

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
ANNUAL FINANCIAL REPORT
December 31, 2021

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

ANNUAL FINANCIAL REPORT

December 31, 2021

TABLE OF CONTENTS

	PAGE
List of Judges and Officials	
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
FINANCIAL SECTION	
<i>Independent Auditor's Report</i>	8
<i>Basic Financial Statements:</i>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
<i>Notes to Financial Statements</i>	15
REQUIRED SUPPLEMENTAL INFORMATION SECTION	
Budget Comparison Schedule - General Fund	29
Budget Comparison Schedule – Court Fund	30
Budget Comparison Schedule – IV-D Program Fund	31
Schedule of Changes in the Total OPEB Liability and Related Ratios	32
OTHER INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	33
Justice System Funding Schedules:	
Receiving Entity	34
Collecting/Disbursing Entity	35
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Independent Auditor's Report Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36

THIRTY-SECOND JUDICIAL DISTRICT COURT
Terrebonne Parish, Louisiana

As of and for the year ended December 31, 2021

JUDGES

Division A

Timothy Ellender, Jr

Division B

Jason Dagate

Division C

Juan W. Pickett, Chief Judge

Division D

David W. Arceneaux

Division E

Randall L. Bethancourt

OFFICIAL

District Court Coordinator

Jennie R. Callahan

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

This discussion and analysis of the Thirty-Second Judicial District Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2021. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Net position decreased as a result of this year's operations by 15%. The net position of our governmental activities decreased by \$413,581. At the end of the year assets exceeded liabilities by \$2,325,342 (net position).
- During the year, expenses were \$427,473 more than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when revenues exceeded expenses by \$376,432.
- As of the close of the current year, the governmental funds reported combined ending fund balances of \$3,514,458, a decrease of \$397,616 over the previous fiscal year. Of the total \$2,268,347 is unassigned and \$1,246,111 is assigned for the Court Fund and IV-D program – Special Revenue Funds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (Government-Wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities. The governmental activities include judicial activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Thirty-Second Judicial District Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis below focuses on the net position and changes in net position of the governmental-type activities:

Condensed Statement of Net Position	2020	2021	Increase (Decrease)
Current and Other Assets	\$ 3,912,074	\$ 3,531,491	\$ (380,583)
Capital Assets	60,782	54,365	(6,417)
Total Assets	3,972,856	3,585,856	(387,000)
Deferred Outflows	215,559	182,945	(32,614)
Current Liabilities	-	17,033	17,033
Other Noncurrent Liabilities	1,107,486	1,138,886	31,400
Total Liabilities	1,107,486	1,155,919	48,433
Deferred Inflows	342,006	287,540	(54,466)
Invested in Capital Assets	60,782	54,365	(6,417)
Unrestricted	2,678,141	2,270,977	(407,164)
Total Net Position	\$ 2,738,923	\$ 2,325,342	\$ (413,581)

Assets exceeded liabilities by \$2,325,342 at the close of the fiscal year which is a decrease of \$413,581 from the prior year.

The decrease in current assets is due to using cash on hand for an increase in expenses but a decrease in revenue collected. The increase in capital assets is due to the excess of depreciation over capital purchases. The increase in other non-current liabilities reflects the increase in the OPEB liability.

A portion of net position, \$54,365, reflects its net investment in capital assets (e.g., office furniture and equipment, and intangible assets - software) less accumulated depreciation. As the Court uses these capital assets to provide services to citizens, these assets are not available for future spending. The remaining balance of unrestricted net assets, \$2,270,977 or 97%, may be used to meet the ongoing obligations.

Program expenses decreased slightly compared to the prior year. Program revenues also decreased by \$196,284 or 8%. General revenues decreased and consisted of interest earned.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

Condensed Statement of Activities	2020	2021	Increase (Decrease)
Total program expenses	\$(2,699,329)	\$(2,554,086)	\$ (145,243)
Total program revenues	2,322,897	2,126,613	(196,284)
Net program income	(376,432)	(427,473)	(51,041)
General revenues	63,155	13,892	(49,263)
Change in Net Assets	(313,277)	(413,581)	(100,304)
Net Position:			
Beginning of the year	3,052,200	2,738,923	(313,277)
End of the year	<u>\$ 2,738,923</u>	<u>\$ 2,325,342</u>	<u>\$ (413,581)</u>

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds are categorized as governmental. Fund financial reports provide detailed information about the major funds.

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

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

The **General Fund** is the operating fund. The unassigned portion of \$2,268,347 represented 121% of total general fund expenditures, and is considered available to fund future programs and activities. Revenues of fines and fees, interest and on-behalf payments received totaled \$1,665,095 and decreased by 13%. Total expenditures of \$1,872,245 also decreased by about 10%. The fund balance decreased by \$207,150 for the year.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

The **District Court Fund** balance increased by \$10,709 from the prior year. Revenues of court fines and fees and interest earned in this fund totaled \$116,067, a decrease of 4%. The amount received from the Supreme Court for the Family Preservation Court program was \$52,091. Total expenditures totaled \$157,449 which included \$54,795 for the Family Preservation Court and \$11,605 in capital outlay.

The **IV-D Program Fund** ended the year with an assigned fund balance of \$822,418 a decrease of \$201,175 from the prior year. Revenues collected for child support were \$359,343 a slight decrease while expenditures were \$558,518 an increase of 2%.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year. Final budgeted revenues for the General Fund were unfavorable by 7%. The actual expenditures for the General Fund were slightly under budget (favorable).

CAPITAL ASSETS

A summary of capital assets follows:

COST:	12/31/2020	12/31/2021
SOFTWARE	\$ 21,609	\$ 21,609
OFFICE FURNITURE & EQUIPMENT	211,393	224,994
	<u>233,002</u>	<u>246,603</u>
ACCUMULATED DEPRECIATION & AMORTIZATION:		
SOFTWARE	(21,028)	(21,609)
OFFICE FURNITURE & EQUIPMENT	(151,192)	(170,629)
	<u>(172,220)</u>	<u>(192,238)</u>
NET	<u>\$ 60,782</u>	<u>\$ 54,365</u>
Depreciation	<u>\$ 28,556</u>	<u>\$ 20,018</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

This year there was \$13,601 of additions of office furniture to capital assets. There were no assets deleted from the capital asset listing. Assets over \$500 are capitalized in accordance with management's policies. More detailed information about the capital assets is presented in Note 4 to the financial statements.

OTHER POST EMPLOYMENT BENEFITS

The Court's total OPEB liability of \$1,138,886 measured as of December 31, 2021 and was determined by an actuarial valuation as of that date. More detailed information about the OPEB liability is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors were considered when budgeting for the current fiscal year. Possible new laws and regulations, increased fees that would be charged were all considered.

Historically, the office staff and costs remain stable and should continue to do so. The Terrebonne Parish Council in their current operating budget absorbs some capital asset purchases and other operating expenses. If these estimates remain consistent, the General Fund balance is expected to increase accordingly by the close of 2021.

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	FY 2022
Anticipated revenues	\$1,760,000
Expenditures:	
Current	1,974,000
Excess of expenditures	(214,000)
Fund Balance:	
Beginning of the year	2,280,296
End of the year	\$2,066,296

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Thirty-Second Judicial District Court's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Jennie R. Callahan, District Court Coordinator
P.O. Box 461,
Houma, LA 70361
Phone number 985-873-6589.

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Judges of the Thirty-Second Judicial District Court
Terrebonne Parish,
Houma, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District Court (the Court), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Court as of December 31, 2021, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Court, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management's 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 statement that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation of Payments to the Agency Heads but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2022, on our consideration of the 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 testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

Stagni & Company

May 17, 2022
Thibodaux, Louisiana



**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

Statement of Net Position - Governmental Activities

December 31, 2021

ASSETS	
Cash	\$ 340,118
Investments	3,129,702
Due from other governments	61,671
Capital Assets, net of depreciation	54,365
TOTAL ASSETS	<u>3,585,856</u>
DEFERRED OUTFLOWS OF RESOURCES-OPEB	182,945
LIABILITIES	
Accounts payable	11,964
Due to other governments	5,069
Other noncurrent liability -	
Other postemployment benefit liability	<u>1,138,886</u>
TOTAL LIABILITIES	<u>1,155,919</u>
DEFERRED INFLOWS OF RESOURCES-OPEB	287,540
NET POSITION	
Net Invested in capital assets	54,365
Unrestricted	<u>2,270,977</u>
TOTAL NET POSITION	<u><u>\$ 2,325,342</u></u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2021

EXPENSES - Judicial:

Salaries and benefits	\$ 2,080,684
Office operations	278,922
Court room operations	174,462
Depreciation	<u>20,018</u>
Total program expenses	<u>2,554,086</u>

PROGRAM REVENUES

Charges for services	695,516
Operating grants	<u>1,431,097</u>
Total program revenues	<u>2,126,613</u>

Net Program (Income) Expense (427,473)

GENERAL REVENUES

Interest earned	<u>13,892</u>
Total general revenues	<u>13,892</u>

Change in Net Position (413,581)

NET POSITION

Beginning of year	<u>2,738,923</u>
End of year	<u><u>\$ 2,325,342</u></u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Balance Sheet - Governmental Funds
December 31, 2021

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
ASSETS				
Cash	\$ 210,788	\$ 61,017	\$ 68,313	\$ 340,118
Investments	2,061,807	357,254	710,641	3,129,702
Due from other governments	-	11,019	50,652	61,671
TOTAL ASSETS	<u>\$2,272,595</u>	<u>\$429,290</u>	<u>\$829,606</u>	<u>\$3,531,491</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ 4,248	\$ 5,597	\$ 2,119	\$ 11,964
Due to other governments	-	-	5,069	5,069
TOTAL LIABILITIES	<u>4,248</u>	<u>5,597</u>	<u>7,188</u>	<u>17,033.00</u>
FUND BALANCES:				
Assigned	-	423,693	822,418	1,246,111
Unassigned	2,268,347	-	-	2,268,347
TOTAL FUND BALANCES	<u>2,268,347</u>	<u>423,693</u>	<u>822,418</u>	<u>3,514,458</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,272,595</u>	<u>\$ 429,290</u>	<u>\$ 829,606</u>	

RECONCILIATION TO THE STATEMENT OF NET POSITION:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	246,603	
Accumulated Depreciation & Amortization	<u>(192,238)</u>	54,365

Deferred outflows and inflows of resources are not available resources or payable from current expendable resources and, therefore, are not reported in the funds

Deferred outflows-OPEB		182,945
Deferred inflows-OPEB		<u>(287,540)</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

OPEB liability		<u>(1,138,886)</u>
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Net assets of governmental activities		<u>\$ 2,325,342</u>
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See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2021

	<u>General Fund</u>	<u>Court Fund</u>	<u>IV-D Program</u>	<u>Totals</u>
REVENUES				
Court Fines & Fees	\$ 226,519	\$ 112,150	\$ -	\$ 338,669
Child Support Fees	-	-	356,847	356,847
LA Supreme Court Grant	-	52,091	-	52,091
Interest-Miscellaneous	7,479	3,917	2,496	13,892
Payments received on behalf	1,431,097	-	-	1,431,097
	<u>1,665,095</u>	<u>168,158</u>	<u>359,343</u>	<u>2,192,596</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	416,871	-	275,259	692,130
Salary and benefit payments on behalf	1,431,097	-	-	1,431,097
Accounting and auditing	2,333	2,333	2,333	6,999
IV-D Program	-	-	172,753	172,753
Family Preservation Court	-	54,795	-	54,795
Office operations	2,540	5,350	47,512	55,402
Court room operations	19,262	9,788	59,446	88,496
Division A	-	6,558	-	6,558
Division B	-	4,918	-	4,918
Division C	-	7,943	-	7,943
Division D	-	2,623	-	2,623
Division E	-	9,129	-	9,129
Miscellaneous	142	42,407	1,219	43,768
	<u>1,872,245</u>	<u>145,844</u>	<u>558,522</u>	<u>2,576,611</u>
Capital outlay	-	11,605	1,996	13,601
Total Expenditures	<u>1,872,245</u>	<u>157,449</u>	<u>560,518</u>	<u>2,590,212</u>
Net change in fund balance	(207,150)	10,709	(201,175)	(397,616)
FUND BALANCES				
Beginning of year	2,475,497	412,984	1,023,593	3,912,074
End of year	<u>\$ 2,268,347</u>	<u>\$ 423,693</u>	<u>\$ 822,418</u>	<u>\$ 3,514,458</u>

RECONCILIATION TO THE STATEMENT OF ACTIVITIES:

Net change in fund balances—total governmental funds from above \$ (397,616)

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 outlays	13,601	
Depreciation expense	(20,018)	(6,417)

Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows and inflows of resources. Changes in the net OPEB liability are reported as expenses in the statement of activities.

(9,548)

Change in net assets - governmental activities

\$ (413,581)

See notes to financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Introduction

The Thirty-Second Judicial District Court is a level of the judicial branch of government and is charged with trying all cases that involve the government and with the administration of justice within its jurisdiction, which encompasses all of Terrebonne Parish. The Thirty-Second Judicial District Court is comprised of five (5) independently elected judges with 6 year-terms.

Note 1 *Summary of Significant Accounting Policies*

A. *Basis of Presentation*

The accompanying basic financial statements 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.

B. *Reporting Entity*

Thirty-Second Judicial District Court judges are independently elected officials. However, the Thirty-Second Judicial District Court is fiscally dependent on the Terrebonne Parish Consolidated Government for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the Thirty-Second Judicial District Court and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. *Fund Accounting*

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 **Summary of Significant Accounting Policies (Continued)**

C. Fund Accounting (Continued)

Governmental Fund Types

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

The General Fund – The Law Clerk Fund was established under the provisions of Title 13 of the Louisiana Revised Statutes of 1950, and provides for the collection of a sum, not to exceed twenty dollars (\$20) from the persons filing any type of civil suit and in criminal cases from defendants who are convicted or plead guilty. These monies may be used for the salaries of law clerks, clerical, research and administrative personnel. The funds may also be used to pay for the cost of establishing and maintaining a law library and for the purchase of equipment or supplies for the efficient operation of the court. No monies may be used for the salaries of any judges.

The Court Fund - The Court Fund was established under the provisions of Title 22 of the Louisiana Revised Statutes of 1950, and provides for the collection of a fee on the premiums for all commercial surety underwriters who write criminal bail bonds in the state of Louisiana. The fee currently is two hundred dollars (\$200) for each ten thousand dollars (\$10,000) or 2% worth of liability underwritten by the commercial surety.

The IV-D Program Fund – The IV-D Program Fund was established under the provisions of Title 46 of the Louisiana Revised Statutes of 1950, and provides for the collection of a fee of 5% of all existing and future support obligations to fund the administrative costs. The fee may be assessed and collected against existing and future arrearages as well as ongoing support payments, whether or not an arrearage exists.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Court fines and fees, child support fees, and interest are recorded when earned and measurable.

Expenditures – The major expenditures of salaries and benefits, and court processing and clerk fees are recorded when the salary is earned and payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

Government-Wide Financial Statements (GWFS) (Continued)

Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

General Revenues - Taxes and other items not properly included among program revenues are reported instead as general revenues.

E. Budgets

The Thirty-Second Judicial District Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The adopted budget is prepared on a modified accrual basis of accounting, which is a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, as required by State Statute.
2. Unused appropriations budgeted lapse at the end of the year.
3. The budget amounts shown in the budgetary comparison schedules are the final authorized amounts. There were no amendments during the year.

F. Cash and Cash Equivalents

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

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and (2) the Louisiana Asset Management Pool (LAMP) investment which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The court maintains a threshold level of \$500 or more for capitalizing capital assets. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture	10 years

I. Compensated Absences

Most of all individuals who work at the Thirty-Second Judicial District Court are primarily employees of the Terrebonne Parish Consolidated Government; therefore, no liability for compensated absences is recorded in these financial statements. Vacation and sick leave do not accumulate.

J. Restricted Net Assets

For government-wide statement of net position, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1 Summary of Significant Accounting Policies (Continued)

K. Fund Equity

Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components – *net investment in capital assets, restricted, and unrestricted.*

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Judges through approval in minutes. Assigned fund balances is a limitation imposed by a designee of the Judges. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Deposits

The year-end balances of deposits are as follows:

	Reported Balances	Bank Balances
Cash	\$340,118	\$371,309
Certificates of Deposits (reported as investments)	2,121,730	2,121,502
Totals	\$2,461,848	\$2,492,811

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 2 Deposits (Continued)

State law requires deposits (cash & certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits.

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. At year-end deposits were collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of December 31, 2021, \$1,992,811 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District Court's name. The bank has pledged securities in the District Court's name to cover these deposits.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, 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 that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 Investments

State statutes authorize investing in obligations of the US Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 3 Investments (Continued)

At year-end the investment balances were as follows:

Investment Type	Fair Value	Matures in less than 1 year
Certificates of Deposits	\$2,121,730	\$2,121,730
Louisiana Asset Management Pool (LAMP)	1,007,972	1,007,972
Total	\$3,129,702	\$3,129,702

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. 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 LA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

While LAMP not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money-market funds. The following facts are relevant for 2a7-like investment pools:

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 3 Investments (Continued)

- **Credit risk:** Standard & Poor's AAAM rating on the LAMP demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, not disclosure is required.
- **Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure.
- **Interest 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 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 value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 4 Capital Assets

Capital assets and depreciation activity for the year is as follows:

Governmental Activities	Beginning Balance	Additions	Adjustment	Ending Balance
Furniture and Equipment	\$211,393	\$13,601	\$ -	\$224,994
Intangible assets	21,609	-	-	21,609
Total cost of assets	233,002	13,601	-	246,603
Less accumulated depreciation on Furniture & Equipment	(151,192)	(19,437)	-	(170,629)
Less amortization on Intangible assets	(21,028)	(581)	-	(21,609)
Total depreciation and amortization	(172,220)	(20,018)	-	(192,238)
Furniture & Equipment, net	\$60,782	\$(6,417)	\$ -	\$54,365

Depreciation expense for the year recorded for governmental activities was \$20,018 including amortization of intangible assets (computer software) of \$581.

Note 5 On-behalf Payments & Other Costs

GASB Statement 24 requires that on-behalf payments for fringe benefits and salaries be recognized as revenue and expenditures or expenses and that the notes to the financial statements disclose the amounts recognized. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. Employees of the Thirty-Second Judicial District Court received on-behalf payments from Terrebonne Parish Consolidated Government of \$1,431,097. Revenue and expenditure for on-behalf salaries and benefits has been recognized in general fund for these payments.

The Terrebonne Parish Consolidated Government also pays certain operating costs of the Thirty-Second Judicial District Court, such as utilities for the office space and courtrooms and capital type items. Except for on-behalf payments for salaries and benefits, these costs are not recognized as expenditures by the Thirty-Second Judicial District Court and accordingly, are not included in the basic financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 6 *Risk Management*

The Thirty-Second Judicial District Court is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, commercial or other insurance has been purchased for the losses to which it is exposed.

Note 7 *Pension Plans*

Most all individuals who work at Thirty-Second Judicial District Court are primarily paid by the Terrebonne Parish Consolidated Government and are consequently members of the State Parochial Employees Retirement System of Louisiana and the Louisiana State Employees Retirement System. GASB requires certain disclosures for employers who maintain retirement plans for their employees. Others who disclose the required retirement plan information in their separately issued financial statements primarily compensate all individuals employed at the Thirty-Second Judicial District Court. The retirement plan mentioned above is administered and controlled by a separate board of trustees.

Note 8 *Other Postemployment Benefits*

The Court has implemented Governmental Accounting Standards Board (GASB) Statement 75 which increases the reporting and disclosure requirements for other post-employment benefits (OPEB). The standards require state and local governments to recognize net OPEB liabilities directly in their financial statements, as a means of more effectively disclosing exactly what these benefits are meant to provide. Plan information, including actuarial valuation information and funding status, can be found in the annual financial report of Terrebonne Parish Consolidated Government.

Plan Description. The Court provides for the payment of hospitalization and life insurance premiums through the Terrebonne Parish Consolidated Government for retired employees. The Court will fund the entire premium for all employees retiring with at least ten years' service or retiring from the formal retirement systems. A retired employee may be provided dependent hospitalization coverage at a cost depending on their retirement date. The cost of providing this benefit is recognized as expenditure as premiums are paid for the District Court, IV-D and Law Clerk funds.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 8 Other Postemployment Benefits (continued)

District employees retiring with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule: 1 to 15 years of service, 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20; 21 years or more of service, 60% plus 5% per year of service over 21, limited to 85% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates.

Terrebonne Parish Consolidated Government contracts with an actuarial consultant to provide an actuarial valuation of the OPEB liability under GASB Statement 75, which requires at least biennial valuations for plans with membership over 200, unless significant changes since the last valuation. The most recent OPEB liability actuarial valuation was completed for the reporting year that ended December 31, 2021 with the valuation date of January 1, 2020.

Benefits Provided. The Parish maintains the following benefits covering eligible active and retire employees and their dependents.

- Self-funded health coverage
 - Standard plan
 - Premium plan
- Self-funded dental coverage
- Fully insured group term life insurance
- Beginning January 1, 2019, a fully insured Medicare Advantage plan for Medicare-eligible retirees

For hire dates prior to January 1, 2013, to be eligible for coverage after retirement, employees were required to have ten years of service with the Parish and be eligible for retirement under one of the state retirement systems.

Effective for all employees hired on or after January 1, 2013, the Parish changed the eligibility requirements. For MPERS and FRS employees, benefits will be available to those eligible with twenty-five years of service and age 55. For all other employees, a retiring employee must have thirty years of service and age 55.

For employees who were hired prior to January 1, 2013 and retired prior to 2005, the Parish implemented a contribution structure that varies based on the years of service at retirement. The current Parish subsidy percentages vary between 10 years of service of 27.50% and 25+ years of 80%. For those who retired after 2005, the Parish subsidy is 80%.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 8 Other Postemployment Benefits (continued)

Employees covered by benefit terms. At December 31, 2020, the following plan employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	249
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	930
	1,179

Contribution Rates. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Total OPEB Liability. The Court's total OPEB liability of \$1,138,886 measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and other inputs.

The total OPEB liability was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	December 31, 2021
Actuarial Valuation Date	January 1, 2020
Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	1.84%,
Prior year discount rate	2.00%

The discount rate was based on December 31, 2020 Fidelity General Obligation AA 20-Year Yield. Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Retiree Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2021

Note 8 Other Postemployment Benefits (continued)

Changes in the Total OPEB Liability (Asset). The table below reflects the Net Other Post-employment Benefit (OPEB) Obligation (Asset):

Beginning Net OPEB Obligation	\$1,107,486
Service Cost	32,922
Interest	28,503
Changes of benefit terms	(3,955)
Differences between expected and actual experience	(4,653)
Changes in assumptions	16,131
Benefit payments	(37,548)
Net Change in OPEB Obligation	31,400
Ending Net OPEB Obligation 12/31/2018	<u>\$1,138,886</u>

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare trend rates. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current discount rate.

	1.0% Decrease	Current Discount Rate	1.0% Increase
Total OPEB liability	\$ 1,369,895	\$1,138,886	\$958,384
Healthcare Cost Trend Rates	\$ 929,154	\$1,138,886	\$1,422,084

The Court's proportionate share of the aggregate plan OPEB expense was \$39,053.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,873	\$(105,308)
Assumption changes	110,745	(95,369)
Deferred Amounts	55328	(86,863)
Total	\$182,945	\$(287,540)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2022	\$(23,467)
2023	\$(23,467)
2024	\$(71,663)
2025	\$2,577
Thereafter	\$0

***REQUIRED SUPPLEMENTAL
INFORMATION SECTION***

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 250,000	\$ 250,000	\$ 226,519	\$ (23,481)
Interest	32,000	32,000	7,479	(24,521)
Payments received on behalf	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,431,097</u>	<u>(68,903)</u>
	1,782,000	1,782,000	1,665,095	(116,905)
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	350,000	350,000	416,871	(66,871)
Salary & benefit payments on behalf	1,500,000	1,500,000	1,431,097	68,903
Accounting and auditing	4,000	4,000	2,333	1,667
Office operations	40,000	40,000	2,682	37,318
Insurance	<u>80,000</u>	<u>80,000</u>	<u>19,262</u>	<u>60,738</u>
	1,974,000	1,974,000	1,872,245	101,755
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	1,974,000	1,974,000	1,872,245	101,755
Net change in fund balances	(192,000)	(192,000)	(207,150)	(15,150)
FUND BALANCES				
Beginning of year	2,451,697	2,451,697	2,475,497	23,800
End of year	<u>\$ 2,259,697</u>	<u>\$ 2,259,697</u>	<u>\$ 2,268,347</u>	<u>\$ 8,650</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - Court Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 90,000	\$ 90,000	\$ 112,150	\$ 22,150
Interest	6,500	6,500	3,917	(2,583)
Family Preservation Court	10,000	10,000	52,091	42,091
Miscellaneous	-	-	-	-
	<u>106,500</u>	<u>106,500</u>	<u>168,158</u>	<u>61,658</u>
EXPENDITURES - JUDICIAL:				
Current:				
Accounting and auditing	4,000	4,000	2,333	1,667
Office operations	30,000	30,000	5,350	24,650
Court room operations	10,000	10,000	9,788	212
Division A	10,000	10,000	6,558	3,442
Division B	10,000	10,000	4,918	5,082
Division C	10,000	10,000	7,943	2,057
Division D	10,000	10,000	2,623	7,377
Division E	10,000	10,000	9,129	871
Family Preservation Court	10,000	10,000	54,795	(44,795)
Miscellaneous	-	-	42,407	(42,407)
	<u>104,000</u>	<u>104,000</u>	<u>145,844</u>	<u>(41,844)</u>
Capital outlay	10,000	10,000	11,605	(1,605)
Total Expenditures	<u>114,000</u>	<u>114,000</u>	<u>157,449</u>	<u>(43,449)</u>
Net change in fund balances	(7,500)	(7,500)	10,709	18,209
FUND BALANCES				
Beginning of year	409,479	409,479	412,984	3,505
End of year	<u>\$ 401,979</u>	<u>\$ 401,979</u>	<u>\$ 423,693</u>	<u>\$ 21,714</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - IV-D Program
For the Year Ended December 31, 2021

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
REVENUES				
Child Support Fees	\$ 350,000	\$ 350,000	\$ 356,847	\$ 6,847
Interest	5,000	5,000	2,496	(2,504)
	<u>355,000</u>	<u>355,000</u>	<u>359,343</u>	<u>4,343</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	170,000	170,000	275,259	(105,259)
Accounting and auditing	4,000	4,000	2,333	1,667
IV-D Program	300,000	300,000	173,972	126,028
Office operations	60,000	60,000	47,512	12,488
Court room operations	5,000	5,000	59,446	(54,446)
Insurance	40,000	40,000	-	40,000
	<u>579,000</u>	<u>579,000</u>	<u>558,522</u>	<u>20,478</u>
Capital outlay	5,000	5,000	1,996.00	3,004
Total Expenditures	<u>584,000</u>	<u>584,000</u>	<u>560,518</u>	<u>23,482</u>
Net change in fund balances	(229,000)	(229,000)	(201,175)	27,825
FUND BALANCES				
Beginning of year	1,033,684	1,033,684	1,023,593	(10,091)
End of year	<u>\$ 804,684</u>	<u>\$ 804,684</u>	<u>\$ 822,418</u>	<u>\$ 17,734</u>

**THIRTY-SECOND JUDICIAL DISTRICT COURT
 TERREBONNE PARISH, LOUISIANA
 REQUIRED SUPPLEMENTAL INFORMATION
 Schedule of Changes in the Total OPEB Liability and Related Ratios**

	Reporting date: Valuation date	12/31/2018 1/1/2018	12/31/2019 1/1/2018	12/31/2020 1/1/2020	12/31/2021 1/1/2020
Total OPEB Liability					
Service Cost	\$	49,661	\$ 21,713	\$ 32,555	\$ 32,922
Interest	\$	72,361	\$ 29,597	\$ 37,523	\$ 28,503
Change in benefit terms	\$	(1,084,795)	\$ 57,818	\$ (103,640)	\$ (3,955)
Differences between expected and actual experience	\$	(10,732)	\$ 43,476	\$ (164,317)	\$ (4,653)
Changes in assumptions or other inputs	\$	(74,880)	\$ 259,232	\$ (118,202)	\$ 16,131
Benefit payments	\$	(30,102)	\$ (35,818)	\$ (25,498)	\$ (37,548)
Net Change in Total OPEB Liability	\$	(1,078,487)	\$ 376,018	\$ (341,579)	\$ 31,400
Total OPEB Liability-beginning	\$	2,151,534	\$ 1,073,047	\$ 1,449,065	\$ 1,107,486
Total OPEB Liability-ending	\$	1,073,047	\$ 1,449,065	\$ 1,107,486	\$ 1,138,886
Covered Employee Payroll	\$	985,528	\$ 1,026,408	\$ 1,067,234	\$ 1,030,315
Total OPEB Liability as a percentage of covered employee payroll		108.88%	141.18%	103.77%	110.54%

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

Notes to Schedule

Changes of Benefit Terms.	No changes	Effective 1/1/2019, a Medicare Advantage Plan was introduced as an option for eligible retirees.	Effective 1/1/2019, a Medicare Advantage Plan was introduced as an option for eligible retirees.	Effective 1/1/2019, a Medicare Advantage Plan was introduced as an option for eligible retirees.
Changes of Assumptions.				
The changes of assumptions and other inputs reflect the effects of changes in the discount rate each period.				
Inflation	NOT LISTED	2.500%	2.500%	2.500%
Salary Increases, including inflation	3.000%	3.000%	3.000%	3.000%
Discount rate	3.710%	2.750%	2.000%	1.840%
Mortality Rate Scale	MP-2018	MP-2019	MP-2020	PubS.H-2010

OTHER INFORMATION

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

*Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021*

Agency Head Name: Juan W. Pickett., Chief Judge - Division C

Purpose	Amount
Salary paid by the State of La (on behalf)	\$161,662
Benefits-insurance paid by the State of LA (on behalf)	\$0
Benefits-retirement paid by the State of LA (on behalf)	\$21,616
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (Medicare) paid by the State of LA (on behalf)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$249
Dues	\$100
Vehicle rental	\$0
Per diem	\$0
Reimbursements	\$2,141
Travel	\$0
Registration fees - paid by State of LA	\$675
Conference travel	\$0
Housing	\$0
Unvouchered expenses (example: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

This form is used to satisfy the supplemental reporting requirement of R.S. 24:513(A)(3)

**THIRTY-SECOND JUDICIAL DISTRICT COURT
 TERREBONNE PARISH, LOUISIANA
 Justice System Funding Schedule - Receiving Entity**

As Required by Act 87 of the 2020 Regular Legislative Session

As of and for the year ended December 31, 2021

Cash Basis Presentation	First Six Month Period Ended 6/30/2021	Second Six Month Period Ended 12/31/2021
Receipts From: <i>(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)</i>		
01-505 Terrebonne Parish Clerk of Court - Criminal Court Cases Filed	21,530	20,420
01-502 Terrebonne Parish Sheriffs Office - Criminal Fines & Costs	22,782	13,410
01-502 Terrebonne Parish Consolidated Government - Criminal Fines & Costs	73,989	78,982
02-502 Terrebonne Parish Sheriffs Office - Bond Forfeitures	54,560	37,946
<i>Agency name/collection type</i>	-	-
Subtotal Receipts	172,861	150,758
Ending Balance of Amounts Assessed but Not Received <i>(only applies to those agencies that assess on behalf of themselves, such as courts)</i>	-	-

Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	THIRTY-SECOND JUDICIAL DISTRICT COURT	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	8739	
Date that reporting period ended (mm/dd/yyyy)	12/31/2021	
Cash Basis Presentation	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Civil Fees - Child Support Fees and Service Costs	173,066	132,230
Subtotal Collections	173,066	132,230
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	154,928	128,140
Amounts "Self-Disbursed" to Collecting Agency <i>(must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary)</i>	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	18,138	4,090
Subtotal Disbursements/Retainage	173,066	132,230
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

***REPORTS REQUIRED BY
GOVERNMENT AUDITING
STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the Judges of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Houma, LA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 17, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 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 Legislative Auditor as a public document.

Stagni & Company

May 17, 2022
Thibodaux, Louisiana



***THIRTY-SECOND JUDICIAL
DISTRICT COURT***

**Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses**

***As of and for the Year Ending
December 31, 2021***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

Thirty-Second Judicial District Court
Terrebonne Parish, Louisiana

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 – December 31, 2021

To the Honorable Judges of the
Thirty-Second Judicial District Court and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Thirty-Second Judicial District Court (the Court) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Court's management is responsible for those C/C areas identified in the SAUPs.

The Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

Written Policies and Procedures

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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to 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) **Information Technology 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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: *The policies of the Court address all the applicable functions listed. No exceptions were noted.*

Board or Finance Committee

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) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.

Results: *The Court is not governed by a Board or finance committee. The procedure is not applicable.*

Bank Reconciliations

3. Obtain a listing of entity 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 each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include 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.

Results: *We obtained a list of bank accounts and management's representation that the list was complete. Management identified the main operating account. For each of the 3 bank accounts we inspected the December 2021 bank statements and reconciliations and observed the evidence and documentation listed. All 3 of the bank reconciliations included evidence of the date and person who reconciled it; however there was no evidence that a member of management reviewed the reconciliations. No other exceptions were noted.*

Collections (excluding electronic funds transfers)

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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: *A listing of deposit sites (1) was obtained with management's representation that the listing was complete. The 1 deposit sites were selected.*



5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each 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) Each 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(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: *A listing of collection locations (5) was obtained with management's representation that the listing was complete. For the randomly selected collection location we inspected policies and procedures relating to job duties and observed that the duties were properly segregated at each location that was selected.*

- a) *There are no cash collections – all receipts received are by check or direct deposit.*
- b) *There are only 2 employees who are responsible for collecting the checks from the mail and making the deposits. There are compensating controls to reduce risk in this area.*
- c) *There are only 2 employees who are responsible for collecting the checks from the mail posting entries to the general ledger. There are compensating controls to reduce risk in this area.*
- d) *There are only 2 employees who are responsible for collecting the checks from the mail and reconciling to the general ledger. There are compensating controls to reduce risk in this area.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results: *A copy of the bond or insurance policy for theft was obtained by management and appeared to be enforced during the fiscal period.*

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 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results: *We randomly selected two deposit dates for each of the 3 bank accounts selected for procedure #3 under “Bank Reconciliations” above. We obtained supporting documentation for each of the 6 deposits and:*

- a) *None of the receipts were required to be sequentially numbered.*
- b) *All of the documentation were traced to the deposit slips, no exceptions noted.*
- c) *All of the deposit slip details agreed to the deposit per the bank, no exceptions noted.*
- d) *All of the deposits were made within one business day of receipt, no exceptions noted.*
- e) *All of the actual deposits per the bank statement agreed to the general ledger, no exceptions noted.*

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: *We obtained management’s representation that the Court has one disbursement location.*

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain 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 observe 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.

Results: *We obtained a listing of employees who perform non-payroll disbursement functions and the policies that address the four areas listed above. No exceptions resulted from these procedures.*

- 10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:



- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *We obtained the Court's population of non-payroll disbursements and management's representation that the population was complete.*

- a) *Five disbursements were randomly selected and matched the invoices and supporting documentation with no exception.*
- b) *The documentation included evidence that showed duties were segregated according to the written policy.*

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

- 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.

Results: *We obtained management's representation that there was no active credit cards.*

- 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 (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: *These procedures are not applicable.*

- 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).



For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: *These procedures are not applicable.*

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

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, observe that the approved reimbursement rate is no more than 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.

Results: *A listing of all travel and travel-related expense reimbursements was taken from the general ledger with management’s representation that the listing is complete. There were 3 disbursements for travel reimbursements during the year and both were selected. The supporting documentation was obtained and tested for the procedures listed. No exception were noted.*

Contracts

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 and that amendments were made in compliance with



the contract terms (e.g. if approval is required for any amendment was approval documented).

- 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.

Results: *There were no new contracts initiated or renewed during the fiscal period.*

Payroll and Personnel

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

Results: *Employees of the District Court are paid by the Parish (TPCG) – some of the employees are supplemented by the District Court, however TPCG facilitates the actual cutting of the checks, the District Court reimburses those salaries back to the TPCG.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a 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 or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: *This procedure is not applicable.*

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results: *This procedure is not applicable.*

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.



Results: We obtained management's representation that employer and employee portions of third-party payroll related amounts have been paid as well as the associated forms filed by the required deadlines. No exceptions were noted.

Ethics

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 entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: We randomly chose 5 employees and officials. One of the five chosen had documentation demonstrating that they completed the one hour of ethics training. There were not changes to the ethics policy.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: There was no debt issued during the fiscal period. The Court has no outstanding debt; therefore this procedure is not applicable.

Fraud Notice

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.

Results: Management has represented that there were no misappropriations of public funds or assets during the fiscal period.

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.

Results: The Court does not have a website, however the notice is posted on the TPCG website and it is posted on the premises as required by R.S. 24:523.1. No exceptions were noted.



Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity’s computers currently in use, and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: *We performed the procedure and discussed the results with management. No exceptions were noted.*

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: *All of the employees or officials tested obtained sexual harassment training during the calendar year.*

27. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Results: *The Court does not have a website but the policy and complaint procedure is posted on its premises. No exception noted.*

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:

- a. Number and percentage of public servants in the agency who have completed the training requirements;
- b. Number of sexual harassment complaints received by the agency;



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- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e. Amount of time it took to resolve each complaint.

Results: *The Court did not file a report for this fiscal year. There were no complaints received, therefore there were none in which a finding occurred and none which resulted in disciplinary or corrective action.*

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.

Stagni & Company

Thibodaux, LA
June 4, 2022



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