

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

New Iberia, Louisiana

Financial Report

Year Ended December 31, 2017

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-11
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	14
Statement of Activities	15
FUND FINANCIAL STATEMENTS:	
Balance Sheet-Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Notes to Financial Statements	21-39
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules:	
General Fund	41
Hearing Officer Fund	42
St. Mary Parish Drug Court Testing Fund	43
Schedule of Funding Progress	44
Schedule of Employer's Share of Net Pension Liability	45
Schedule of Employer Contributions	46
Notes to Required Supplementary Information	47
OTHER SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedules With Comparative Actual Amounts for the Prior Year:	
General Fund	49
Hearing Officer Fund	50
St. Mary Parish Drug Court Testing	51
INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	53-54
Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan	55

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

WWW.KSRCPAS.COM

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District Court Judge, as of December 31, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 and the budgetary comparison information, schedule of funding progress, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 41 through 46 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Court Judge's basic financial statements. The budgetary comparison schedules on pages 49 through 51 are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2018 on our consideration of the District Court Judge's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District Court Judge's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
June 22, 2018

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2017

This section of the Sixteenth Judicial District Court – District Judges (District Court) financial report is a discussion and analysis of the financial performance of the District Court during the fiscal year ended December 31, 2017. The District Court's financial performance is discussed and analyzed within the context of the basic financial statements and the accompanying notes to the financial statements and should be read in conjunction with the financial report as a whole.

FINANCIAL HIGHLIGHTS

Total revenues were \$1,489,579 for 2017, an increase of \$92,709 or 7% over the previous year due to an increase in fees and fines collected and local grants.

Revenues for the current year exceeded expenditures by \$312,224.

The total cost of all judicial programs and services was \$1,424,484, a decrease of \$73,557 or 5% from the previous year.

Governmental activities reported a net change in net position of \$79,056.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of District Court consist of the following components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, (3) Notes to the financial statements, and (4) Other supplementary information to accompany the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the District Court's financial position and results of operations in a manner similar to a private sector business. The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the District Court as a whole and present a long-term view of finances.

The *Statement of Net Position* presents information of the District Court's assets and liabilities using the accrual basis of accounting. The difference between the assets and liabilities is reported as net position. Net position provides a way to measure the financial liabilities or financial position of the District Court. Increases or decreases in net position, over time, may serve as a useful indicator of whether the financial position of the District Court as a whole is improving or declining.

The *Statement of Activities* presents information showing how the net position changed during the current fiscal year. The design of this statement shows the financial reliance of governmental activities or functions on revenues.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
For the Year Ended December 31, 2017

The *Statement of Net Position* and *Statement of Activities* report only one type of activity - governmental activities. The governmental activities of the District Court include basic judicial services and are primarily funded by court costs and fees. Governmental activities provide for personnel, office supplies, office equipment, and other costs related to the proper administration of the District Court. General revenues are those available to the District Court to pay for the governmental activities described above.

Fund Financial Statements

The fund financial statements present information on the individual funds in more detail. The District Court funds are grouped into two categories, one General Fund and various Special Revenue Funds. Each fund is used to account for and maintain control over resources that have been segregated for specific activities or objectives. The District Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for the District Court's basic services. The governmental fund statements provide a detailed short-term view of the general governmental operations of the District Court and the basic services it provides. The fund statements show how services are financed short-term and the amount of financial resources available in the near future to finance programs. The focus is narrower than the government-wide financial statements with similar information presented for governmental activities in the government-wide statements. Funds are reported using a modified accrual accounting method, which measures only cash and other financial resources that can readily be converted to cash.

The District Court maintains one General Fund and various Special Revenue Funds. Funds are established by state law or by the District Court to help control and manage money for particular or restricted purposes and to ensure that the District Court is in compliance with the legal regulations and responsibilities governing these funds. The General Fund is unrestricted and provides funding for the general day-to-day operations of the District Court. The Special Revenue Funds are subject to legal restrictions and fund specific programs or objectives of the District Court. The fund financial statements focus on the use of spendable resources and balances of the spendable resources at the end of the fiscal year. These statements are useful in evaluating the annual financing requirements of governmental programs and the commitment of spendable resources. Surplus fund balances may be retained for unforeseen future emergencies such as natural disasters, decreases in economic conditions, emergency capital outlay requirements, and other similar conditions.

The *Balance Sheet* presents information of the District Court's assets and liabilities using the modified accrual basis of accounting. This statement differs from the governmental-wide Statement of Net Position in that the information is presented for the General Fund and for the Special Revenue Funds (combined).

The *Statement of Revenues, Expenditures and Changes in Fund Balance* presents information showing the direct relationship between revenues and expenditures for the current year, and the resulting surplus or deficit which increases or decreases the fund balances. The fund balance shows the financial resources readily available to fund the programs and services of the District Court.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

FINANCIAL ANALYSIS OF THE DISTRICT COURT JUDGE

Government-Wide Financial Statement Analysis

The net position of the District Court at the end of the current year is \$715,969. The following table provides a summary of net position for the current and previous year.

Table 1 Summary of Net Position				
	<u>2017</u>	<u>2016</u>	Increase / (Decrease)	
			<u>Amount</u>	<u>Percent</u>
Assets:				
Current Assets	\$ 2,241,927	\$ 2,003,429	\$ 238,498	12%
Capital Assets	<u>27,032</u>	<u>28,509</u>	<u>(1,477)</u>	-5%
Total Assets	<u>2,268,959</u>	<u>2,031,938</u>	<u>237,021</u>	12%
Deferred Outflows of Resources:				
Deferred Outflows Related to Pensions	<u>517,530</u>	<u>721,581</u>	<u>(204,051)</u>	-28%
Liabilities:				
Current Liabilities	56,681	130,407	(73,726)	-57%
Long-term Liabilities	<u>1,945,485</u>	<u>1,905,574</u>	<u>39,911</u>	2%
Total Liabilities	<u>2,002,166</u>	<u>2,035,981</u>	<u>(33,815)</u>	-2%
Deferred Inflows of Resources:				
Deferred Inflows Related to Pensions	<u>68,354</u>	<u>80,625</u>	<u>(12,271)</u>	-15%
Net Position:				
Net Investment in Capital Assets	27,032	28,509	(1,477)	-5%
Unrestricted	<u>688,937</u>	<u>608,404</u>	<u>80,533</u>	13%
Total Net Position	<u>\$ 715,969</u>	<u>\$ 636,913</u>	<u>\$ 79,056</u>	12%

The District Court's net position increased by \$79,056, from \$636,913 to \$715,969. The District Court reports unrestricted net position of \$688,937 and net investment in capital assets of \$27,032. This represents an increase in unrestricted net position in the amount of \$80,533 and a decrease in net investment in capital assets in the amount of \$1,477 from the previous year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

A portion of the District Court's net position, approximately 5%, reflects its net investment in capital assets such as office furniture and fixtures, computer and related equipment, other office equipment, court reporting equipment, and court security equipment. The District Court uses these assets to provide judicial services to citizens.

The balance of net position represents accumulated results of all past years' operations. If the District Court were to pay all bills or outstanding debt obligations, this amount represents the assets that would remain. Unrestricted net position can be used to finance the day-to-day operations of the District Court without constraints.

Table 2				
Summary of Changes in Net Position				
	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>	
			Amount	Percent
Revenues:				
Program -				
Fees and Fines	\$ 1,298,119	\$ 1,274,036	\$ 24,083	2%
Operating Grants and Contributions	187,005	119,348	67,657	57%
General -				
Interest	1,386	998	388	39%
Other	17,030	16,474	556	3%
Total Revenues	<u>1,503,540</u>	<u>1,410,856</u>	<u>92,684</u>	7%
Expenditures:				
Program -				
District Court	576,914	545,238	31,676	6%
Hearing Officer	845,882	948,215	(102,333)	-11%
St. Mary Drug Court Testing	1,688	4,588	(2,900)	-63%
Total Expenditures	<u>1,424,484</u>	<u>1,498,041</u>	<u>(73,557)</u>	-5%
Change in Net Position	79,056	(87,185)	166,241	
Beginning Net Position	<u>636,913</u>	<u>724,098</u>	<u>(87,185)</u>	-12%
Ending Net Position	<u>\$ 715,969</u>	<u>\$ 636,913</u>	<u>\$ 79,056</u>	12%

Table 2 provides a summary of the changes in net position for the current and previous years. The District Court's ending net position increased by \$79,056 from \$636,913 in the previous year to \$715,969 in the current year. Total revenues increased in the amount of \$92,684 from the previous year. Fines and Fees increased in the amount of \$24,083, Operating Grants and Contributions increased in the amount of \$67,657 and interest revenues increased in the amount of \$388. Total Expenditures decreased in the amount of \$73,557 from the prior year. District Court expenditures increased in the amount of \$31,676 and Hearing Officer expenditures decreased in the amount of \$102,333.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

Fund Financial Statement Analysis

The fund financial statements focus on the use of spendable resources and balances of the spendable resources at the end of the fiscal year. These statements are useful in evaluating the annual financing requirements of governmental programs and the commitment of spendable resources. Surplus fund balances may be retained for unforeseen future emergencies, such as natural disasters, decreases in economic conditions, emergency capital outlay requirements, and other similar conditions.

The following table presents a summary of the general and special revenues and expenditures of the District Court for the current and prior years.

Table 3				
Summary of Changes in Net Position				
	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Revenues	\$ 1,489,579	\$ 1,396,870	\$ 92,709	7%
Expenditures	<u>1,177,355</u>	<u>1,244,550</u>	<u>(67,195)</u>	-5%
Excess of Revenues Over Expenditures	312,224	152,320	159,904	105%
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	
Net Change in Fund Balance	312,224	152,320	159,904	105%
Fund Balance at Beginning of Year	<u>1,873,022</u>	<u>1,720,702</u>	<u>152,320</u>	9%
Fund Balance at End of Year	<u>\$ 2,185,246</u>	<u>\$ 1,873,022</u>	<u>\$ 312,224</u>	17%

The District Court's fund balance increased by \$312,224 from the prior year to \$2,185,246 in the current year. The reserve fund balance indicates that those funds are available for future spending.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

BUDGETARY HIGHLIGHTS

The District Court's General and Special Revenue Fund budgets were amended during the year to more accurately project anticipated revenues and expenditures. The total revenues budgeted were increased by \$40,236 due to an increase in anticipated fines and fees collected. The interest earnings budgeted amount was increased by \$144 due to a slight increase in interest rates. The total amount of expenditures budgeted was decreased by \$13,903.

Due to an anticipated deficit in the Sixteenth Judicial District Criminal Court Fund, the District Court's budget included \$12,351 to provide for a portion of that deficit. This amount was increased by \$13,260.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District Court had a total of \$28,509 invested in capital assets, net of accumulated depreciation, for the year ended December 31, 2016. Capital assets include furniture and fixtures, computer and related equipment, court reporting equipment, other office equipment, as well as security and drug testing equipment. A net total of \$14,446 was invested in capital assets during 2017, primarily in furniture, fixtures, computer and related equipment. This amount, less accumulated depreciation and net deletions in the total amount of \$15,923 resulted in a decrease in net capital assets in the amount of \$1,477 and total ending net capital assets in the amount of \$27,032 for 2017.

Table 4 Summary of Capital Assets	
Beginning Net Capital Assets	\$ 28,509
Increase in Net Capital Assets	14,446
Decrease in Net Capital Assets	<u>(15,923)</u>
Ending Net Capital Assets	<u>\$ 27,032</u>

Long-Term Debt Activity

The District Court reports long-term debt activity during this reporting period in accordance with Governmental Accounting Standards Board (GASB) 45 which requires government employers to perform valuations to determine costs relating to Other (than pension) Post-Employment Benefits (OPEB) and to report those costs in their annual financial statements. The District Court provides medical benefits to retirees and their dependents; therefore, a valuation was obtained and the OPEB long-term liability costs related to those benefits are included in this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

The OPEB liability is recognized during the employee's entire career; therefore, the present value is based on the Actuarial Accrued Liability attributed to past years of service, the Normal Cost for the portion of the future benefit being earned in the current year, and the Future Service Liability based on that part of the benefit which will be earned in future years.

The District Court reports an Annual Required Contribution (ARC) in the amount of \$194,406, actual contributions in the amount of \$37,782, and an increase in Net OPEB Obligation of \$156,624 for the year being reported. The Actuarial Accrued Liability reported is \$2,465,221 and is currently unfunded.

The following table represents a summary of the annual OPEB for the current and prior year.

Table 5				
Summary of Annual Other Postemployment Benefits (OPEB)				
	2017	2016	Increase / (Decrease)	
			Amount	Percent
Annual Requirement Contribution (ARC)	\$ 191,490	\$ 196,048	\$ (4,558)	-2%
Interest on Net OPEB Obligation	2,916	2,986	(70)	-2%
Adjustment to Annual Required Contribution	-	-	-	
Annual OPEB Cost	194,406	199,034	(4,628)	-2%
Contributions Made	(37,782)	(25,574)	(12,208)	48%
Increase in Net OPEB Obligation	156,624	173,460	(16,836)	-10%
Net OPEB at Beginning of Year	1,399,617	1,226,157	173,460	14%
Net OPEB at End of Year	<u>\$ 1,556,241</u>	<u>\$ 1,399,617</u>	<u>\$ 156,624</u>	11%

The District Court's OPEB balance increased by \$156,624, from \$1,399,617 in the prior year to \$1,556,241 in the current year. This balance will grow annually in the amount directly proportional to the current year net OPEB obligation. The total Actuarial Accrued Liability of the OPEB plan decreased by \$10,576, from \$2,475,797 in 2016 to \$2,465,221 in 2017.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

OVERALL FINANCIAL POSITION ANALYSIS

The overall financial position of the District Court was stable during this reporting period. The ending net position increased by \$79,056 from the prior year from \$636,913 in 2016 to \$715,969 in 2017.

Table 6			
Change in Net Position			
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Net Position:			
Change in Net Position	\$ 79,056	\$ (87,185)	\$ 166,241
Beginning Net Position	<u>636,913</u>	<u>724,098</u>	<u>(87,185)</u>
Ending Net Position	<u>\$ 715,969</u>	<u>\$ 636,913</u>	<u>\$ 79,056</u>

Table 7			
Change in Capital Assets			
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Net Position:			
Net Investment in Capital Assets	\$ 27,032	\$ 28,509	\$ (1,477)
Unrestricted	<u>688,937</u>	<u>608,404</u>	<u>80,533</u>
Total Net Position	<u>\$ 715,969</u>	<u>\$ 636,913</u>	<u>\$ 79,056</u>

The net investment in capital assets decreased by \$1,477 from \$28,509 to \$27,032 in the current year. Capital assets represent the physical fixtures and equipment that the District Court uses to provide judicial services to citizens. Unrestricted net position increased by \$80,533 from the prior year, from \$608,404 to \$688,937. Unrestricted net position represents the ability of the District Court to finance its day-to-day operations and meet its long-term obligations.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District Court is dependent primarily upon the collection of fines and fees which fund 87% of the District Court's annual revenues. There were no factors present to indicate that revenue increases should be expected during 2018 when that budget was adopted. Expenditures were budgeted with a slight overall increase in the amount of \$45,236 or a 4% increase. The 2018 budgeted expenditures include an anticipated increase in employee group insurance premiums but do not include a cost of living increase for employees for the fourth consecutive year. Appropriations were needed to offset Criminal Court Fund deficits in the prior years since 2004; the District Court budgeted funds for 2018 appropriations in the amount of \$76,678 based on information provided to the District Court relating to an anticipated deficit for 2018, which includes anticipated appropriations from the parish governments.

The 2018 projected budget reflects an overall surplus of \$129,357. The Judges of the District Court have elected at this time to maintain the same level of services traditionally offered, recognize that continued measures are necessary to ensure the future financial stability of the Court, and continue to take steps toward that goal.

CONTACTING THE COURT'S FINANCIAL MANAGEMENT

This report is designed to provide the citizens and taxpayers with a general overview of the finances of the Sixteenth Judicial District Court and to show the Court's accountability for the revenues it receives. Questions concerning any of the information provided in this report, or requests for additional information, may be addressed to: Court Administrator, 300 Iberia Street, Suite 350, New Iberia, Louisiana 70560.

BASIC FINANCIAL STATEMENTS

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

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

Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 1,894,176
Investments	63,560
Due from other governments	283,548
Other receivable	464
Prepaid expenses	179
Total current assets	2,241,927
Noncurrent assets:	
Capital assets, net of accumulated depreciation	27,032
TOTAL ASSETS	2,268,959
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	517,530
LIABILITIES	
Current liabilities:	
Accounts payable	38,441
Accrued liabilities	14,078
Due to other governments	4,162
Total current liabilities	56,681
Noncurrent liabilities:	
OPEB liability	1,556,241
Net pension liability	389,244
Total noncurrent liabilities	1,945,485
TOTAL LIABILITIES	2,002,166
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	68,354
NET POSITION	
Net investment in capital assets	27,032
Unrestricted	688,937
TOTAL NET POSITION	\$ 715,969

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

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

Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services and Fines	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental activities:				
Public safety -				
District Court	\$ 576,914	\$ 568,103	\$ 175,166	\$ 166,355
Hearing Officer	845,882	726,566	11,839	(107,477)
St. Mary Drug Court Testing	<u>1,688</u>	<u>3,450</u>	<u>-</u>	<u>1,762</u>
Total governmental activities	<u>\$ 1,424,484</u>	<u>\$ 1,298,119</u>	<u>\$ 187,005</u>	<u>60,640</u>
General revenues:				
				1,386
				13,961
				<u>3,069</u>
				<u>18,416</u>
				79,056
				<u>636,913</u>
				<u>\$ 715,969</u>

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

FUND FINANCIAL STATEMENTS

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

Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Hearing Officer Fund	St. Mary Drug Court Testing Fund	Total Governmental Funds
Assets:				
Cash and interest-bearing deposits	\$ 742,284	\$ 1,121,891	\$ 30,001	\$ 1,894,176
Investments	24,897	15,524	23,139	63,560
Due from other governments	224,431	59,117	-	283,548
Due from other funds	464	94,359	-	94,823
Other receivable	-	464	-	464
Prepaid expenses	-	179	-	179
	<u>\$ 992,076</u>	<u>\$ 1,291,534</u>	<u>\$ 53,140</u>	<u>\$ 2,336,750</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 33,688	\$ 4,753	\$ -	\$ 38,441
Accrued liabilities	399	13,679	-	14,078
Due to other governments	4,162	-	-	4,162
Due to other funds	94,359	464	-	94,823
	<u>132,608</u>	<u>18,896</u>	<u>-</u>	<u>151,504</u>
Fund balances:				
Committed for court costs	-	1,272,638	-	1,272,638
Committed for drug testing	-	-	53,140	53,140
Unassigned	859,468	-	-	859,468
	<u>859,468</u>	<u>1,272,638</u>	<u>53,140</u>	<u>2,185,246</u>
Total liabilities and fund balances	<u>\$ 992,076</u>	<u>\$ 1,291,534</u>	<u>\$ 53,140</u>	<u>\$ 2,336,750</u>

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

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

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

Total fund balance for governmental funds at December 31, 2017	\$2,185,246
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:	
Equipment and furniture, net of \$220,359 accumulated depreciation	27,032
The deferred outflows of expenditures for pensions are not a use of current resources and, therefore, are not reported in the funds.	517,530
Long-term liabilities at December 31, 2017:	
Net OPEB obligation	\$(1,556,241)
Net pension liability	<u>(389,244)</u> (1,945,485)
The deferred inflows of contributions for pensions are not available resources and, therefore, are not reported in the funds.	<u>(68,354)</u>
Net position at December 31, 2017	<u>\$ 715,969</u>

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
Year Ended December 31, 2017

	General Fund	Hearing Officer Fund	St. Mary Drug Court Testing Fund	Total Governmental Funds
Revenues:				
Fees and fines	\$ 568,103	\$ 726,566	\$ 3,450	\$ 1,298,119
State grant - FINS	79,808	-	-	79,808
Parish government's reimbursements	95,358	11,839	-	107,197
Interest	502	652	232	1,386
Other	3,069	-	-	3,069
Total revenues	746,840	739,057	3,682	1,489,579
Expenditures:				
Current -				
Public safety:				
Salaries and related benefits	197,172	588,087	-	785,259
Operating services	43,296	12,913	-	56,209
Professional fees	21,053	56,314	-	77,367
Materials and supplies	88,211	14,372	-	102,583
Travel and other charges	44,468	11,640	1,413	57,521
Appropriations	83,970	-	-	83,970
Capital outlay	7,864	6,582	-	14,446
Total expenditures	486,034	689,908	1,413	1,177,355
Excess of revenues over expenditures	260,806	49,149	2,269	312,224
Other financing sources (uses):				
Transfers in (out)	(14,035)	14,035	-	-
Net change in fund balances	246,771	63,184	2,269	312,224
Fund balances, beginning	612,697	1,209,454	50,871	1,873,022
Fund balances, ending	\$ 859,468	\$ 1,272,638	\$ 53,140	\$ 2,185,246

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

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

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

Total net changes in fund balances for the year ended December 31, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 312,224
 The change in net position reported for governmental activities in the statement of activities is different because:	
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 14,446
Depreciation expense for the year ended December 31, 2017	(15,220)
Loss on disposal of capital assets	<u>(703)</u> (1,477)
 Because some revenues are not considered measurable at year end, they are not considered "available" revenues in the governmental funds.	
Non-employer contributions	13,961
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	
Pension expense	(89,028)
Increase in net OPEB obligation at December 31, 2017 not requiring the use of current economic resources and, therefore, not recorded as a fund expenditure.	<u>(156,624)</u>
Total changes in net position for the year ended December 31, 2017 per Statement of Activities	<u>\$ 79,056</u>

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

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

Notes to Basic Financial Statements

INTRODUCTION

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

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

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

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Notes to Financial Statements (Continued)

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

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District Court Judge's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

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

Notes to Financial Statements (Continued)

Fund Financial Statements (FFS)

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

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

Governmental Funds –

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

Special Revenue Funds –

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

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

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized when the exchange takes place.

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

Notes to Financial Statements (Continued)

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

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

D. Interfund Receivables and Payables

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

E. Cash and Investments

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the District Court Judge may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any state of the United States, or under the laws of the United States. Investments are limited by R.S. 33:2955 and the District Court Judge's investment policy. At December 31, 2017, the investments of the District Court Judge consisted of investments in the Louisiana Asset Management Pool (LAMP). Investments in LAMP are stated at fair value.

F. Capital Assets

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

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

Notes to Financial Statements (Continued)

G. Compensated Absences

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

H. Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. As of December 31, 2017, District Court Judge's deferred outflows of resources and deferred inflows of resources are attributable to the pension plan.

I. Equity Classifications

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

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

The District Court Judge has no restricted net position at December 31, 2017.

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

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

Notes to Financial Statements (Continued)

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

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

J. Interfund Transactions

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

K. Accounting Estimates

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

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

Notes to Financial Statements (Continued)

(2) Cash, Interest-Bearing Deposits and Investments

A. Cash and Interest-bearing Deposits

Under state law, the District Court Judge may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District Court Judge may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2017, the District Court Judge had cash and interest-bearing deposits (book balances) totaling \$1,894,176 as follows:

Interest-bearing demand deposits	\$ 551,680
Time deposits	1,342,496
Total	<u>\$1,894,176</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District Court Judge's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District Court Judge or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2017, are secured as follows:

Bank balances	<u>\$1,922,181</u>
Federal deposit insurance	250,000
Pledged securities	<u>1,672,181</u>
Total	<u>\$1,922,181</u>

Pledged securities in the amount of \$1,672,181 were exposed to custodial credit risk. These securities include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the District Court Judge's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District Court Judge that the fiscal agent has failed to pay deposited funds upon demand. The District Court Judge does not have a policy for custodial credit risk.

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

Notes to Financial Statements (Continued)

B. Investments

Investments held at December 31, 2017 consist of \$63,560 in the Louisiana Asset Management Pool (LAMP).

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

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

- a. Credit risk: Lamp is rated AAAM by Standard & Poors.
- b. Custodial credit risk: In accordance with GASB Codification Section 150.128, the investment in LAMP is not exposed to custodial credit risk because LAMP participants' investments in the pool are evidences by shares of the pool and, therefore, not evidences by securities that exist in physical or book entry form. The District Court's investment is with the pool not the securities that make up the pool; therefore, no disclosure is required.
- c. Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- d. Inherent rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is 60 days as of December 31, 2017.
- e. Foreign currency risk: Not applicable to 2a7-like securities.

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

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

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

Notes to Financial Statements (Continued)

(3) Due from Other Governments

Amounts due from other governments consisted of the following at December 31, 2017:

District Attorney: Criminal Court Fund	\$ 194,463
State of LA: Support Enforcement	59,117
Iberia Parish Government	12,086
St. Martin Parish Government	8,285
St. Mary Parish Government	9,597
Total due from other governments	<u>\$ 283,548</u>

(4) Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General Fund	\$ 464	\$ 94,359
Hearing Officer Fund	<u>94,359</u>	<u>464</u>
	<u>\$ 94,823</u>	<u>\$ 94,823</u>

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

(5) Capital Assets

Capital asset activity for the year ended December 31, 2017, is as follows:

	Balance 1/1/17	Additions	Deletions	Balance 12/31/17
Furniture and fixtures	\$ 283,422	\$ 14,446	\$ (50,477)	\$ 247,391
Less accumulated depreciation	<u>(254,913)</u>	<u>(15,220)</u>	<u>49,774</u>	<u>(220,359)</u>
Capital assets, net of accumulated depreciation	<u>\$ 28,509</u>	<u>\$ (774)</u>	<u>\$ (703)</u>	<u>\$ 27,032</u>

Depreciation expense for the year ended December 31, 2017, was charged to governmental activities of the District Court Judge as follows:

District Court	\$ 11,464
Hearing Officer Fund	3,481
Drug Court Fund	<u>275</u>
Total depreciation expense	<u>\$ 15,220</u>

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

Notes to Financial Statements (Continued)

(6) Post-Retirement Health Care Benefits

Plan Description: In accordance with the Sixteenth Judicial District Court Group Health Plan established in April 2007, the District Court Judge provides certain continuing health care benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the District Court Judge. The District Court Judge has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: Prior to January 1, 2009, the District Court Judge recognized the cost of providing post-employment medical (the District Court Judge's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as you go basis. Effective January 1, 2009, the District Court Judge implemented Codification Section P50, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (Codification Section P50). For the fiscal year ending December 31, 2017, the District Court Judge's portion of health care funding cost for retired employees totaled \$37,782. This amount was applied toward the Net OPEB Obligation as shown in the following table. The District Court Judge pays 100 percent of the monthly premiums for these benefits for retirees and similar benefits for active employees.

Annual OPEB Cost: The District Court Judge's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The District Court Judge has elected to calculate the ARC and related information using the alternative measurement method permitted by Codification Section P50 for employers with plans fewer than 100 total members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The District Court Judge utilizes the level percentage of payroll amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the District Court Judge's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District Court Judge's net OPEB obligation:

Annual required contribution	\$ 191,490
Interest on net OPEB obligation	<u>2,916</u>
Annual OPEB cost	194,406
Contributions made	<u>(37,782)</u>
Increase in net OPEB obligation	156,624
Net OPEB obligation - beginning of year	<u>1,399,617</u>
Net OPEB obligation - end of year	<u>\$ 1,556,241</u>

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

Notes to Financial Statements (Continued)

The District Court Judge's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015, 2016 and 2017 follows:

Fiscal Year Ended	OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 225,241	11.86%	\$ 1,226,157
12/31/2016	199,034	12.13%	1,399,617
12/31/2017	194,406	19.43%	1,556,241

Funded Status and Funding Progress: During the fiscal year ending December 31, 2017, the District Court Judge made no contributions to its post employment benefit plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the January 1, 2017 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of December 31, 2017 was \$2,465,221, which is defined as that portion, as determined by a particular actuarial cost method (the District Court Judge used the entry age actuarial cost method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal costs. The funded status of the plan as of December 31, 2017, was as follows:

Actuarial accrued liability (AAL)	\$ 2,465,221
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,465,221</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 1,197,357
UAAL as a percentage of covered payroll	206%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the District Court Judge's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress included in required supplementary information following the notes to the financial statements presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

Notes to Financial Statements (Continued)

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation the entry age actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 1.5% per annum, compounded annually.
2. 88% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
3. Health Care Cost Trend Rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 4.7% for ten years out or later.

(7) Employee Retirement System

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

Plan Description:

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

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

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

Notes to Financial Statements (Continued)

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

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

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

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In addition, PERS receives a percentage of ad valorem taxes collected by parishes. These entities are not participating employers in the pension system and are considered to be non-employer contributing entities. For the year ended December 31, 2017, the contribution percentages for employees and employers were 9.5% and 12.50%, respectively. The amounts contributed from non-employer contributing entities and from the District Court Judge for the year ended December 31, 2017 were \$13,691 and \$141,450, respectively.

Net Pension Liability

The District Court Judge's net pension liability at December 31, 2017 of \$389,244 is comprised of its proportionate share of the net pension liability relating to the cost-sharing plan. The net pension liability for the plan was measured as of the plan's measurement date, December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District Court Judge's proportionate share of the net pension liability for the plan was based on the District Court Judge's required contributions in proportion to total required contributions for all employers.

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

Notes to Financial Statements (Continued)

As of the most recent measurement date, the District Court Judge's proportion for the plan was 0.188998% and the change in proportion from the prior measurement date was a decrease of 0.003214%.

Since the measurement date of the net pension liability was December 31, 2016 for PERS, the net pension liability is based upon fiduciary net position for the plan as of that date. Detailed information about the plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the District Court Judge's net pension liability is available in the separately issued plan financial report, which may be accessed on their website at <http://www.persla.org>.

Actuarial Assumptions

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

Date of experience study on which significant assumptions are based	1/1/2010 - 12/31/2014
Expected remaining service lives	4
Inflation Rate	2.50%
Projected salary increases	2.75%
Projected benefit changes including COLAs	None
Source of mortality assumptions	RP-2000 Employee Table for active members set back 4 years for males and 3 years for females RP-2000 Disabled Lives Mortality Table for disabled annuitants set back 5 years for males and 3 years for females RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table Projected to 2031 for makes using Scale AA and set back 1 year and Projected to 2029 for females using Scale AA

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

Notes to Financial Statements (Continued)

Cost of Living Adjustments

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

Discount Rate

The discount rate used to measure the District Court Judge's total pension liability for the plan and the significant assumptions used in the determination of the discount rate for the plan are as follows:

Discount rate	7.00%
Change in discount rate from prior valuation	0.00%
Plan cash flow assumptions	(1)
Rates incorporated in the Discount Rate:	
Long-term Rate of Return	7.00%
Periods applied	All
Municipal Bond Rate	N/A

***Plan Cash Flow Assumptions:**

- 1) Plan member contributions will be made at the current contributions rates and sponsor contributions will be made at the actuarially determined rates.

The discount rate used to measure the District Court Judge's pension liability for the plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For PERS, the long-term expected rate of return for the plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

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

Notes to Financial Statements (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	35%	1.24%
Equities	52%	3.63%
Alternative Investments	11%	0.67%
Real Assets	2%	0.12%
Total	<u>100%</u>	<u>5.66%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.66%</u>

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended December 31, 2017, the District Court Judge recognized \$230,477 in pension expense related to the defined benefit plan in which it participates.

At December 31, 2017, the District Court Judge reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 68,114
Changes of assumptions	73,900	-
Net difference between projected and actual earnings on pension plan investments	302,068	-
Change in proportion and differences between employer contributions and proportionate share of contributions	112	240
Employer contributions subsequent to the measurement date	<u>141,450</u>	<u>-</u>
Total	<u>\$ 517,530</u>	<u>\$ 68,354</u>

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

Notes to Financial Statements (Continued)

Deferred outflows of resources of \$141,450 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended December 31	Net Amount Recognized in Pension Expense
2018	\$ 114,313
2019	122,077
2020	79,499
2021	<u>(8,163)</u>
	<u>\$ 307,726</u>

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

The following presents the District Court Judge's proportionate share of the net pension liability of the plan, calculated using the discount rate, as well as what the District Court Judge's proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	<u>\$ 1,164,385</u>	<u>\$ 389,244</u>	<u>\$ (266,161)</u>

Payables to Pension Plan

At December 31, 2017, the District Court Judge had no outstanding payables to PERS.

(8) Court Fees Revenue

The District Court Judge collected court fees during the fiscal year ended December 31, 2017 as follows:

Criminal Bail Bond Fund	\$ 98,076
Law library	6
Iberia Parish	177,905
St. Martin Parish	179,116
St. Mary Parish	116,450
State of Louisiana	<u>726,566</u>
Total	<u>\$ 1,298,119</u>

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

Notes to Required Supplementary Information

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

The District Court Judge administers the Families in Need of Services Assistance Program, Title VII of the Louisiana Children’s Code within the Sixteenth Judicial District. The purpose of the program is to reduce formal juvenile court involvement by generating appropriate community services to benefit children and improve family relations. The District Court Judge receives funds from the State of Louisiana and reimburses the Sixteenth Judicial District Attorney for expenditures incurred for the program. During the fiscal year ended December 31, 2017, the amount received and subsequently reimbursed amounted to \$79,808.

(10) Risk Management

The District Court Judge is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The District Court Judge has purchased a commercial crime policy for coverage of loss of funds, but has decided to retain the risk of liability exposure for all other risks mentioned above, and presently, does not have any funds appropriated for these potential liability exposures.

(11) Concentrations of Credit Risk

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

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

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

(13) Interfund Transfers

	Transfers In	Transfers Out	Transfers In (Out), Net
General Fund	\$ 464	\$(14,499)	\$ (14,035)
Hearing Officer Fund	14,499	(464)	14,035
	\$ 14,963	\$(14,963)	\$ -

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

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

Notes to Required Supplementary Information

(14) Appropriation to Criminal Court Fund

The Criminal Court Fund is established by L.A.R.S. 15:571.11. This fund received revenues from criminal court costs, fines and forfeitures. The Criminal Court Fund provides employee salaries and related benefits, and court reporter transcript fees in accordance with an agreement adopted by the District Judges and the District Attorney on January 9, 2001. The District Attorney's Office receives all funds for deposit and disbursements are made upon the signature of the Chief Judge and the District Attorney. The Criminal Court Fund reimburses the Judges and the District Attorney monthly for employee salary and related benefits expenses, and the Judges for court reporter transcript fees. Any deficit in the fund at year end is shared by the District Attorney's Office and the District Court Judge on a pro-rated basis according to the percentage of total expenditures by each. At December 31, 2017 the District Court Judge's share of the Criminal Court Fund's deficit was \$4,162. This amount is shown as "Due to other governments" on the balance sheet.

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

Payments from all sources to Anthony Thibodeaux, District Court Chief Judge from January 1, 2017 through September 30, 2017, and Curtis Sigur, District Court Chief Judge from October 1, 2017 through December 31, 2017 follows:

	<u>Anthony Thibodeaux</u>	<u>Curtis Sigur</u>
Reimbursements - office supplies	\$ 1,371	\$ -
Reimbursements - mileage/meals	3,506	1,249
Registration - seminars/conferences	1,175	-
Dues	<u>448</u>	<u>700</u>
	<u>\$ 6,500</u>	<u>\$ 1,949</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

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

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fees and fines	\$ 540,500	\$ 556,950	\$ 568,103	\$ 11,153
State grant - FINS	74,076	79,808	79,808	-
Parish government's reimbursements	74,135	74,536	95,358	20,822
Interest	190	207	502	295
Other	-	3,049	3,069	20
Total revenues	688,901	714,550	746,840	32,290
Expenditures:				
Current -				
Public safety:				
Salaries and related benefits	209,608	195,815	197,172	(1,357)
Operating services	56,071	53,485	43,296	10,189
Professional fees	30,140	22,338	21,053	1,285
Materials and supplies	74,700	78,571	88,211	(9,640)
Travel and other charges	69,210	69,403	44,468	24,935
Appropriation to District Attorney - FINS	74,076	79,808	79,808	-
Appropriation to Criminal Court Fund	-	25,611	4,162	21,449
Capital outlay	28,100	29,295	7,864	21,431
Total expenditures	541,905	554,326	486,034	68,292
Excess of revenues over expenditures	146,996	160,224	260,806	100,582
Other financing sources (uses):				
Transfers in	475	466	464	(2)
Transfers out	(13,800)	(14,000)	(14,499)	(499)
Total other financing sources (uses)	(13,325)	(13,534)	(14,035)	(501)
Net change in fund balance	133,671	146,690	246,771	100,081
Fund balance, beginning	612,697	612,697	612,697	-
Fund balance, ending	\$ 746,368	\$ 759,387	\$ 859,468	\$ 100,081

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

Budgetary Comparison Schedule
Hearing Officer Fund
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fees and fines	\$ 700,000	\$ 718,400	\$ 726,566	\$ 8,166
Parish government's reimbursements	-	-	11,839	11,839
Interest	475	466	652	186
Total revenues	700,475	718,866	739,057	20,191
Expenditures:				
Current -				
Public safety:				
Salaries and related benefits	594,542	588,086	588,087	(1)
Operating services	14,831	15,090	12,913	2,177
Professional fees	62,632	58,334	56,314	2,020
Materials and supplies	16,200	15,900	14,372	1,528
Travel and other charges	18,260	18,050	11,640	6,410
Appropriation to Criminal Court Fund	12,351	-	-	-
Capital outlay	8,500	8,500	6,582	1,918
Total expenditures	727,316	703,960	689,908	14,052
Excess (deficiency) of revenues over expenditures	(26,841)	14,906	49,149	34,243
Other financing sources (uses):				
Transfer in	13,800	14,000	14,499	499
Transfers out	(475)	(466)	(464)	2
Total other financing sources (uses)	13,325	13,534	14,035	501
Net change in fund balance	(13,516)	28,440	63,184	34,744
Fund balance, beginning	1,209,454	1,209,454	1,209,454	-
Fund balance, ending	\$ 1,195,938	\$ 1,237,894	\$ 1,272,638	\$ 34,744

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

Budgetary Comparison Schedule
 St. Mary Parish Drug Court Testing Fund
 For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Fees and fines	\$ 7,200	\$ 3,260	\$ 3,450	\$ 190
Interest	90	226	232	6
Total revenues	7,290	3,486	3,682	196
Expenditures:				
Current -				
Public safety:				
Travel	4,381	1,413	1,413	-
Net change in fund balance	2,909	2,073	2,269	196
Fund balance, beginning	50,871	50,871	50,871	-
Fund balance, ending	<u>\$ 53,780</u>	<u>\$ 52,944</u>	<u>\$ 53,140</u>	<u>\$ 196</u>

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

Schedule of Funding Progress
For the Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2014	\$ -	\$ 2,868,481	\$ 2,868,481	0.0%	\$ 1,268,130	226%
January 1, 2015	-	2,652,043	2,652,043	0.0%	1,229,295	216%
January 1, 2016	-	2,475,797	2,475,797	0.0%	1,193,979	207%
January 1, 2017	-	2,465,221	2,465,221	0.0%	1,197,357	206%

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

Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2017

Plan Fiscal Year	Plan	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2016	PERS	0.188998%	\$ 302,068	\$1,120,862	26.9%	94.15%
12/31/2015	PERS	0.192212%	505,957	1,102,069	45.9%	92.23%
12/31/2014	PERS	0.193523%	52,911	1,092,125	4.80%	99.15%

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

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

Schedule of Employer Contributions
For the Year Ended December 31, 2017

For the Year Ended December 31,	Plan	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2017	PERS	\$141,450	\$141,450	\$ -	\$ 1,131,600	12.50%
2016	PERS	145,712	145,712	-	1,120,862	13.00%
2015	PERS	159,800	159,800	-	1,102,069	14.50%

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

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

Notes to Required Supplementary Information

(1) Budgets

The District Court Judge prepares and adopts a budget in accordance with R.S. 39:1301 et seq. The proposed budget for the year ended December 31, 2017 was made available for public inspection for a two-week period prior to the public hearing (and also at the public hearing) held at the St. Martin Parish Courthouse on December 19, 2017. The proposed budget was formally adopted by the District Court Judge at this time. All appropriations lapse at year-end. The budget is prepared on a modified accrual basis; consistent with the basis of accounting, for comparability of budget and actual revenues and expenditures. Formal budgetary accounts are integrated into the accounting system during the year as a management control device. The District Court Judge is authorized to transfer amounts between line items within each fund. When actual revenues within the General Fund are failing to meet estimated annual budgeted revenues by five percent or more and/or actual expenditures within the General Fund are failing to meet estimated annual budgeted revenues by five percent or more, a budget amendment to reflect such change is adopted by the District Court Judge. Budgeted amounts included in the accompanying financial statements include the original budget amounts and all subsequent amendments.

(2) Pension Plan

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

OTHER SUPPLEMENTARY INFORMATION

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

Budgetary Comparison Schedule
General Fund

For the Year Ended December 31, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Fees and fines	\$ 540,500	\$ 556,950	\$ 568,103	\$ 11,153	\$ 557,901
State grant - FINS	74,076	79,808	79,808	-	74,076
Parish government's reimbursements	74,135	74,536	95,358	20,822	45,272
Interest	190	207	502	295	355
Other	-	3,049	3,069	20	2,488
Total revenues	<u>688,901</u>	<u>714,550</u>	<u>746,840</u>	<u>32,290</u>	<u>680,092</u>
Expenditures:					
Current -					
Public safety:					
Salaries and related benefits	209,608	195,815	197,172	(1,357)	189,229
Operating services	56,071	53,485	43,296	10,189	44,424
Professional fees	30,140	22,338	21,053	1,285	23,058
Materials and supplies	74,700	78,571	88,211	(9,640)	69,884
Travel and other charges	69,210	69,403	44,468	24,935	57,139
Appropriation to District Attorney - FINS	74,076	79,808	79,808	-	74,076
Appropriation to Criminal Court Fund	-	25,611	4,162	21,449	-
Capital outlay	28,100	29,295	7,864	21,431	1,052
Total expenditures	<u>541,905</u>	<u>554,326</u>	<u>486,034</u>	<u>68,292</u>	<u>458,862</u>
Excess of revenues over expenditures	<u>146,996</u>	<u>160,224</u>	<u>260,806</u>	<u>100,582</u>	<u>221,230</u>
Other financing sources (uses):					
Transfers in	475	466	464	(2)	-
Transfers out	<u>(13,800)</u>	<u>(14,000)</u>	<u>(14,499)</u>	<u>(499)</u>	<u>(26,946)</u>
Total other financing sources (uses)	<u>(13,325)</u>	<u>(13,534)</u>	<u>(14,035)</u>	<u>(501)</u>	<u>(26,946)</u>
Net change in fund balance	133,671	146,690	246,771	100,081	194,284
Fund balance, beginning	<u>612,697</u>	<u>612,697</u>	<u>612,697</u>	<u>-</u>	<u>418,413</u>
Fund balance, ending	<u>\$ 746,368</u>	<u>\$ 759,387</u>	<u>\$ 859,468</u>	<u>\$ 100,081</u>	<u>\$ 612,697</u>

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

Budgetary Comparison Schedule
Hearing Officer Fund

For the Year Ended December 31, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Fees and fines	\$ 700,000	\$ 718,400	\$ 726,566	\$ 8,166	\$ 708,185
Parish government's reimbursements	-	-	11,839	11,839	-
Interest	475	466	652	186	530
Total revenues	<u>700,475</u>	<u>718,866</u>	<u>739,057</u>	<u>20,191</u>	<u>708,715</u>
Expenditures:					
Current -					
Public safety:					
Salaries and related benefits	594,542	588,086	588,087	(1)	597,819
Operating services	14,831	15,090	12,913	2,177	11,561
Professional fees	62,632	58,334	56,314	2,020	61,302
Materials and supplies	16,200	15,900	14,372	1,528	17,422
Travel and other charges	18,260	18,050	11,640	6,410	13,934
Appropriation to Criminal Court Fund	12,351	-	-	-	73,627
Capital outlay	8,500	8,500	6,582	1,918	5,641
Total expenditures	<u>727,316</u>	<u>703,960</u>	<u>689,908</u>	<u>14,052</u>	<u>781,306</u>
Excess (deficiency) of revenues over expenditures	<u>(26,841)</u>	<u>14,906</u>	<u>49,149</u>	<u>34,243</u>	<u>(72,591)</u>
Other financing sources (uses):					
Transfer in	13,800	14,000	14,499	499	26,946
Transfers out	(475)	(466)	(464)	2	-
Total other financing sources (uses)	<u>13,325</u>	<u>13,534</u>	<u>14,035</u>	<u>501</u>	<u>26,946</u>
Net change in fund balance	(13,516)	28,440	63,184	34,744	(45,645)
Fund balance, beginning	<u>1,209,454</u>	<u>1,209,454</u>	<u>1,209,454</u>	<u>-</u>	<u>1,255,099</u>
Fund balance, ending	<u>\$ 1,195,938</u>	<u>\$ 1,237,894</u>	<u>\$ 1,272,638</u>	<u>\$ 34,744</u>	<u>\$ 1,209,454</u>

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

Budgetary Comparison Schedule
St. Mary Parish Drug Court Testing Fund

For the Year Ended December 31, 2017
With Comparative Actual Amounts for the Year Ended December 31, 2016

	2017			Variance - Positive (Negative)	2016 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Fees and fines	\$ 7,200	\$ 3,260	\$ 3,450	\$ 190	\$ 7,950
Interest	90	226	232	6	113
Total revenues	<u>7,290</u>	<u>3,486</u>	<u>3,682</u>	<u>196</u>	<u>8,063</u>
Expenditures:					
Current -					
Public safety:					
Travel	<u>4,381</u>	<u>1,413</u>	<u>1,413</u>	<u>-</u>	<u>4,382</u>
Net change in fund balance	2,909	2,073	2,269	196	3,681
Fund balance, beginning	<u>50,871</u>	<u>50,871</u>	<u>50,871</u>	<u>-</u>	<u>47,190</u>
Fund balance, ending	<u>\$ 53,780</u>	<u>\$ 52,944</u>	<u>\$ 53,140</u>	<u>\$ 196</u>	<u>\$ 50,871</u>

**INTERNAL CONTROL,
COMPLIANCE
AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70855
Phone (337) 363-2792 Phone (337) 639-4737

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*

WWW.KSRCPAS.COM

* A Professional Accounting Corporation

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sixteenth Judicial District Court-District Judge (District Court Judge) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District Court Judge's basic financial statements and have issued our report thereon dated June 22, 2018.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

District Court Judge's Response to Findings

The District Court Judge's response to the finding identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The District Court Judge's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
June 22, 2018

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

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2017

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (12/31/17) --						
2017-001	2007	The Sixteenth Judicial District Court District Judge does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.	No	The Sixteenth Judicial District Court District Judge has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Stephanie Richardson, Court Admin.	N/A
PRIOR YEAR (12/31/16) --						
2016-001	2007	The Sixteenth Judicial District Court District Judge does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.	No	The Sixteenth Judicial District Court District Judge has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Stephanie Richardson, Court Admin.	N/A

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

New Iberia, Louisiana

Agreed-Upon Procedures Report

Year Ended December 31, 2017

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1234 David Dr. Ste. 203
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

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

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:
 - 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**, including receiving, recording, and preparing deposits.
 - 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, and (5) monitoring card usage.
- 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board (or Finance Committee, if applicable)

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

Bank Reconciliations

- 3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.
- 4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:
 - a) Bank reconciliations have been prepared;

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Collections

- 5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
- 6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:
 - a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, reported the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and report any exceptions.
- 7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

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

- 8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:
 - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks are electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

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

14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) We reported whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, we reported whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
 - b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.
 - c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).

Travel and Expense Reimbursement

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.
18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

- b) We reported whether each expense is supported by:
- An original itemized receipt that identifies precisely what was purchased. An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse).
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, we obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.
21. Using the listing above, we selected the four contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).
 - If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.
 - c) One contract was amended in the amount of \$9,951. The original contract terms provided for such an amendment.
 - d) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.

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

Payroll and Personnel

- 22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. Randomly select five employees/officials, obtained their personnel files, and:
 - a) Reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.
- 23. We obtained attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
 - a) Reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) Reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
- 24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
- 25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

- 26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and reported whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. We reported whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Debt Service (excluding nonprofits)

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

29. If the entity had outstanding debt during the fiscal period, we obtained supporting documentation from the entity and reported whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, we obtained supporting documentation and reported whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, we reported any millages that continue to be received for debt that has been paid off.

Other

31. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

32. We observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

33. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Exceptions:

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

Bank Reconciliations:

1. Bank reconciliations did not include evidence of review by a member of management or a board member for 7 of the 12 months on one bank account and 2 of the 12 months on another bank account.

Collections:

2. In the highest week of collections tested, the Entity had 20 receipts that were deposited 4 to 11 days after collection.

3. The Entity does not have written process to determine the completeness of all collections by a person not responsible for collection.

Disbursements:

4. Of the 25 disbursements selected for testing, two transactions did not have a purchase order.
5. The Entity does not have written documentation indicating that the person responsible for processing payments is prohibited from adding vendors to disbursement system.

Payroll and Personnel

6. Of the 25 employees selected for testing, 19 did not have daily attendance records, 17 did not have evidence of supervisor approval of attendance and sick leave and 16 did not have leave records documenting hours earned, hours used, and available balances.

Management's Response: Management of the Sixteenth Judicial District Court-District Judge concurs with the exceptions and are working to address the exceptions identified.

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
June 22, 2018