

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
ANNUAL FINANCIAL REPORT
December 31, 2018

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

ANNUAL FINANCIAL REPORT
December 31, 2018

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>	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Notes to Financial Statements	15
REQUIRED SUPPLEMENTAL INFORMATION SECTION	
Budget Comparison Schedule - General Fund	30
Budget Comparison Schedule – Court Fund	31
Budget Comparison Schedule – IV-D Program Fund	32
Schedule of Changes in the Total OPEB Liability and Related Ratios	33
OTHER INFORMATION	
Schedule of Compensation, Benefits and Other Payments to Agency Head	34
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>	35

THIRTY-SECOND JUDICIAL DISTRICT COURT
Terrebonne Parish, Louisiana

As of and for the year ended December 31, 2018

JUDGES

Division A

George J. Larke, Jr.

Division B

John R. Walker, Chief Judge

Division C

Juan W. Pickett

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, 2018

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, 2018. 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. The net position of our governmental activities decreased by \$1,158,904, approximately 25%. Part of the decrease was due to an adjustment of the beginning net position of a decrease of \$1,564,597 for the implementation of GASB 75. At the end of the year assets exceeded liabilities by \$3,406,596 (net position).
- During the year, expenses were \$361,257 less than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when expenses exceeded revenues by \$157,936.
- As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$4,476,495, a decrease of \$270,697 over the previous fiscal year. Of the total \$2,768,910 is unassigned and \$1,707,585 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, 2018

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, 2018

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 Assets	FY 2017	FY 2018	Dollar Change
Current and Other Assets	\$ 4,767,769	\$ 4,495,844	\$ (271,925)
Capital Assets	109,058	74,492	(34,566)
Total Assets	4,876,827	4,570,336	(306,491)
Current Liabilities	20,577	19,349	(1,228)
Other Noncurrent Liabilities	290,750	1,073,048	782,298
Total Liabilities	311,327	1,092,397	781,070
Deferred Inflows	-	71,343	71,343
Invested in Capital Assets	109,058	74,492	(34,566)
Unrestricted	4,456,442	3,332,104	(1,124,338)
Total Net Assets	\$ 4,699,217	\$ 3,406,596	\$ (1,158,904)

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. Assets exceeded liabilities by \$3,406,596 at the close of the fiscal year which is a decrease of \$1,158,904 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 decrease in capital assets is due to the excess of depreciation over purchases. The increase in other non-current liabilities reflects the increase in the OPEB liability.

A portion of net assets, \$74,492 or 13%, reflects its investment in capital assets (e.g., office furniture and equipment, and intangible assets - software). 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, \$3,332,104 or 98%, may be used to meet the ongoing obligations.

Program expenses decreased by almost 20% compared to the prior year. Program revenues increased slightly by \$35,866 due to increased collections of court fines and child support fees. General revenues consisted of interest earned.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

Condensed Statement of Activities	FY 2017	FY 2018	Dollar Change
Total program expenses	\$(2,366,118)	\$(1,882,791)	\$ (483,327)
Total program revenues	2,208,182	2,244,048	35,866
Net program income	(157,936)	361,257	519,193
General revenues	24,219	44,436	20,217
Change in Net Assets	(133,717)	405,693	539,410
Net Position:			
Beginning of the year	4,699,217	3,000,903	(1,698,314)
End of the year	<u>\$ 4,565,500</u>	<u>\$ 3,406,596</u>	<u>\$ (1,158,904)</u>

The total revenues for the year in governmental activities was \$2,288,484 a slight increase of approximately \$45,000. The total cost of all judicial services was \$1,882,791, a decrease from the prior year by \$483,327 or 20%. The net position decreased by \$1,158,904 to \$3,406,596.

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.

All of the funds are considered major governmental funds.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

The **General Fund** is the operating fund. The unassigned portion of \$2,768,910 represented 154% 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 \$1,720,123 and increased by 6%. Total expenditures of \$1,621,620 also increased by over 10%. The fund balance decreased by \$79,574 for the year.

The **District Court Fund** balance decreased by \$41,229 from the prior year. Revenues of court fines and fees and interest earned in this fund totaled \$80,343, a decrease of 16%, while total expenditures totaled \$121,572 which included \$1,090 in capital outlay.

The **IV-D Program Fund** ended the year with an assigned fund balance of \$1,308,422 a decrease of \$149,894 from the prior year. Revenues collected for child support were \$478,608 a slight decrease of 4% while expenditures were \$637,912 an increase of 6%.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year. Final budgeted revenues for the General Fund when compared to the actual were unfavorable by 7% due to the overestimate of on-behalf salaries and benefits. The actual expenditures for the General Fund were under budget by over 5% and in compliance with the Local Government Budget Act.

CAPITAL ASSETS

A summary of capital assets follows:

COST:	BEGINNING BALANCE	ENDING BALANCE
SOFTWARE	\$ 40,734	\$ 40,734
OFFICE FURNITURE & EQUIPMENT	325,171	315,798
	<u>365,905</u>	<u>356,532</u>
ACCUMULATED DEPRECIATION & AMORTIZATION:		
SOFTWARE	(31,915)	(34,778)
OFFICE FURNITURE & EQUIPMENT	(224,932)	(247,262)
	<u>(256,847)</u>	<u>(282,040)</u>
NET	<u>\$ 109,058</u>	<u>\$ 74,492</u>
Depreciation	<u>\$ 45,697</u>	<u>\$ 35,655</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

This year there was \$1,090 of additions of computers, office furniture and courtroom improvements to capital assets. There were no deletions from the capital asset listing, however and adjustment of \$10,463 was necessary to adjust beginning balance to the depreciation schedule. 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 \$1,073,048 measured as of December 31, 2018 and was determined by an actuarial valuation as of that date. The implementation of GASB Statement No. 75 as of January 1, 2018 resulted in a restatement (decrease) of the beginning balance of net position in the Statement of Activities of \$1,564,597.

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 rates and 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 2019.

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	FY 2019
Anticipated revenues	\$1,791,000
Expenditures:	
Current	1,924,000
Excess of expenditures	(133,000)
Fund Balance:	
Beginning of the year	2,710,216
End of the year	\$2,577,216

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2018

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 Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District Court, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2018, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Thirty-Second Judicial District Court
Terrebonne Parish, Louisiana

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2018 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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



Thirty-Second Judicial District Court
Terrebonne Parish, Louisiana

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 25, 2019, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
May 25, 2019



THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA

Statement of Net Position - Governmental Activities

December 31, 2018

ASSETS

Cash	\$ 551,323
Investments	3,870,364
Due from other governments	74,157
Capital Assets, net of depreciation	<u>74,492</u>
TOTAL ASSETS	<u><u>4,570,336</u></u>

LIABILITIES

Accounts payable	-
Due to other governments	19,349
Other noncurrent liability - net other postemployment benefit liability	<u>1,073,048</u>
TOTAL LIABILITIES	<u>1,092,397</u>

DEFERRED INFLOWS OF RESOURCES 71,343

NET POSITION

Net Invested in capital assets	74,492
Unrestricted	<u>3,332,104</u>
TOTAL NET POSITION	<u><u>\$ 3,406,596</u></u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2018

EXPENSES - Judicial:

Salaries and benefits	\$	1,330,324
Office operations		411,219
Court room operations		105,593
Depreciation		35,655
Total program expenses		<u>1,882,791</u>

PROGRAM REVENUES

Charges for services		858,540
Operating grants		1,385,508
Total program revenues		<u>2,244,048</u>

Net Program (Income) Expense 361,257

GENERAL REVENUES

Interest earned		44,436
Total general revenues		<u>44,436</u>

Change in Net Position 405,693

NET POSITION

Beginning of year, restated		3,000,903
End of year	\$	<u>3,406,596</u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Balance Sheet - Governmental Funds
December 31, 2018

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
ASSETS				
Cash	\$ 219,514	\$ 32,249	\$ 299,560	\$ 551,323
Investments	2,533,563	366,914	969,887	3,870,364
Due from other governments	27,587	-	46,570	74,157
TOTAL ASSETS	\$2,780,664	\$399,163	\$1,316,017	\$4,495,844
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other governments	11,754	-	7,595	19,349
TOTAL LIABILITIES	11,754	-	7,595	19,349
FUND BALANCES:				
Assigned	-	399,163	1,308,422	1,707,585
Unassigned	2,768,910	-	-	2,768,910
TOTAL FUND BALANCES	2,768,910	399,163	1,308,422	4,476,495
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,780,664	\$ 399,163	\$ 1,316,017	

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.

Add - Capital Assets	356,532	
Deduct - Accumulated Depreciation & Amortization	(282,040)	74,492

Deferred outflows and inflows are not financial resources or currently payable:

Deferred inflows-OPEB		(71,343)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - OPEB liability		(1,073,048)
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Net assets of governmental activities		\$ 3,406,596
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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, 2018*

	General Fund	Court Fund	IV-D Program	Totals
REVENUES				
Court Fines & Fees	\$ 310,675	\$ 69,257	\$ -	\$ 379,932
Child Support Fees	-	-	478,608	478,608
Interest-Miscellaneous	23,940	11,086	9,410	44,436
Payments received on behalf	1,385,508	-	-	1,385,508
	1,720,123	80,343	488,018	2,288,484
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	407,097	-	248,674	655,771
Salary and benefit payments on behalf	1,385,508	-	-	1,385,508
Accounting and auditing	3,333	3,333	3,333	9,999
IV-D Program	-	-	253,185	253,185
Office operations	3,255	3,233	78,891	85,379
Court room operations	-	25,248	53,003	78,251
Division A	-	5,835	-	5,835
Division B	-	4,170	-	4,170
Division C	-	9,203	-	9,203
Division D	-	2,314	-	2,314
Division E	-	5,820	-	5,820
Miscellaneous	504	61,326	826	62,656
	1,799,697	120,482	637,912	2,558,091
Capital outlay	-	1,090	-	1,090
Total Expenditures	1,799,697	121,572	637,912	2,559,181
Net change in fund balance	(79,574)	(41,229)	(149,894)	(270,697)
FUND BALANCES				
Beginning of year	2,848,484	440,392	1,458,316	4,747,192
End of year	\$ 2,768,910	\$ 399,163	\$ 1,308,422	\$ 4,476,495

RECONCILIATION TO THE STATEMENT OF ACTIVITIES:

Net change in fund balances—total governmental funds from above \$ (270,697)

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.

Add - Capital outlays	1,090	
Deduct - Depreciation expense	(35,655)	(34,565)

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

Increase in Deferred inflows - OPEB	(71,343)	
Decrease in OPEB Liability	782,298	711,955

Change in net assets - governmental activities \$ 405,693

See notes to financial statements.

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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, 2018

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, 2018

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, 2018

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.

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 regular and money market accounts. 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, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

G. Investments

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

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, 2018

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	\$551,323	\$549,768
Certificates of Deposits (reported as investments)	2,893,371	2,893,371
Totals	\$3,444,694	\$3,443,139

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

Notes to Financial Statements
For the Year Ended December 31, 2018

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, 2018, \$2,943,139 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 of \$4,759,432.

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, 2018

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	\$2,893,371	\$2,893,371
Louisiana Asset Management Pool (LAMP)	976,992	976,992
Total	\$3,870,363	\$3,870,363

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, 2018

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 WAM of LAMP's total investments is 80 as of December 31, 2018.
- **Foreign currency risk:** Not applicable to 2a7-like pools.

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, 2018

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	\$325,171	\$1,090	\$(10,463)	\$315,798
Intangible assets	40,734	-	-	40,734
Total cost of assets	365,905	1,090	(10,463)	356,532
Less accumulated depreciation on Furniture & Equipment	(224,932)	(32,792)	10,462	(247,262)
Less amortization on Intangible assets	(31,915)	(2,863)	-	(34,778)
Total depreciation and amortization	(256,847)	(35,655)	10,462	(282,040)
Furniture & Equipment, net	\$109,058	(34,565)	(1)	\$74,492

Depreciation expense for the year recorded for governmental activities was \$35,655 including amortization of intangible assets (computer software) of \$2,863.

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 \$1,385,508. 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, 2018

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

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, 2018

Note 8 Other Postemployment Benefits (continued)

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 plan year that ended December 31, 2018.

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%.

Employees covered by benefit terms. At December 31, 2018, the following plan employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	229
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	963
	1,192

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

Notes to Financial Statements
For the Year Ended December 31, 2018

Note 8 Other Postemployment Benefits (continued)

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 \$1,073,048 measured as of December 31, 2018 and was determined by an actuarial valuation as of that date. The implementation of GASB Statement No. 75 as of January 1, 2018 resulted in a restatement (decrease) of the beginning net position in the Statement of Activities of \$1,707,283 as discussed further at the end of this footnote.

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, 2018
Actuarial Valuation Date	January 1, 2018
Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.71%,
Prior year discount rate	3.31%

The discount rate was based on December 31, 2018 Fidelity General Obligation AA 20-Year Yield. Mortality rates for active employees were based on RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate. Mortality rates for retirees were based on RPH-2014 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

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

Beginning Net OPEB Obligation 12/31/2017	\$2,151,534*
Service Cost	49,661
Interest	72,361
Changes of benefit terms	(1,084,795)
Differences between expected and actual experience	(10,732)
Changes in assumptions	(74,880)
Benefit payments	(30,102)

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

Notes to Financial Statements
For the Year Ended December 31, 2018

Net Change in OPEB Obligation	(1,078,486)
Ending Net OPEB Obligation 12/31/2018	\$1,073,048

**The implementation of GASB Statement No. 75 as of January 1, 2018 resulted in a restatement (decrease) of net position in the Statement of Activities of \$1,564,597.

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	\$ 1,275,315	\$1,073,048	\$914,392
Healthcare Cost Trend Rates	\$ 894,626	\$1,073,048	\$1,308,858

The Court's proportionate share of the aggregate plan OPEB expense was \$(977,041).

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 8,943	-
Assumption changes	62,400	-
Total	\$71,343	-

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:	
2019	\$(14,269)
2020	\$(14,269)
2021	\$(14,269)
2022	\$(14,269)
2023	\$(14,269)
Thereafter	\$0

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

Notes to Financial Statements
For the Year Ended December 31, 2018

Note 9 RESTATEMENT OF BEGINNING NET POSITION

The net position of the Governmental Type Activities has been adjusted due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the Court's fiscal year beginning January 1, 2018.

Net position, 12/31/17, as previously reported	\$4,565,500
Adoption of GASB Statement No. 75	<u>(1,564,597)</u>
Net position, January 1, 2018, as restated	<u><u>\$3,000,903</u></u>

***REQUIRED SUPPLEMENTAL
INFORMATION SECTION***

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2018

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 345,000	\$ 345,000	\$ 310,675	\$ (34,325)
Interest	12,000	12,000	23,940	11,940
Payments received on behalf	1,500,000	1,500,000	1,385,508	(114,492)
	<u>1,857,000</u>	<u>1,857,000</u>	<u>1,720,123</u>	<u>(136,877)</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	370,000	370,000	407,097	(37,097)
Salary & benefit payments on behalf	1,500,000	1,500,000	1,385,508	114,492
Accounting and auditing	3,000	3,000	3,333	(333)
Office operations	2,500	2,500	3,759	(1,259)
Court room operations	25,000	25,000	-	25,000
	<u>1,900,500</u>	<u>1,900,500</u>	<u>1,799,697</u>	<u>100,803</u>
Capital outlay	-	-	-	-
Total Expenditures	<u>1,900,500</u>	<u>1,900,500</u>	<u>1,799,697</u>	<u>100,803</u>
Net change in fund balances	(43,500)	(43,500)	(79,574)	(36,074)
FUND BALANCES				
Beginning of year	2,840,770	2,840,770	2,848,484	7,714
End of year	<u>\$ 2,797,270</u>	<u>\$ 2,797,270</u>	<u>\$ 2,768,910</u>	<u>\$ (28,360)</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - Court Fund
For the Year Ended December 31, 2018

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 80,000	\$ 80,000	\$ 69,257	\$ (10,743)
Interest	2,000	2,000	-	(2,000)
Miscellaneous	3,500	3,500	-	(3,500)
	<u>85,500</u>	<u>85,500</u>	<u>69,257</u>	<u>(16,243)</u>
EXPENDITURES - JUDICIAL:				
Current:				
Accounting and auditing	3,000	3,000	3,333	(333)
Office operations	30,000	30,000	3,233	26,767
Court room operations	20,000	20,000	25,248	(5,248)
Division A	5,000	5,000	5,835	(835)
Division B	5,000	5,000	4,170	830
Division C	5,000	5,000	9,203	(4,203)
Division D	5,000	5,000	2,314	2,686
Division E	5,000	5,000	5,820	(820)
Miscellaneous	-	-	61,326	(61,326)
	<u>78,000</u>	<u>78,000</u>	<u>120,482</u>	<u>(42,482)</u>
Capital outlay	10,000	10,000	1,090	8,910
Total Expenditures	<u>88,000</u>	<u>88,000</u>	<u>121,572</u>	<u>(33,572)</u>
Revenue Over (Under) Expenditures	(2,500)	(2,500)	(52,315)	(49,815)
FUND BALANCES				
Beginning of year	410,433	410,433	440,392	29,959
End of year	<u>\$ 407,933</u>	<u>\$ 407,933</u>	<u>\$ 388,077</u>	<u>\$ (19,856)</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - IV-D Program
For the Year Ended December 31, 2018

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
REVENUES				
Child Support Fees	\$ 480,000	\$ 480,000	\$ 478,608	\$ (1,392)
Interest	4,000	4,000	9,410	5,410
	<u>484,000</u>	<u>484,000</u>	<u>488,018</u>	<u>4,018</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	200,000	200,000	248,674	(48,674)
Accounting and auditing	3,000	3,000	3,333	(333)
IV-D Program	275,000	275,000	254,011	20,989
Office operations	80,000	80,000	78,891	1,109
Court room operations	55,000	55,000	53,003	1,997
Insurance	40,000	40,000	-	40,000
	<u>653,000</u>	<u>653,000</u>	<u>637,912</u>	<u>15,088</u>
Capital outlay	5,000	5,000	-	5,000
Total Expenditures	<u>658,000</u>	<u>658,000</u>	<u>637,912</u>	<u>20,088</u>
Revenue Over (Under) Expenditures	(174,000)	(174,000)	(149,894)	24,106
FUND BALANCES				
Beginning of year	1,413,259	1,413,259	1,458,316	45,057
End of year	<u>\$ 1,239,259</u>	<u>\$ 1,239,259</u>	<u>\$ 1,308,422</u>	<u>\$ 69,163</u>

**THIRTY-SECOND JUDICIAL DISTRICT COURT
 TERREBONNE PARISH, LOUISIANA
 REQUIRED SUPPLEMENTAL INFORMATION
 Schedule of Changes in the Total OPEB Liability and Related Ratios
 December 31, 2018**

Total OPEB Liability	2018
Service Cost	\$ 49,661
Interest	\$ 72,361
Change in benefit terms	\$ (1,084,795)
Differences between expected and actual experience	\$ (10,732)
Changes in assumptions or other inputs	\$ (74,880)
Benefit payments	\$ (30,102)
Net Change in Total OPEB Liability	<u>\$ (1,078,487)</u>
Total OPEB Liability-beginning	<u>\$ 2,151,534</u>
Total OPEB Liability-ending	<u>\$ 1,073,047</u>
Covered Employee Payroll	\$ 985,528
Total OPEB Liability as a percentage of covered employee payroll	108.88%

they become available.

Notes to Retirement System Schedules:

Changes of Benefit Terms. None

Changes of Assumptions.

the discount rate each period.

Discount rate used 3.710%

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, 2018*

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

Purpose	Amount
Salary paid by the State of La (on behalf)	\$151,943
Benefits-insurance paid by the State of LA (on behalf)	\$0
Benefits-retirement paid by the State of LA (on behalf)	\$0
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	\$1,156
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements	\$324
Travel	\$0
Registration fees - paid by State of LA	\$695
Conference travel	\$2,315
Housing	\$0
Unvouchered expenses (expample: 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)

***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, 2018, 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 25, 2019.

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 25, 2019
Thibodaux, Louisiana



Thirty-Second Judicial District Court
Terrebonne Parish
Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses

As of and for the Year Ending
December 31, 2018



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

Thirty-Second Judicial District Court
Terrebonne Parish
Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2018 – December 31, 2018

To the Honorable Juan Pickett, Chief Judge
Thirty-Second Judicial District Court and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Thirty-Second Judicial District Court, Terrebonne Parish (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, 2018 through December 31, 2018. The Court's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated 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, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: *The Court did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

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 and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one



meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

d) Results: *This procedure is not applicable to the Court.*

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each 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, 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 selected 5 bank accounts for testing. All bank accounts are reconciled by the District Court Coordinator in Quickbooks. There are no hard copies of bank reconciliations printed as reconciled, therefore we could not test for evidence that a member of management reviewed each reconciliation. There were no checks or deposits outstanding for more than 6 months on any of the reconciliations.*

Management's Response: *The District Court Coordinator will print each reconciliation as reconciled and present the bank statement and reconciliation to the Chief Judge to initial as evidence that it has been reviewed.*

Collections

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).
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 verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *The Court had exceptions in this category in Year 1 (December 31, 2017) but due to the compensating controls in place Year 2 testing was not performed. Those compensating controls are summarized as follows:*

- *Deposits are collected at one location and consist of monthly checks from other governments for fees collected and remitted to the Court, and interest earned on checking accounts.*
- *Each person responsible for collecting cash is bonded.*
- *Duties are segregated per the policy as much as possible considering the size of the staff available.*
- *The Court has a formal process to reconcile cash collections to the general ledger.*

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).
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.
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 invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: *The Court did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [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.
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).



Results: *This procedure is not applicable to the Court.*

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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *The Court did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

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.
 - 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: *The Court did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*



Payroll and Personnel

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

Results: *The Court did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

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 documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results: *Three (3) out of the 5 officials/employees selected had no documentation to demonstrate that required ethics training was completed.*



Management's Response: *All employees will be reminded that included in the written policy on ethics that it is mandatory of each active employee and public official to complete the ethics testing online each calendar year and provide the Certificate of Completion to the District Court Coordinator on or before December 31st of each year.*

Debt Service

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

Results: *The Court has no outstanding debt, therefore this procedure is not applicable.*

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: *The Court did not have exceptions in this category in Year 1 (December 31, 2017), therefore was excluded from testing in Year 2 (December 31, 2018).*

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
May 25, 2019



STAGNI & COMPANY, LLC
