

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**TERREBONNE PARISH, LOUISIANA**  
ANNUAL FINANCIAL REPORT  
December 31, 2017

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

ANNUAL FINANCIAL REPORT

December 31, 2017

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**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**Terrebonne Parish, Louisiana**  
As of and for the year ended December 31, 2017

**JUDGES**

*Division A*

*George J. Larke, Jr.*

*Division B*

*John R. Walker, Chief Judge*

*Division C*

*Juan W. Pickett*

*Division D*

*David W. Arceneaux*

*Division E*

*Randall L. Bethancourt*

**OFFICIAL**

*District Court Coordinator*

*Jennie R. Callahan*

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

This discussion and analysis of the Thirty-Second Judicial District Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

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

- Net position decreased as a result of this year's operations. The net position of our governmental activities decreased by \$133,717, approximately 3 percent. Because of this year's operations assets exceeded liabilities by \$4,565,500 (net position).
- During the year, expenses were \$157,936 more than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when expenses exceeded revenues by \$317,551.
- As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$4,747,192, a decrease of \$52,329 over the previous fiscal year. Of the total \$2,848,484 is unassigned and \$1,898,708 is assigned for the Court Fund and IV-D program – Special Revenue Funds.

**USING THIS ANNUAL REPORT**

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

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

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

***Government-Wide Financial Statements***

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

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

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

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

***Fund Financial Statements***

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

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

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**Condensed Statement of Net Assets**

	FY 2016	FY 2017	Dollar Change
Current and Other Assets	\$ 4,823,632	\$ 4,767,769	\$ (55,863)
Capital Assets	136,677	109,058	(27,619)
<b>Total Assets</b>	<b>4,960,309</b>	<b>4,876,827</b>	<b>(83,482)</b>
Current Liabilities	24,111	20,577	(3,534)
Other Noncurrent Liabilities	236,981	290,750	53,769
<b>Total Liabilities</b>	<b>261,092</b>	<b>311,327</b>	<b>50,235</b>
Invested in Capital Assets	136,677	109,058	(27,619)
Unrestricted	4,562,540	4,456,442	(106,098)
<b>Total Net Assets</b>	<b>\$ 4,699,217</b>	<b>\$ 4,565,500</b>	<b>\$ (133,717)</b>

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. Assets exceeded liabilities by \$4,565,500 at the close of the fiscal year which is a decrease of \$133,717 from the prior year.

The decrease in current assets is due to using cash on hand for an increase in expenses but a decrease in revenue collected. The decrease in capital assets is due to the excess of depreciation over purchases. There was a 15% decrease in current liabilities due to less owed to other governments at the end of the year. The increase in other non-current liabilities reflects the increase in the OPEB liability.

A portion of net assets, \$109,058 or 3%, reflects its investment in capital assets (e.g., office furniture and equipment, and intangible assets - software). As the Court uses these capital assets to provide services to citizens, these assets are not available for future spending. The remaining balance of unrestricted net assets, \$4,456,442 or 97%, may be used to meet the ongoing obligations.

Program expenses increased by almost 7% compared to the prior year. Program revenues decreased slightly by \$13,916 due to less collections of court fines and child support fees. General revenues consisted of interest earned, which increased significantly due to an adjustment for maturing investments.

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

<b>Condensed Statement of Activities</b>	FY 2016	FY 2017	Dollar Change
Total program expenses	\$(2,539,649)	\$(2,366,118)	\$ (173,531)
Total program revenues	2,222,098	2,208,182	(13,916)
<b>Net program income</b>	<b>(317,551)</b>	<b>(157,936)</b>	<b>159,615</b>
General revenues	21,151	24,219	3,068
<b>Change in Net Assets</b>	<b>(296,400)</b>	<b>(133,717)</b>	<b>162,683</b>
<b>Net Position:</b>			
Beginning of the year	4,995,617	4,699,217	(296,400)
End of the year	<u>\$ 4,699,217</u>	<u>\$ 4,565,500</u>	<u>\$ (133,717)</u>

The total revenues for the year in governmental activities was \$2,232,401 a slight decrease of approximately \$10,000. The decrease is mainly due to receiving less in fines and court costs from the prior year. The total cost of all judicial services was \$2,366,118, a decrease from the prior year by \$173,531 or 7%. The net position decreased by \$133,717 to end the year at \$4,565,500.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

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

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

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

All of the funds are considered major governmental funds.

The **General Fund** is the operating fund. The unassigned portion of \$2,848,484 represented 176% of total general fund expenditures, and is considered available to fund future programs and activities. Revenues of fines and fees, interest and on-behalf payments received totaled \$1,630,340 and decreased significantly by 39%. Total expenditures of \$1,621,620 also decreased by over 40% due to the on-behalf payments made by the State being recognized. The fund balance increased by \$8,720 for the year.

The **District Court Fund** balance increased by \$35,801 from the prior year. Revenues of court fines and fees and interest earned in this fund totaled \$95,672, a decrease of 6%, while total expenditures totaled \$59,871 which included \$4,167 in capital outlay.

The **IV-D Program Fund** ended the year with an assigned fund balance of \$1,458,316 a decrease of \$96,850 from the prior year. Revenues collected for child support were \$506,389 a slight decrease of 3% while expenditures were \$603,239 a decreased of 8%.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget for the General Fund was not revised during the year. Final budgeted revenues for the General Fund when compared to the actual were unfavorable by 10% due to the overestimate of on-behalf salaries and benefits. The actual expenditures for the General Fund were under budget by over 15% and in compliance with the Local Government Budget Act.

**CAPITAL ASSETS**

A summary of capital assets follows:

	BEGINNING BALANCE	ENDING BALANCE
<b>COST:</b>		
SOFTWARE	\$ 40,734	\$ 40,734
OFFICE FURNITURE & EQUIPMENT	307,392	325,171
	<u>348,126</u>	<u>365,905</u>
<b>ACCUMULATED DEPRECIATION &amp; AMORTIZATION:</b>		
SOFTWARE	(26,803)	(31,915)
OFFICE FURNITURE & EQUIPMENT	(184,646)	(224,932)
	<u>(211,449)</u>	<u>(256,847)</u>
<b>NET</b>	<u>\$ 136,677</u>	<u>\$ 109,058</u>
 <b>Depreciation</b>	 <u>\$ 46,873</u>	 <u>\$ 45,697</u>

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

This year there was \$17,779 of additions of computers, office furniture and courtroom improvements to capital assets. There were no deletions from the capital asset listing. Assets over \$500 are capitalized in accordance with management's policies. More detailed information about the capital assets is presented in Note 4 to the financial statements.

**OTHER POST EMPLOYMENT BENEFITS**

The Court has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post-employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The following table represents the OPEB costs for the year and the annual required contribution:

<b>Annual OPEB Cost and net OPEB Obligation</b>	<b>2016</b>	<b>2017</b>
Annual Required Contribution	\$ 53,941	\$ 53,941
ARC Adjustment	(6,544)	(8,467)
Interest Adjustment to Net OPEB Obligation	6,411	8,295
Annual OPEB Cost	53,808	53,769
Net OPEB Obligation - beginning of year	183,173	236,981
Net OPEB Obligation - end of year	\$ 236,981	\$290,750

More detailed information about the capital assets is presented in Note 8 to the financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2017*

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

Historically, the office staff and costs remain stable and should continue to do so. The Terrebonne Parish Council in their current operating budget absorbs some capital asset purchases and other operating expenses. If these estimates remain consistent, the General Fund balance is expected to increase accordingly by the close of 2018.

Highlights of next year's General Fund budget include:

**Condensed Summary of Budgeted Finances**

	<u>FY 2018</u>
<b>Anticipated revenues</b>	\$1,857,000
<b>Expenditures:</b>	
Current	<u>1,900,500</u>
Excess of expenditures	(43,500)
<b>Fund Balance:</b>	
Beginning of the year	<u>2,840,770</u>
End of the year	<u><u>\$2,797,270</u></u>

**CONTACTING FINANCIAL MANAGEMENT**

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

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

***FINANCIAL SECTION***



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District Court, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2017, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

Thirty-Second Judicial District Court  
Terrebonne Parish, Louisiana

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

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

### ***Opinions***

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

### ***Required Supplementary Information***

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



Thirty-Second Judicial District Court  
Terrebonne Parish, Louisiana

***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2017, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

*Stagni & Company*

Thibodaux, Louisiana  
May 10, 2018



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

*Statement of Net Position - Governmental Activities*

*December 31, 2017*

**ASSETS**

Cash	\$ 897,574
Investments	3,838,150
Due from other governments	32,045
Capital Assets, net of depreciation	<u>109,058</u>
TOTAL ASSETS	<u>4,876,827</u>

**LIABILITIES**

Accounts payable	-
Due to other governments	20,577
Other noncurrent liability - net other postemployment benefit liability	<u>290,750</u>
TOTAL LIABILITIES	<u>311,327</u>

**NET POSITION**

Net Invested in capital assets	109,058
Unrestricted	<u>4,456,442</u>
TOTAL NET POSITION	<u>\$ 4,565,500</u>

See notes to financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT**

*Statement of Activities - Governmental Activities*

*For the Year Ended December 31, 2017*

**EXPENSES - Judicial:**

Salaries and benefits	\$	1,896,598
Office operations		341,600
Court room operations		82,223
Depreciation		45,697
Total program expenses		<u>2,366,118</u>

**PROGRAM REVENUES**

Charges for services		968,341
Operating grants		1,239,841
Total program revenues		<u>2,208,182</u>

Net Program (Income) Expense (157,936)

**GENERAL REVENUES**

Interest earned		24,219
Total general revenues		<u>24,219</u>

Change in Net Position (133,717)

**NET POSITION**

Beginning of year		4,699,217
End of year	\$	<u><u>4,565,500</u></u>

See notes to financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**TERREBONNE PARISH, LOUISIANA**  
*Balance Sheet - Governmental Funds*  
*December 31, 2017*

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 349,530	\$ 76,074	\$ 471,970	\$ 897,574
Investments	2,511,960	364,318	961,872	3,838,150
Due from other governments	-	-	32,045	32,045
<b>TOTAL ASSETS</b>	<u>\$2,861,490</u>	<u>\$440,392</u>	<u>\$1,465,887</u>	<u>\$4,767,769</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other governments	13,006	-	7,571	20,577
<b>TOTAL LIABILITIES</b>	<u>13,006</u>	<u>-</u>	<u>7,571</u>	<u>20,577</u>
<b>FUND BALANCES:</b>				
Assigned	-	440,392	1,458,316	1,898,708
Unassigned	2,848,484	-	-	2,848,484
<b>TOTAL FUND BALANCES</b>	<u>2,848,484</u>	<u>440,392</u>	<u>1,458,316</u>	<u>4,747,192</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,861,490</u>	<u>\$ 440,392</u>	<u>\$ 1,465,887</u>	

**RECONCILIATION TO THE STATEMENT OF NET POSITION:**

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

Add - Capital Assets	365,905	
Deduct - Accumulated Depreciation & Amortization	<u>(256,847)</u>	109,058

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

Deduct - OPEB liability		<u>(290,750)</u>
Net assets of governmental activities		<u>\$ 4,565,500</u>

See notes to financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**TERREBONNE PARISH, LOUISIANA**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances -*  
*Governmental Funds*  
*For the Year Ended December 31, 2017*

	General Fund	Court Fund	IV-D Program	Totals
<b>REVENUES</b>				
Court Fines & Fees	\$ 376,251	\$ 91,610	\$ -	\$ 467,861
Child Support Fees	-	-	500,480	500,480
Interest-Miscellaneous	14,248	4,062	5,909	24,219
Payments received on behalf	1,239,841	-	-	1,239,841
	1,630,340	95,672	506,389	2,232,401
<b>EXPENDITURES - JUDICIAL:</b>				
Current:				
Salaries and benefits	376,845	-	226,143	602,988
Salary and benefit payments on behalf	1,239,841	-	-	1,239,841
Accounting and auditing	2,000	2,000	2,000	6,000
IV-D Program	-	-	256,749	256,749
Office operations	2,614	1,418	53,089	57,121
Court room operations	-	4,097	51,646	55,743
Division A	-	6,962	-	6,962
Division B	-	5,038	-	5,038
Division C	-	6,514	-	6,514
Division D	-	3,592	-	3,592
Division E	-	4,673	-	4,673
Miscellaneous	320	21,410	-	21,730
	1,621,620	55,704	589,627	2,266,951
Capital outlay	-	4,167	13,612	17,779
Total Expenditures	1,621,620	59,871	603,239	2,284,730
<b>Net change in fund balance</b>	8,720	35,801	(96,850)	(52,329)
<b>FUND BALANCES</b>				
Beginning of year	2,839,764	404,591	1,555,166	4,799,521
End of year	\$ 2,848,484	\$ 440,392	\$ 1,458,316	\$ 4,747,192

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES:**

Net change in fund balances—total governmental funds from above \$ (52,329)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - Capital outlays	17,779	
Adjustment for disposed assets	299	
Deduct - Depreciation expense	(45,697)	
		(27,619)

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

Add - Decrease in OPEB Liability	(53,769)
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<b>Change in net assets - governmental activities</b>	<b>\$ (133,717)</b>
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See notes to financial statements.

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

***Introduction***

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

**Note 1                      *Summary of Significant Accounting Policies***

**A.      *Basis of Presentation***

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

**B.      *Reporting Entity***

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

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

**C.      *Fund Accounting***

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

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

**C. Fund Accounting (Continued)**

**Governmental Fund Types**

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

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

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

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

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

**D. Measurement Focus / Basis of Accounting**

**Fund Financial Statements (FFS)**

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

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

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

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

**Government-Wide Financial Statements (GWFS)**

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

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

**D.      Measurement Focus / Basis of Accounting (Continued)**

**Government-Wide Financial Statements (GWFS) (Continued)**

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

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

**E.      Budgets**

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

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

**F.      Cash and Cash Equivalents**

Cash includes amounts in regular and money market accounts. Cash equivalents include amounts in certificates of deposit and securities with original maturities of 90 days or less when purchased.

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

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

**G.      Investments**

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

**H.      Capital Assets**

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

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

**I.      Compensated Absences**

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

**J.      Restricted Net Assets**

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

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

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

**K.      Fund Equity**

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

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

**L.      Estimates**

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

**Note 2      Deposits**

The year-end balances of deposits are as follows:

	Reported Balances	Bank Balances
Cash	\$897,573	\$905,147
Certificates of Deposits (reported as investments)	2,877,855	2,882,126
<b>Totals</b>	<b>\$3,775,428</b>	<b>\$3,787,273</b>

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 2      Deposits (Continued)**

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

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

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of December 31, 2017, \$3,287,272 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District Court's name. The bank has pledged securities in the District Court's name of \$3,862,409.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3      Investments**

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 3      Investments (Continued)**

At year-end the investment balances were as follows:

Investment Type	Fair Value	Matures in less than 1 year
Certificates of Deposits	\$2,877,855	\$2,877,855
Louisiana Asset Management Pool (LAMP)	950,296	950,296
Total	\$3,838,151	\$3,838,151

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

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

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 3      Investments (Continued)**

- **Credit risk:** Standard & Poor's AAAM rating on the LAMP demonstrates that the pool has an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk.
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, not disclosure is required.
- **Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure.
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM of LAMP's total investments is 80 as of December 31, 2017.
- **Foreign currency risk:** Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 4 Capital Assets**

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

Governmental Activities	Beginning Balance	Additions	Adjustment	Ending Balance
Furniture and Equipment	\$307,392	\$17,779	\$ -	\$325,171
Intangible assets	40,734	-	-	40,734
Total cost of assets	348,126	17,779	-	365,905
Less accumulated depreciation on Furniture & Equipment	(184,646)	(40,585)	299	(224,932)
Less amortization on Intangible assets	(26,803)	(5,112)	-	(31,915)
Total depreciation and amortization	(211,449)	(45,697)	299	(256,847)
Furniture & Equipment, net	\$136,677			\$109,058

Depreciation expense for the year recorded for governmental activities was \$45,697 and amortization of intangible assets (computer software) was \$5,112.

**Note 5 On-behalf Payments & Other Costs**

GASB Statement 24 requires that on-behalf payments for fringe benefits and salaries be recognized as revenue and expenditures or expenses and that the notes to the financial statements disclose the amounts recognized. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. Employees of the Thirty-Second Judicial District Court received on-behalf payments from Terrebonne Parish Consolidated Government of \$1,248,765 and the Judges received on-behalf payments of \$1,239,841 for salaries and benefits. Revenue and expenditure for on-behalf salaries and benefits has been recognized in general fund for these payments.

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 6      Risk Management**

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

**Note 7      Pension Plans**

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

**Note 8      Other Postemployment Benefits**

The Court has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post-employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported like pension plans. Plan information, including actuarial valuation information and funding status, can be found in the annual financial report of Terrebonne Parish Consolidated Government.

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

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 8      Other Postemployment Benefits (continued)**

Terrebonne Parish Consolidated Government contracts with an actuarial consultant to provide an actuarial valuation of the OPEB liability under GASB Statement 45. GASB 45 requires at least biennial valuations for plans with membership over 200, unless significant changes since the last valuation. The most recent OPEB liability actuarial valuation was completed for the plan year that ended December 31, 2016.

**Funding Policy.** GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Court currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. For fiscal year 2017 the Court did not pay any premiums for the retirees.

**Annual OPEB Cost.** The annual required contribution (ARC), an actuarially determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed twenty-five (25) years.

The following table represents the OPEB costs for the year and the annual required contribution:

<b>Annual OPEB Cost and net OPEB Obligation</b>	<b>IV-D Program Fund</b>	<b>Law Clerk Fund</b>	<b>Total</b>
Annual Required Contribution	\$ 21,682	\$ 32,259	\$ 53,941
ARC Adjustment	(3,248)	(5,219)	(8,467)
Interest Adjustment to Net OPEB Obligation	3,182	5,113	8,295
Annual OPEB Cost	21,616	32,153	53,769
Net OPEB Obligation - beginning of year	90,909	146,072	236,981
Net OPEB Obligation - end of year	\$ 112,525	\$ 178,225	\$ 290,750

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 8 Other Postemployment Benefits (continued)**

The annual OPEB cost the percentage of annual OPEB cost contributed to the plan, and the net OPEB liability is as follows:

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Liability
12/31/2015	\$29,778	0.00%	\$183,172
12/31/2016	\$53,808	0.00%	\$236,981
12/31/2017	\$53,769	0.00%	\$290,750

**Funding Status and Funding Progress**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress provides multiyear trend information (only one year available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**REQUIRED SCHEDULE OF FUNDING PROGRESS:**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
1/1/2014	\$ -	\$ 388,186	\$ 388,186	0.00%	\$395,601	101.91%
1/1/2016	\$ -	\$ 680,054	\$ 680,054	0.00%	\$401,762	169.27%

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

Notes to Financial Statements  
For the Year Ended December 31, 2017

**Note 8      Other Postemployment Benefits (continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectation and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities and benefits.

**Actuarial Methods and Assumptions.** The valuation of the plan is based on assumptions with regard to the survival of plan members, the average per-capita claim costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience, actuarial judgment and the Parish's pension annual financial report. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Significant methods and assumptions were as follows:

- Actuarial cost method - Entry age normal
- As of this valuation date, there are no assets, hence no need for an actuarial value of assets
- Actuarial valuation date 1/1/2016
- Discount rate – 3.5%
- Projected salary increases - 3%

***REQUIRED SUPPLEMENTAL  
INFORMATION SECTION***

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**TERREBONNE PARISH, LOUISIANA**  
*Budgetary Comparison Schedule - Court Fund*  
*For the Year Ended December 31, 2017*

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
<b>REVENUES</b>				
Court Fines & Fees	\$ 70,000	\$ 70,000	\$ 91,610	\$ 21,610
Interest	1,000	1,000	-	(1,000)
Miscellaneous	-	-	-	-
	<u>71,000</u>	<u>71,000</u>	<u>91,610</u>	<u>20,610</u>
<b>EXPENDITURES - JUDICIAL:</b>				
Current:				
Accounting and auditing	2,000	2,000	2,000	-
Office operations	5,000	5,000	1,418	3,582
Court room operations	50,000	50,000	4,097	45,903
Division A	5,000	5,000	6,962	(1,962)
Division B	5,000	5,000	5,038	(38)
Division C	5,000	5,000	6,514	(1,514)
Division D	5,000	5,000	3,592	1,408
Division E	5,000	5,000	4,673	327
Miscellaneous	20,000	20,000	21,410	(1,410)
	<u>102,000</u>	<u>102,000</u>	<u>55,704</u>	<u>46,296</u>
Capital outlay	10,000	10,000	4,167	5,833
Total Expenditures	<u>112,000</u>	<u>112,000</u>	<u>59,871</u>	<u>52,129</u>
Revenue Over (Under) Expenditures	(41,000)	(41,000)	31,739	72,739
<b>FUND BALANCES</b>				
Beginning of year	390,297	390,297	404,591	14,294
End of year	<u>\$ 349,297</u>	<u>\$ 349,297</u>	<u>\$ 436,330</u>	<u>\$ 87,033</u>

**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**TERREBONNE PARISH, LOUISIANA**  
*Budgetary Comparison Schedule - IV-D Program*  
*For the Year Ended December 31, 2017*

	Original Budget	Final Budget (No Amendments)	Actual	Variance: Positive (Negative)
<b>REVENUES</b>				
Child Support Fees	\$ 500,000	\$ 500,000	\$ 500,480	\$ 480
Interest	2,500	2,500	5,909	3,409
	<u>502,500</u>	<u>502,500</u>	<u>506,389</u>	<u>3,889</u>
<b>EXPENDITURES - JUDICIAL:</b>				
Current:				
Salaries and benefits	175,000	175,000	226,143	(51,143)
Accounting and auditing	2,000	2,000	2,000	-
IV-D Program	265,000	265,000	256,749	8,251
Office operations	50,000	50,000	53,089	(3,089)
Court room operations	50,000	50,000	51,646	(1,646)
Insurance	45,000	45,000	-	45,000
	<u>587,000</u>	<u>587,000</u>	<u>589,627</u>	<u>(2,627)</u>
Capital outlay	15,000	15,000	13,612	1,388
Total Expenditures	<u>602,000</u>	<u>602,000</u>	<u>603,239</u>	<u>(1,239)</u>
Revenue Over (Under) Expenditures	(99,500)	(99,500)	(96,850)	2,650
<b>FUND BALANCES</b>				
Beginning of year	1,526,688	1,526,688	1,555,166	28,478
End of year	<u>\$ 1,427,188</u>	<u>\$ 1,427,188</u>	<u>\$ 1,458,316</u>	<u>\$ 31,128</u>

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

*Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2017*

**Agency Head Name: John R. Walker, Chief Judge - Division B**

<b>Purpose</b>	<b>Amount</b>
Salary paid by the State of La (on behalf)	\$149,663
Benefits-insurance paid by the State of LA (on behalf)	\$253
Benefits-retirement paid by the State of LA (on behalf)	\$56,946
Deferred compensation (contributions made by the agency)	
Benefits-other (Medicare) paid by the State of LA (on behalf)	
Car allowance	
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	
Cell phone	\$1,236
Dues	
Vehicle rental	
Per diem	
Reimbursements	\$959
Travel	
Registration fees	
Conference travel	\$1,302
Housing	
Unvouchered expenses (example: travel advances, etc.)	
Special meals	
Other (including payments made by other parties on behalf of the agency head)	

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

***OTHER INFORMATION***

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

*Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2017*

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

<b>Purpose</b>	<b>Amount</b>
Salary paid by the State of La (on behalf)	\$150,380
Benefits-insurance paid by the State of LA (on behalf)	\$0
Benefits-retirement paid by the State of LA (on behalf)	\$0
Deferred compensation (contributions made by the agency)	\$0
Benefits-other (Medicare) paid by the State of LA (on behalf)	\$0
Car allowance	\$0
Vehicle provided by government (enter amount reported on W-2 adjusted for various fiscal years)	\$0
Cell phone	\$934
Dues	\$0
Vehicle rental	\$0
Per diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees - paid by State of LA	\$625
Conference travel - \$2,196 paid by State of LA	\$2,350
Housing	\$0
Unvouchered expenses (expample: travel advances, etc.)	\$0
Special meals	\$0
Other (including payments made by other parties on behalf of the agency head)	\$0

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

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



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated May 10, 2018.

### ***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Stagni & Company*

May 10, 2018  
Thibodaux, Louisiana



**THIRTY-SECOND JUDICIAL DISTRICT COURT**  
**TERREBONNE PARISH, LOUISIANA**  
**SCHEDULE OF CURRENT YEAR FINDINGS**  
*For the Year Ended December 31, 2017*

***Section I - Summary of Auditor's Reports***

- The auditor's report expresses an unmodified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- There was no management letter issued in connection with this audit.
- The District Court neither received nor expended any federal awards during the year.

***Section II - Financial Statement Findings***

- There were no financial statement findings during the audit of the basic financial statements.

***Section III - Federal Award Findings and Questioned Costs***

- There were no federal awards received during the fiscal year.





# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## AGREED-UPON PROCEDURES REPORT

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

**For the Period January 1, 2017 – December 31, 2017**

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

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

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

The procedures and associated results are as follows:

### ***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Results:** The policies of the Court address all the applicable functions listed above.

***Board (or Finance Committee, if applicable)***

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

**Results:** This procedure is not applicable.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

**Results:** We obtained a listing of bank accounts from management and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - 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 items that have been outstanding for more than 6 months reconciling as of the end of the fiscal period.

**Results:** We selected 3 bank checking accounts for testing. All bank accounts are reconciled by the District Court Coordinator in Quickbooks. There are no hard copy of bank reconciliations printed as reconciled, therefore we could not test for evidence that a member of management reviewed each reconciliation. There were no outstanding checks or deposits for more than 6 months on any of the reconciliations.

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

### ***Collections***

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

**Results:** We obtained from management 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, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Results:** All deposits are collected at one location and consist of monthly checks from other governments for fees collected and remitted to the Court and interest earned on checking accounts. Each person responsible for collecting cash is bonded. Duties were segregated per the policy as much as possible considering the size of the staff available. The person responsible for collecting cash (the District Court Coordinator) was also responsible for reconciling cash collections to the general ledger. The Court has a formal process to reconcile cash collections to the general ledger however she is also responsible for cash collections. All of the deposits tested had supporting documentation.

**Managements Response:** Due to the size of the staff and the nature of the deposits the control over the collections is adequate. The Court is following its policy for collections and deposits.

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

**Results:** The Court has a process specifically defined to determine completeness of all collections for each revenue source, however that person is responsible for collections.

**Managements Response:** Due to the size of the staff and the nature of the deposits the control over the collections is adequate. The Court is following its policy for collections and deposits.

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

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

**Results:** We obtained from management a disbursement listing and management's representation that the listing is complete.

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

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- 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; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

**Results:** We obtained supporting documentation for 25 disbursements. The criteria in steps 9(a), 9(b) and 9(c) were met for all 25 disbursements tested.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

**Results:** The persons responsible for processing payments are prohibited from adding vendors to the Court's disbursement system without approval from the Chief Judge.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

**Results:** The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

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

**Results:** No exceptions were identified as a result of these procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Results:** No exceptions were identified as a result of these procedures.

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**Results:** 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, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

**Results:** This procedure is not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased).
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization).

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** This procedure is not applicable.

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**Results:** We obtained the listing of all travel and related expense reimbursements from the detail general ledger and we obtained management's representation that the list was complete.

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

**Results:** We obtained the written policies related to travel and expense reimbursement. No amounts that exceed GSA rates were noted.

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: 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) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No exceptions were identified as a result of these procedures.

### ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

**Results:** We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

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

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
  - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
  - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

**Results:** For the 3 contracts selected, a formal written contract supports the arrangement and the amounts paid. None of the contracts selected was subject to public bid law. For the largest payment from each of the contracts selected for testing, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the contracts selected for testing was properly approved according to policy and the approved.

### ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Results:** We obtained a listing of employees with their related salaries, and we obtained management's representation that the listing is complete. For all employees selected, payments were made in strict accordance with the terms and conditions of the pay rate structure. No changes were made during the fiscal period for the five employees selected.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**Results:** No exceptions were identified as a result of these procedures.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

**Results:** There were no employees terminated during the fiscal year. Management has made representation that there were none.

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Results:** Terrebonne Parish Consolidated Government prepares all payroll and retirement reports for the Court employees.

***Ethics (excluding nonprofits)***

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

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

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

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

**Results:** We inquired of management whether any alleged ethics violations were reported during the fiscal period. Management has received no such allegations.

***Debt Service (excluding nonprofits)***

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

**Results:** The Court did not issued any debt during the fiscal period, therefore this procedure is not applicable.

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

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

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

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

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the District attorney of the parish in which the entity is domiciled.

**Results:** We inquired of management whether the Court had any misappropriations of public funds or assets. Management reported there have not been any misappropriations of public funds or assets.

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

**Results:** The Court does not have a website, however it is posted on the City of Thibodaux website. We observed that the Court has posted on its premises the notice required by R.S. 24:523.1.

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

**Results:** No exceptions were identified as a result of these procedures.

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

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

*Stagni & Company*

Thibodaux, LA  
June 25, 2018