supplies or other items necessary to efficiently operate the court.

Special Revenue Funds –

IV-D Hearing Officer Fund – This fund was established by R.S. 46:236.5 to provide for the court to implement an expedited process for the establishment of enforcement of support. Such court may assess and collect a fee of not more than five percent of all existing and future support obligations to fund the administrative costs of the system for expedited process.

The St. Mary Parish Drug Court Testing Fund – This fund was established to collect fines and forfeitures, which are collected by the District Attorney Misdemeanor Probation Officers. Such monies will be deposited into this fund and will be administered through the Court Administrator's office for the purpose of supplementing the cost of drug testing.

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. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the exchange takes place.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

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

Basis of accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when "measurable and available." Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter. Expenditures are recorded when the related fund liability is incurred.

D. Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds." Interfund receivables and payables are eliminated in the Statement of Net Position. Details of interfund receivables and payables at year-end are found in Note (4).

E. Cash and Investments

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District Court Judge may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any state of the United States, or under the laws of the United States. Investments are limited by R.S. 33:2955 and the District Court Judge's investment policy. At December 31, 2019, the investments of the District Court Judge consisted of investments in the Louisiana Asset Management Pool (LAMP). Investments in LAMP are stated at fair value.

F. Capital Assets

All capital assets are capitalized at historical cost, or estimated costs for assets where actual cost is not available. The District Court Judge maintains a threshold of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 5 to 7 years.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

G. Compensated Absences

The District Court Judge does not have a uniform policy relating to vacation and sick leave for each judge's personal staff. Each judge grants vacation and sick leave at his or her discretion for their own employees. There is, however, a uniform leave policy for general court employees, which include court administrator, hearing officers and staff and the information technology manager. These employees earn ten days of sick leave per year and a set amount of annual vacation leave depending on years of service. However, vacation and sick leave are not allowed to be accumulated and carried over from one calendar year to the next, therefore, no provision for compensated absences has been made in the financial statements.

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. As of December 31, 2019, District Court Judge's deferred outflows of resources and deferred inflows of resources are attributable to the pension plan.

I. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.
- c. Restricted – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

The District Court Judge has no restricted net position at December 31, 2019.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances of governmental funds are classified as follows:

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

- 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 District Court Judge which is the highest level of decision-making authority for the District Court Judge.
- 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. Under the District Court Judges' policy, only the District Court Judge may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

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

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from that fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfer. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

K. Accounting Estimates

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

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

(2) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the District Court Judge may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District Court Judge may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2019, the District Court Judge had cash and interest-bearing deposits (book balances) totaling \$1,189,397 as follows:

| | |
|----------------------------------|--------------------|
| Interest-bearing demand deposits | \$ 366,943 |
| Time deposits | <u>822,454</u> |
| Total | <u>\$1,189,397</u> |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Court Judge's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District Court Judge or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2019, are secured as follows:

| | |
|---------------------------|--------------------|
| Bank balances | <u>\$1,218,783</u> |
| Federal deposit insurance | 500,000 |
| Pledged securities | <u>718,783</u> |
| Total | <u>\$1,218,783</u> |

Pledged securities in the amount of \$718,783 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the District Court Judge's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Court Judge that the fiscal agent has failed to pay deposited funds upon demand. The District Court Judge does not have a policy for custodial credit risk.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

B. Investments

Investments held at December 31, 2019 consist of \$856,562 in the Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

LAMP is a 2a7-like investment pool. The following facts are relevant for a 2a7-like investment pools.

- a. Credit risk: LAMP is rated AAAm by Standard & Poors.
- b. Custodial credit risk: In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because LAMP participants' investments in the pool are evidences by shares of the pool and, therefore, not evidences by securities that exist in physical or book entry form. The District Court's investment is with the pool not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Inherent rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of December 31, 2019.
- e. Foreign currency risk: Not applicable to 2a7-like securities.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The financial report for LAMP may be accessed on its website (www.lamppool.com).

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

(3) Due from Other Governments

Amounts due from other governments consisted of the following at December 31, 2019:

| | |
|--|-------------------|
| District Attorney: Criminal Court Fund | \$ 406,190 |
| State of LA: Support Enforcement | 73,636 |
| Iberia Parish Government | 12,995 |
| St. Martin Parish Government | 8,088 |
| St. Mary Parish Government | 9,905 |
| Total due from other governments | <u>\$ 510,814</u> |

(4) Interfund Receivables and Payables

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|----------------------|----------------------------------|-------------------------------|
| General Fund | \$ - | \$ 82,848 |
| Hearing Officer Fund | <u>82,848</u> | <u>-</u> |
| | <u>\$ 82,848</u> | <u>\$ 82,848</u> |

These receivables and payables reverse in the normal course of operations. All remaining balances resulted from time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payment between the funds are made.

(5) Capital Assets

Capital asset activity for the year ended December 31, 2019, is as follows:

| | <u>Balance 1/1/19</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 12/31/19</u> |
|--|---------------------------|------------------|------------------|-----------------------------|
| Furniture and fixtures | \$ 157,456 | \$ 10,323 | \$ (9,093) | \$ 158,686 |
| Less accumulated depreciation | <u>(133,993)</u> | <u>(10,801)</u> | <u>8,885</u> | <u>(135,909)</u> |
| Capital assets, net of accumulated depreciation | <u>\$ 23,463</u> | <u>\$ (478)</u> | <u>\$ (208)</u> | <u>\$ 22,777</u> |

Depreciation expense for the year ended December 31, 2019, was charged to governmental activities of the District Court Judge as follows:

| | |
|----------------------------|------------------|
| District Court | \$ 7,641 |
| Hearing Officer Fund | 2,885 |
| Drug Court Fund | <u>275</u> |
| Total depreciation expense | <u>\$ 10,801</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

(6) Post-Retirement Health Care Benefits

Plan Description: The District Court Judge administers a single-employer defined benefit healthcare plan which provides certain continuing health care benefits to its retired employees (the OPEB Plan). The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the District Court Judge. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Statement No. 75. The Plan does not issue a publicly available report.

Benefits Provided – Medical benefits are provided through insured programs to employees upon actual retirement. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 25 years of service, age 60 and 10 years of service, or, age 65 and 7 years of service.

Employees covered by benefit terms – As of December 31, 2019, there were 23 active members and 6 retirees covered by the benefit terms:

Total OPEB Liability

The District Court Judge's total OPEB liability of \$3,069,951 was measured as of December 31, 2019 and was determined using an Alternative Measurement Method in place of an actuarial valuation.

Actuarial Assumptions and other inputs – The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

| | |
|--------------------------------------|--|
| Age adjustment factor | 1.512863 |
| Average retirement age | 67 |
| Employer future premium contribution | Remain at the current \$ level over time |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percentage Payroll |
| Assets backing OPEB liability | None |
| Plan asset return | 0.00% |
| Bond yield | 1.65% (based on 20-year tax exempt municipal bond) |
| Discount rate | 1.65% |
| Prior year discount rate | 1.50% |
| Projected salary increase | 0.50% |
| Amortization period | 20 |
| Percentage participation | 88.00% |

(continued)

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

Actuarial Assumptions and other inputs (continued)–

| | |
|----------------------------|--|
| NOL and ADC | Calculated using the Alternative Measurement Method in accordance with GASB methodology. |
| Mortality table | RP2000 Mortality Table for Males and Females projected 18 years; this assumption does not include a margin for future improvements in longevity. |
| Turnover assumption | Derived from data maintained by the U.S. Office of Personnel and Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System. |
| Healthcare cost trend rate | The expected rate of increase in medical cost is based on a graded schedule beginning with 7.6% annually, down to an ultimate annual rate of 4.7% for ten years out or later. |

Changes in Total OPEB Liability

| | |
|--|----------------------------|
| Balance as of December 31, 2018 | <u>\$ 3,329,995</u> |
| Changes for the year: | |
| Service cost | 117,759 |
| Interest | 51,373 |
| Effect of economic/demographic gains or losses | (327,058) |
| Effect of changes in assumptions | (56,167) |
| Employer contributions | <u>(45,951)</u> |
| Net changes | <u>(260,044)</u> |
| Balance as of December 31, 2019 | <u><u>\$ 3,069,951</u></u> |

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District Court Judge, as well as what the District Court Judge's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.65%) or 1-percentage-point higher (2.65%) than the current discount rate:

| | 1% Decrease 0.650% | Current Discount Rate 1.650% | 1% Increase 2.650% |
|----------------------|-----------------------|------------------------------------|-----------------------|
| Total OPEB liability | <u>\$ 3,472,842</u> | <u>\$ 3,069,951</u> | <u>\$ 2,729,052</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the District Court Judge, as well as what the District Court Judge's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

| | <u>1% Decrease</u> | <u>Current Trend Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|-------------------------------|--------------------|
| Total OPEB liability | \$ 2,997,084 | \$ 3,069,951 | \$ 3,153,178 |

OPEB Recovery

For the year ended December 31, 2019, the District Court Judge recognized an OPEB recovery of \$260,044.

Payable to the OPEB Plan

As of December 31, 2019, the District Court Judge did not have any amounts owed to the OPEB plan.

(7) **Employee Retirement System**

The District Court Judge participates in a cost-sharing defined benefit plan, the Parochial Employees' Retirement Systems (PERS), which is administered by a separate public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by this public employee retirement system to the State Legislature. This plan is not closed to new entrants. Substantially all District Court Judge's employees participate in the system.

Plan Description:

PERS provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1901 and 11:1941. The District Court Judge participates in Plan A.

PERS' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest income is recognized when earned.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

A brief summary of eligibility and benefits of the plan are provided in the following table:

| | |
|--|--|
| Final average salary | Final average compensation |
| Years of service required and/or age eligible for benefits | 30 years of any age 25 years age 55 ¹ 10 years age 60 ¹ 7 years age 65 ¹ |
| Benefit percent per years of service | 3.00% |

¹ Employees hired after January 1, 2007: 30 years age 55, 10 years age 62, 7 years age 67

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, PERS receives a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension system and are considered to be non-employer contributing entities. For the year ended December 31, 2019, the contribution percentages for employees and employers were 9.5% and 11.5%, respectively. The amounts contributed from non-employer contributing entities and from the District Court Judge for the year ended December 31, 2019 were \$14,814 and \$135,325, respectively.

Net Pension Liability

The District Court Judge's net pension liability at December 31, 2019 of \$860,434 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan. The net pension liability for the plan was measured as of the plan's measurement date, December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Court Judge's proportionate share of the net pension liability for the plan was based on the District Court Judge's required contributions in proportion to total required contributions for all employers.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

As of the most recent measurement date, the District Court Judge's proportion for the plan was 0.193863% and the change in proportion from the prior measurement date was an increase of 0.010018%.

Since the measurement date of the net pension liability was December 31, 2018 for PERS, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the plan's liabilities, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District Court Judge's net pension liability is available in the separately issued plan financial report, which may be accessed on their website at <http://www.persla.org>.

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension asset for PERS.

| | |
|---|--|
| Date of experience study on which significant assumptions are based | 1/1/2013 - 12/31/2017 |
| Expected remaining service lives | 4 |
| Inflation Rate | 2.40% |
| Projected salary increases | 4.75% |
| Projected benefit changes including COLAs | None |
| Source of mortality assumptions | Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants. |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

Cost of Living Adjustments

PERS has the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the PERS to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension asset as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

Discount Rate

The discount rate used to measure the District Court Judge's total pension liability for the plan and the significant assumptions used in the determination of the discount rate was 6.75%, which decreased 0.25% from prior valuation. Plan cash flow assumptions are that the plan member contributions will be made at the current contribution rate and sponsor contributions will be made at the actuarially determined rate.

The discount rate used to measure the District Court Judge's total pension liability for the pension plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. The rate was determined using a triangulation method which integrated the Capital Asset Pricing Model (CAPM), a treasury yield curve approach and an equity building block model. Risk return and correlation are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for the plan in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|------------------------------------|----------------------|---|
| Fixed Income | 35% | 1.22% |
| Equities | 52% | 3.45% |
| Alternative Investments | 11% | 0.65% |
| Real Assets | 2% | 0.11% |
| Total | 100% | 5.43% |
| Inflation | | 2.00% |
| Expected Arithmetic Nominal Return | | 7.43% |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2019, the District Court Judge recognized \$338,053 in pension expense related to the defined benefit plan in which it participates.

At December 31, 2019, the District Court Judge reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 52,420 |
| Changes of assumptions | 215,137 | - |
| Net difference between projected and actual earnings on pension plan investments | 411,892 | - |
| Change in proportion and differences between employer contributions and proportionate share of contributions | 3,878 | 1,153 |
| Employer contributions subsequent to the measurement date | <u>135,325</u> | <u>-</u> |
| Total | <u>\$ 766,232</u> | <u>\$ 53,573</u> |

Deferred outflows of resources of \$135,325 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

| Year Ended December 31 | Net Amount Recognized in Pension Expense |
|---------------------------|--|
| 2020 | \$ 198,168 |
| 2021 | 108,251 |
| 2022 | 88,962 |
| 2023 | <u>181,953</u> |
| | <u>\$ 577,334</u> |

Sensitivity of the District Court Judge's Proportional Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the District Court Judge's proportionate share of the net pension liability of the plan, calculated using the discount rate, as well as what the District Court Judge's

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease 5.50% | Current Discount Rate 6.50% | 1% Increase 7.50% |
|-----------------------|-------------------------|--------------------------------------|-------------------------|
| Net Pension Liability | <u>\$1,827,330</u> | <u>\$ 860,434</u> | <u>\$ 52,192</u> |

Payables to Pension Plan

At December 31, 2019, the District Court Judge had no outstanding payables to PERS.

(8) Court Fees Revenue

The District Court Judge collected court fees during the fiscal year ended December 31, 2019 as follows:

| | |
|-------------------------|--------------------|
| Criminal Bail Bond Fund | \$ 105,565 |
| Iberia Parish | 158,930 |
| St. Martin Parish | 153,767 |
| St. Mary Parish | 95,700 |
| State of Louisiana | <u>823,575</u> |
| Total | <u>\$1,337,537</u> |

(9) Families in Need of Services (FINS) Revenue and Expenditures

The District Court Judge administers the Families in Need of Services Assistance Program, Title VII of the Louisiana Children's Code within the Sixteenth Judicial District. The purpose of the program is to reduce formal juvenile court involvement by generating appropriate community services to benefit children and improve family relations. The District Court Judge receives funds from the State of Louisiana and reimburses the Sixteenth Judicial District Attorney for expenditures incurred for the program. During the fiscal year ended December 31, 2019, the amount received and subsequently reimbursed amounted to \$84,072.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

(10) Risk Management

The District Court Judge 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 District Court Judge has purchased a commercial crime policy for coverage of loss of funds, but has decided to retain the risk of liability exposure for all other risks mentioned above, and presently, does not have any funds appropriated for these potential liability exposures.

(11) Concentrations of Credit Risk

Intergovernmental receivables represent amounts due from other St. Mary, St. Martin, and Iberia Parishes governmental agencies. Payment of these amounts is partly dependent upon the economic and financial conditions within these parishes.

(12) Expenditures of the District Court Judge not Included in the Accompanying Financial Statements:

The District Court Judge's offices are located in the courthouses of Iberia, St. Martin, and St. Mary Parishes. The respective parish governments pay for the upkeep and maintenance of the courthouses. The accompanying financial statements do not include certain expenditures of the District Court Judge paid out of the funds of the parish governing bodies or directly by the state.

(13) Interfund Transfers

| | Transfers In | Transfers Out | Transfers In (Out), Net |
|----------------------|------------------|--------------------|----------------------------|
| General Fund | \$ 18,117 | \$ (7,070) | \$ 11,047 |
| Hearing Officer Fund | 7,070 | (18,117) | (11,047) |
| | <u>\$ 25,187</u> | <u>\$ (25,187)</u> | <u>\$ -</u> |

Transfers are used to move unrestricted revenues collected in the special revenue funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Financial Statements (Continued)

(14) Appropriation to Criminal Court Fund

The Criminal Court Fund is established by L.A.R.S. 15:571.11. This fund received revenues from criminal court costs, fines, and forfeitures. The Criminal Court Fund provides employee salaries and related benefits, and court reporter transcript fees in accordance with an agreement adopted by the District Judges and the District Attorney on January 9, 2001. The District Attorney's Office receives all funds for deposit and disbursements are made upon the signature of the Chief Judge and the District Attorney. The Criminal Court Fund reimburses the Judges and the District Attorney monthly for employee salary and related benefits expenses, and the Judges for court reporter transcript fees. Any deficit in the fund at year end is shared by the District Attorney's Office and the District Court Judge on a pro-rated basis according to the percentage of total expenditures by each. At December 31, 2019, the District Court Judge's share of the Criminal Court Fund's deficit was \$79,572. This amount is shown as "Due to other governments" on the balance sheet.

(15) Compensation, Benefits, and Other Payments to Agency Head

Payments from all sources to Lewis H. Pitman, District Court Chief Judge from January 1, 2019 through December 31, 2019 follows:

| Purpose: | <u>Amount</u> |
|----------------------------------|---------------|
| Dues | \$ 50 |
| Reimbursements - office supplies | 55 |
| Travel | 2,771 |
| Registration fees | 975 |

(16) Subsequent Event Review

Uncertainty Occurring After Financial Statement Date – As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Government's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance - Positive (Negative) |
|--|--------------------|-------------------|-------------------|--------------------------------------|
| Revenues: | | | | |
| Fees and fines | \$ 476,100 | \$ 488,100 | \$ 511,263 | \$ 23,163 |
| State grant - FINS | 84,072 | 84,072 | 84,072 | - |
| Parish government's reimbursements | 72,162 | 72,162 | 70,310 | (1,852) |
| Interest | 13,200 | 13,200 | 13,842 | 642 |
| Other | 2,006 | 1,006 | 4,540 | 3,534 |
| Total revenues | <u>647,540</u> | <u>658,540</u> | <u>684,027</u> | <u>25,487</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Public safety: | | | | |
| Salaries and related benefits | 256,161 | 245,519 | 245,164 | 355 |
| Operating services | 57,362 | 59,743 | 50,802 | 8,941 |
| Professional fees | 36,591 | 35,240 | 35,109 | 131 |
| Materials and supplies | 74,930 | 76,530 | 72,576 | 3,954 |
| Travel and other charges | 70,313 | 70,785 | 46,481 | 24,304 |
| Appropriation to District Attorney - FINS | 84,072 | 84,072 | 84,072 | - |
| Appropriation to Criminal Court Fund | 450,649 | 49,049 | 79,573 | (30,524) |
| Capital outlay | 26,900 | 24,000 | 7,403 | 16,597 |
| Total expenditures | <u>1,056,978</u> | <u>644,938</u> | <u>621,180</u> | <u>23,758</u> |
| Excess (deficiency) of revenues over expenditures | <u>(409,438)</u> | <u>13,602</u> | <u>62,847</u> | <u>49,245</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 5,750 | 14,000 | 18,117 | 4,117 |
| Transfers out | (13,900) | (7,000) | (7,070) | (70) |
| Total other financing sources (uses) | <u>(8,150)</u> | <u>7,000</u> | <u>11,047</u> | <u>4,047</u> |
| Net change in fund balance | (417,588) | 20,602 | 73,894 | 53,292 |
| Fund balance, beginning | <u>874,480</u> | <u>874,480</u> | <u>874,480</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 456,892</u> | <u>\$ 895,082</u> | <u>\$ 948,374</u> | <u>\$ 53,292</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Budgetary Comparison Schedule
Hearing Officer Fund
For the Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--------------------------------------|
| Revenues: | | | | |
| Fees and fines | \$ 752,900 | \$ 785,000 | \$ 823,574 | \$ 38,574 |
| Interest | 5,750 | 14,000 | 18,117 | 4,117 |
| Total revenues | <u>758,650</u> | <u>799,000</u> | <u>841,691</u> | <u>42,691</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Public safety: | | | | |
| Salaries and related benefits | 603,427 | 594,380 | 593,884 | 496 |
| Operating services | 11,498 | 18,191 | 15,796 | 2,395 |
| Professional fees | 56,331 | 57,660 | 55,928 | 1,732 |
| Materials and supplies | 15,300 | 14,775 | 14,080 | 695 |
| Travel and other charges | 17,863 | 14,265 | 10,268 | 3,997 |
| Capital outlay | <u>8,100</u> | <u>8,100</u> | <u>2,920</u> | <u>5,180</u> |
| Total expenditures | <u>712,519</u> | <u>707,371</u> | <u>692,876</u> | <u>14,495</u> |
| Excess of revenues over expenditures | <u>46,131</u> | <u>91,629</u> | <u>148,815</u> | <u>57,186</u> |
| Other financing sources (uses): | | | | |
| Transfer in | 13,900 | 7,000 | 7,070 | 70 |
| Transfers out | <u>(5,750)</u> | <u>(14,000)</u> | <u>(18,117)</u> | <u>(4,117)</u> |
| Total other financing sources (uses) | <u>8,150</u> | <u>(7,000)</u> | <u>(11,047)</u> | <u>(4,047)</u> |
| Net change in fund balance | 54,281 | 84,629 | 137,768 | 53,139 |
| Fund balance, beginning | <u>1,346,441</u> | <u>1,346,441</u> | <u>1,346,441</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 1,400,722</u> | <u>\$ 1,431,070</u> | <u>\$ 1,484,209</u> | <u>\$ 53,139</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Budgetary Comparison Schedule
St. Mary Parish Drug Court Testing Fund
For the Year Ended December 31, 2019

| | Original Budget | Final Budget | Actual | Variance - Positive (Negative) |
|----------------------------|--------------------|------------------|------------------|--------------------------------------|
| Revenues: | | | | |
| Fees and fines | \$ 3,260 | \$ 2,550 | \$ 2,700 | \$ 150 |
| Interest | 295 | 260 | 252 | (8) |
| Total revenues | <u>3,555</u> | <u>2,810</u> | <u>2,952</u> | <u>142</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Public safety: | | | | |
| Travel | <u>-</u> | <u>1,250</u> | <u>1,217</u> | <u>33</u> |
| Net change in fund balance | 3,555 | 1,560 | 1,735 | 175 |
| Fund balance, beginning | <u>14,470</u> | <u>14,470</u> | <u>14,470</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 18,025</u> | <u>\$ 16,030</u> | <u>\$ 16,205</u> | <u>\$ 175</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended December 31, 2019

Total OPEB Liability

| | |
|--|----------------------------|
| Service cost | \$ 117,759 |
| Interest | 51,373 |
| Effect of economic/demographic gains or losses | (327,058) |
| Changes in assumptions | (56,167) |
| Benefit payments and net transfers | <u>(45,951)</u> |
| Net Changes | (260,044) |
| Total OPEB liability - beginning | <u>3,329,995</u> |
| Total OPEB liability - ending | <u><u>\$ 3,069,951</u></u> |
| Covered employee payroll | \$ 1,233,857 |
| Total OPEB liability as a percentage of covered-employee payroll | 248.81% |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2019

| <u>Plan Fiscal Year</u> | <u>Plan</u> | <u>Employer Proportion of the Net Pension Liability (Asset)</u> | <u>Employer Proportionate Share of the Net Pension Liability (Asset)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|-----------------------------|-------------|---|--|--|--|---|
| 12/31/2018 | PERS | 0.193863% | \$ 860,434 | \$1,189,026 | 72.4% | 88.86% |
| 12/31/2017 | PERS | 0.183845% | (136,458) | 1,131,600 | -12.1% | 101.98% |
| 12/31/2016 | PERS | 0.188998% | 302,068 | 1,120,862 | 26.9% | 94.15% |
| 12/31/2015 | PERS | 0.192212% | 505,957 | 1,102,069 | 45.9% | 92.23% |
| 12/31/2014 | PERS | 0.193523% | 52,911 | 1,092,125 | 4.80% | 99.15% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Schedule of Employer Contributions
For the Year Ended December 31, 2019

| <u>For the Year Ended December 31,</u> | <u>Plan</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|--|-------------|--|---|---|--|---|
| 2019 | PERS | \$135,325 | \$135,325 | \$ - | 1,176,739 | 11.50% |
| 2018 | PERS | 136,738 | 136,738 | - | 1,189,026 | 11.50% |
| 2017 | PERS | 141,450 | 141,450 | - | 1,131,600 | 12.50% |
| 2016 | PERS | 145,712 | 145,712 | - | 1,120,862 | 13.00% |
| 2015 | PERS | 159,800 | 159,800 | - | 1,102,069 | 14.50% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Notes to Required Supplementary Information

(1) Budgets

The District Court Judge prepares and adopts a budget in accordance with R.S. 39:1301 et seq. The proposed budget for the year ended December 31, 2019 was made available for public inspection for a two-week period prior to the public hearing (and also at the public hearing) held at the St. Martin Parish Courthouse on December 12, 2018. The proposed budget was formally adopted by the District Court Judge at this time. All appropriations lapse at year-end. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budget and actual revenues and expenditures. Formal budgetary accounts are integrated into the accounting system during the year as a management control device. The District Court Judge is authorized to transfer amounts between line items within each fund. When actual revenues within the General Fund are failing to meet estimated annual budgeted revenues by five percent or more and/or actual expenditures within the General Fund are failing to meet estimated annual budgeted revenues by five percent or more, a budget amendment to reflect such change is adopted by the District Court Judge. Budgeted amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments.

(2) Pension Plan

Changes of assumptions about future economic or demographic factors or of other outputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that were provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

(3) Other Postemployment Benefit Plan

Benefit Changes – There were no changes in benefit terms for the year ended December 31, 2019.

Changes of Assumptions – The discount rate increased from 1.50% to 1.65% for the year ended December 31, 2019.

OTHER SUPPLEMENTARY INFORMATION

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Budgetary Comparison Schedule
General Fund

For the Year Ended December 31, 2019
With Comparative Actual Amounts for the Year Ended December 31, 2018

| | 2019 | | | Variance - | |
|--|--------------------|-------------------|-------------------|------------------------|-------------------|
| | Original Budget | Final Budget | Actual | Positive (Negative) | 2018 Actual |
| Revenues: | | | | | |
| Fees and fines | \$ 476,100 | \$ 488,100 | \$ 511,263 | \$ 23,163 | \$ 520,104 |
| State grant - FINS | 84,072 | 84,072 | 84,072 | - | 85,738 |
| Parish government's reimbursements | 72,162 | 72,162 | 70,310 | (1,852) | 85,132 |
| Interest | 13,200 | 13,200 | 13,842 | 642 | 8,050 |
| Other | 2,006 | 1,006 | 4,540 | 3,534 | 2,069 |
| Total revenues | <u>647,540</u> | <u>658,540</u> | <u>684,027</u> | <u>25,487</u> | <u>701,093</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| Public safety: | | | | | |
| Salaries and related benefits | 256,161 | 245,519 | 245,164 | 355 | 195,105 |
| Operating services | 57,362 | 59,743 | 50,802 | 8,941 | 46,336 |
| Professional fees | 36,591 | 35,240 | 35,109 | 131 | 22,038 |
| Materials and supplies | 74,930 | 76,530 | 72,576 | 3,954 | 71,374 |
| Travel and other charges | 70,313 | 70,785 | 46,481 | 24,304 | 41,883 |
| Appropriation to District Attorney - FINS | 84,072 | 84,072 | 84,072 | - | 85,738 |
| Appropriation to Criminal Court Fund | 450,649 | 49,049 | 79,573 | (30,524) | 88,093 |
| Appropriation to St. Martin Parish Govt. | - | - | - | - | 118,618 |
| Capital outlay | <u>26,900</u> | <u>24,000</u> | <u>7,403</u> | <u>16,597</u> | <u>10,020</u> |
| Total expenditures | <u>1,056,978</u> | <u>644,938</u> | <u>621,180</u> | <u>23,758</u> | <u>679,205</u> |
| Excess (deficiency) of revenues over expenditures | <u>(409,438)</u> | <u>13,602</u> | <u>62,847</u> | <u>49,245</u> | <u>21,888</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | 5,750 | 14,000 | 18,117 | 4,117 | 7,450 |
| Transfers out | <u>(13,900)</u> | <u>(7,000)</u> | <u>(7,070)</u> | <u>(70)</u> | <u>(14,326)</u> |
| Total other financing sources (uses) | <u>(8,150)</u> | <u>7,000</u> | <u>11,047</u> | <u>4,047</u> | <u>(6,876)</u> |
| Net change in fund balance | (417,588) | 20,602 | 73,894 | 53,292 | 15,012 |
| Fund balance, beginning | <u>874,480</u> | <u>874,480</u> | <u>874,480</u> | <u>-</u> | <u>859,468</u> |
| Fund balance, ending | <u>\$ 456,892</u> | <u>\$ 895,082</u> | <u>\$ 948,374</u> | <u>\$ 53,292</u> | <u>\$ 874,480</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Budgetary Comparison Schedule
Hearing Officer Fund

For the Year Ended December 31, 2019
With Comparative Actual Amounts for the Year Ended December 31, 2018

| | 2019 | | | | |
|---|--------------------|--------------------|--------------------|--------------------------------------|--------------------|
| | Original Budget | Final Budget | Actual | Variance - Positive (Negative) | 2018 Actual |
| Revenues: | | | | | |
| Fees and fines | \$ 752,900 | \$ 785,000 | \$ 823,574 | \$ 38,574 | \$ 772,276 |
| Interest | <u>5,750</u> | <u>14,000</u> | <u>18,117</u> | <u>4,117</u> | <u>7,450</u> |
| Total revenues | <u>758,650</u> | <u>799,000</u> | <u>841,691</u> | <u>42,691</u> | <u>779,726</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| Public safety: | | | | | |
| Salaries and related benefits | 603,427 | 594,380 | 593,884 | 496 | 615,132 |
| Operating services | 11,498 | 18,191 | 15,796 | 2,395 | 11,473 |
| Professional fees | 56,331 | 57,660 | 55,928 | 1,732 | 60,449 |
| Materials and supplies | 15,300 | 14,775 | 14,080 | 695 | 17,595 |
| Travel and other charges | 17,863 | 14,265 | 10,268 | 3,997 | 8,150 |
| Capital outlay | <u>8,100</u> | <u>8,100</u> | <u>2,920</u> | <u>5,180</u> | <u>-</u> |
| Total expenditures | <u>712,519</u> | <u>707,371</u> | <u>692,876</u> | <u>14,495</u> | <u>712,799</u> |
| Excess of revenues over expenditures | <u>46,131</u> | <u>91,629</u> | <u>148,815</u> | <u>57,186</u> | <u>66,927</u> |
| Other financing sources (uses): | | | | | |
| Transfer in | 13,900 | 7,000 | 7,070 | 70 | 14,326 |
| Transfers out | <u>(5,750)</u> | <u>(14,000)</u> | <u>(18,117)</u> | <u>(4,117)</u> | <u>(7,450)</u> |
| Total other financing sources (uses) | <u>8,150</u> | <u>(7,000)</u> | <u>(11,047)</u> | <u>(4,047)</u> | <u>6,876</u> |
| Net change in fund balance | 54,281 | 84,629 | 137,768 | 53,139 | 73,803 |
| Fund balance, beginning | <u>1,346,441</u> | <u>1,346,441</u> | <u>1,346,441</u> | <u>-</u> | <u>1,272,638</u> |
| Fund balance, ending | <u>\$1,400,722</u> | <u>\$1,431,070</u> | <u>\$1,484,209</u> | <u>\$ 53,139</u> | <u>\$1,346,441</u> |

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin and St. Mary

Budgetary Comparison Schedule
St. Mary Parish Drug Court Testing Fund

For the Year Ended December 31, 2019
With Comparative Actual Amounts for the Year Ended December 31, 2018

| | 2019 | | | Variance - | 2018 |
|--|--------------------|------------------|------------------|------------------------|------------------|
| | Original Budget | Final Budget | Actual | Positive (Negative) | Actual |
| Revenues: | | | | | |
| Fees and fines | \$ 3,260 | \$ 2,550 | \$ 2,700 | \$ 150 | \$ 3,310 |
| Interest | 295 | 260 | 252 | (8) | 299 |
| Total revenues | <u>3,555</u> | <u>2,810</u> | <u>2,952</u> | <u>142</u> | <u>3,609</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| Public safety: | | | | | |
| Travel | - | 1,250 | 1,217 | 33 | - |
| Appropriation to St. Mary Parish Govt. | - | - | - | - | 42,279 |
| Total expenditures | <u>-</u> | <u>1,250</u> | <u>1,217</u> | <u>33</u> | <u>42,279</u> |
| Net change in fund balance | 3,555 | 1,560 | 1,735 | 175 | (38,670) |
| Fund balance, beginning | <u>14,470</u> | <u>14,470</u> | <u>14,470</u> | <u>-</u> | <u>53,140</u> |
| Fund balance, ending | <u>\$ 18,025</u> | <u>\$ 16,030</u> | <u>\$ 16,205</u> | <u>\$ 175</u> | <u>\$ 14,470</u> |

**INTERNAL CONTROL,
COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

To the Honorable Judges of the
Sixteenth Judicial District Court-District Judge
Parishes of Iberia, St. Martin and St. Mary, Louisiana
New Iberia, Louisiana

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 Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sixteenth Judicial District Court-District Judge (District Court Judge) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District Court Judge's basic financial statements and have issued our report thereon dated June 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District Court Judge'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 District Court Judge's internal control. Accordingly, we do not express an opinion on the effectiveness of the District Court Judge'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 been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Court Judge'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
June 16, 2020

SIXTEENTH JUDICIAL DISTRICT COURT-DISTRICT JUDGE
Parishes of Iberia, St. Martin, and St. Mary

Summary Schedule of Current and Prior Year Findings
and Management's Corrective Action Plan

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings -

There were no internal control findings.

B. Compliance Findings

There were no compliance findings.

Part II. Prior Year Findings

A. Internal Control Findings -

There were no internal control findings.

B. Compliance Findings –

There were no compliance findings.

**SIXTEENTH (16th) JUDICIAL DISTRICT
COURT - DISTRICT JUDGE**

New Iberia, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2019

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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To the Honorable Judges of the
Sixteenth Judicial District Court-District Judge
Parishes of Iberia, St. Martin, and St. Mary, Louisiana
New Iberia, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Sixteenth Judicial District Court-District Judge (Entity) 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, 2019 through December 31, 2019. Management of the Entity 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

(Procedures (a) through (j) were not performed since there were no exceptions in the prior year. Procedure (k) was a new requirement in 2019).

1. Obtain and inspect the Entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (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).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- 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.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

(The following procedures were not performed since there were no exceptions in the prior year.)

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtain the prior year audit report and observe the unrestricted fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the General Fund.

Bank Reconciliations

(The following procedures were not performed since there were no exceptions in the prior year.)

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Entity's main operating account. Select the Entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for the selected accounts, and observe that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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

Collections

(The following procedures were not performed since there were no exceptions in the prior year.)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Test the Entity's only deposit site.
- 5. Obtain a listing of collection locations and management's representation that the listing is complete. Test the Entity's only collection location and deposit site, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at the collection location, and observe that job duties are properly segregated at the collection location such that:
 - a) The employee responsible for cash collections does not share cash drawers/registers.
 - b) The employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that the employee who has access to cash is covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the Entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - a) We observed that the disbursement matched the related original invoice/billing statement.
 - b) We observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

(The following procedures were not performed since there were no exceptions in the prior year.)

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

(The following procedures were not performed since there were no exceptions in the prior year.)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

(The following procedures were not performed since there were no exceptions in the prior year.)

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

(The following procedures were not performed since there were no exceptions in the prior year.)

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period was reflected in the Entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums had been paid, and associated forms had been filed, by required deadlines.

Ethics

(The following procedures were not performed since there were no exceptions in the prior year.)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Entity's ethics policy during the fiscal period.

Debt Service

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

(The following procedures were not performed since there were no exceptions in the prior year.)

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

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

Exceptions:

No exceptions were found as a result of applying the procedures listed above.

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.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 16, 2020