

**EIGHTEENTH JUDICIAL DISTRICT COURT  
Parishes of Iberville, Pointe Coupee &  
West Baton Rouge, Louisiana**

**FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **MAR 06 2013**

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## INDEPENDENT AUDITORS' REPORT

Honorable Judges  
Eighteenth Judicial District Court  
Parishes of Iberville, Pointe Coupee & West Baton Rouge, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Eighteenth Judicial District Court, as of and for the year ended June 30, 2012, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Eighteenth Judicial District Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Eighteenth Judicial District Court, as of June 30, 2012, 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.

The budgetary comparison information on pages 30-33 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2013, on our consideration of the Eighteenth Judicial District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, LLC  
Certified Public Accountants

Lafayette, Louisiana  
February 18, 2013

## **BASIC FINANCIAL STATEMENTS**

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

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2012**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 360,642
Investments	957,076
Other Receivables	230
Due From Other Governmental Units	71,834
Prepays	<u>5,280</u>
<b>Total Current Assets</b>	<u>1,395,062</u>
<b>Non-current Assets:</b>	
Capital Assets, Net of Accumulated Depreciation	<u>12,537</u>
<b>Total Non-Current Assets</b>	<u>12,537</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,407,599</u>

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

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2012**

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 37,766
Accrued Expenses	33,964
Due to Other Governmental Units	<u>12,250</u>
Total Current Liabilities	<u>83,980</u>
Non-current Liabilities	
Accrued Compensated Absences	<u>57,462</u>
Total Non-current Liabilities	<u>57,462</u>
TOTAL LIABILITIES	<u>141,442</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	
	12,537
Restricted for Capital Projects	-
Unrestricted	<u>1,253,620</u>
TOTAL NET ASSETS	<u>1,266,157</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,407,599</u>

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

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expenses) Changes in Net Assets</u>
<b>Governmental Activities</b>				
General Government	<u>\$1,896,544</u>	<u>\$1,310,473</u>	<u>\$ 361,831</u>	<u>\$ (224,240)</u>
Total Governmental Activities	<u>\$1,896,544</u>	<u>\$1,310,473</u>	<u>\$ 361,831</u>	<u>(224,240)</u>

General Revenues	
Investment Earnings	<u>11,078</u>
Total General Revenues	<u>11,078</u>
Change in Net Assets	(213,162)
Net Assets-Beginning	<u>1,479,319</u>
Net Assets-Ending	<u>\$ 1,266,157</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **GENERAL FUND**

The general fund is the primary operating fund that accounts for all financial resources, except those required to be accounted for in other funds. It is available for any purpose provided it is expended or transferred in accordance with state and federal laws and in accordance with the District Court policy

### **SPECIAL REVENUE FUND**

#### **Probation Fund**

The monies in this account are generated primarily from restitutions and fines. These funds are used to administer the Eighteenth Judicial District Court's Probation Department.

#### **Hearing Officer Fund**

The monies in this account are provided by the Department of Social Services. These funds are used to administer the Family Court, divorce matters, child protection and property matters.

#### **Drug Court Fund**

The monies in this account are primarily provided by the Louisiana Supreme Court. Some monies are also generated by fees that are collected. These funds are used to administer the Drug Court in Pointe Coupee Parish.

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	SPECIAL REVENUE FUNDS				
	General Fund Judicial	Probation Fund	Hearing Officer Fund	Drug Court Fund (non-major)	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 171,006	\$ 179,230	\$ -	\$ 10,406	\$ 360,642
Investments	169,258	787,818	-	-	957,076
Prepaid Expenses	-	5,280	-	-	5,280
Receivables:					
Due From Other Funds	176,811	12,382	-	-	189,193
Due From Other Governmental Units	42,556	-	13,475	15,803	71,834
Other	230	-	-	-	230
Total Assets	<u>\$ 559,861</u>	<u>\$ 984,710</u>	<u>\$ 13,475</u>	<u>\$ 26,209</u>	<u>\$ 1,584,255</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ 30,790	\$ -	\$ 6,976	\$ 37,766
Due to Other Governmental Units	12,250	-	-	-	12,250
Due to Other Funds	-	7,167	166,156	15,870	189,193
Other Accrued Liabilities	10,661	23,303	-	-	33,964
Total Liabilities	<u>22,911</u>	<u>61,260</u>	<u>166,156</u>	<u>22,846</u>	<u>273,173</u>
 <b>Fund Balances:</b>					
Non-spendable	-	5,280	-	-	5,280
Restricted	-	918,170	-	3,363	921,533
Unassigned	536,950	-	(152,681)	-	384,269
Total Fund Balances	<u>536,950</u>	<u>923,450</u>	<u>(152,681)</u>	<u>3,363</u>	<u>1,311,082</u>
Total Liabilities and Fund Equity	<u>\$ 559,861</u>	<u>\$ 984,710</u>	<u>\$ 13,475</u>	<u>\$ 26,209</u>	<u>\$ 1,584,255</u>

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

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**JUNE 30, 2012**

Total Governmental Fund Balances \$ 1,311,082

*Amounts reported for governmental activities in the  
Statement of Net Assets are different because.*

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in  
the funds 12,537

Accrued compensated absences are not due and payable  
in the current period and therefore are not reported in the  
funds (57,462)

*Net Assets of Governmental Activities* \$ 1,266,157

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

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

	<u>General Fund Judicial</u>	<u>Major Revenue Fund Probation</u>	<u>Major Revenue Fund Hearing Officer</u>	<u>Special Revenue Fund Drug Court</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
State, City and Parish Grants	\$ 77,742	\$ -	\$ 145,954	\$ 138,135	\$ 361,831
Fees, Charges, and Commissions for Services -					
Civil and Criminal Fees	552,566	750,317	-	7,590	1,310,473
Interest Income	<u>1,785</u>	<u>9,293</u>	<u>-</u>	<u>-</u>	<u>11,078</u>
Total Revenues	<u>632,093</u>	<u>759,610</u>	<u>145,954</u>	<u>145,725</u>	<u>1,683,382</u>
<b>Expenditures</b>					
Current -					
General Government					
Personnel Services and Related Benefits	\$ 508,207	\$ 288,627	\$ 193,846	\$ 58,426	\$ 1,049,106
Operating Services	119,577	523,624	14,107	87,593	744,901
Materials and Supplies	7,476	5,473	3,099	785	16,833
Other Charges	<u>7,625</u>	<u>-</u>	<u>5,484</u>	<u>8,425</u>	<u>21,534</u>
Total Expenditures	<u>642,885</u>	<u>817,724</u>	<u>216,536</u>	<u>155,229</u>	<u>1,832,374</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,792)</u>	<u>(58,114)</u>	<u>(70,582)</u>	<u>(9,504)</u>	<u>(148,992)</u>
Fund Balances, Beginning	<u>547,742</u>	<u>981,564</u>	<u>(82,099)</u>	<u>12,867</u>	<u>1,460,074</u>
Fund Balances, Ending	<u>\$ 536,950</u>	<u>\$ 923,450</u>	<u>\$ (152,681)</u>	<u>\$ 3,363</u>	<u>\$ 1,311,082</u>

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

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Net Change in Fund Balances - Total Governmental Funds \$ (148,992)

*Amounts reported for governmental activities in the  
Statement of Activities are different because*

Governmental funds report capital outlays as expenditures  
However, in the Statement of Activities, the cost of those assets is  
assets is allocated over their estimated useful lives as depreciation  
expense. This is the amount by which capital outlay exceeded  
depreciation in the current period.

Capital Outlay	-	
Depreciation Expense	<u>(6,708)</u>	
Net Adjustment		(6,708)

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

Compensated Absences		<u>(57,462)</u>
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*Change in Net Assets of Governmental Activities* \$ (213,162)

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

**NOTES TO THE FINANCIAL STATEMENTS**

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The General Fund (Judicial Expense Fund) for the Eighteenth Judicial District Court (District Court) was created by LSA-RS 13:621.18 and 13:996.58, as having four judges. In general, the creating statutes provide that the judges of the District Court may levy court costs for operations of the Court. The amount of the court costs levied in civil and criminal cases is determined by the majority of the judges in the District. The amount of the costs levied cannot exceed the amount established by the creating statutes. Court costs are normally collected by the District Court and the Sheriff of each parish, remitted to the judges, and deposited to the Judicial Expense Fund. Expenditures for the fund are determined by the majority of the judges. Expenditures/expenses normally include materials and supplies, law library, and salaries of those individuals appointed by the judges. The judges may appoint law clerks, court reporters, secretaries, research clerks, administrative staff and other personnel as deemed necessary. The salaries of the judges cannot be paid from the Judicial Expense Fund.

The Judicial District Court encompasses the parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana, with courthouses in Plaquemine, New Roads, and Port Allen, respectively. The four judges are independently elected by the people.

The accompanying basic financial statements of the Eighteenth Judicial District Court have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Eighteenth Judicial District Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

1. Financial Reporting Entity

All of the judges are independently elected officials, however, the Judicial District Court is fiscally dependent on the Police Juries of Iberville and Pointe Coupee and the West Baton Rouge Parish Council. The Parish Police Juries/Council provide office space, courtrooms and related utility costs as well as partial funding of salary costs. Because the Judicial District Court is fiscally dependent on the parish police juries and council, the Judicial District Court was determined to be a component unit of the Parishes of Iberville, Pointe Coupee and West Baton Rouge, the financial reporting entities.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**1 Financial Reporting Entity**

The accompanying financial statements present information only on the funds maintained by the Eighteenth Judicial District Court and do not present information on the parishes police juries and council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity

**2 Basis of Presentation**

*Government-Wide Financial Statements (GWFS)*

The statement of net assets and the statement of activities display information about the Eighteenth Judicial District Court as a whole. These statements include all the financial activities of the Eighteenth Judicial District Court. The Eighteenth Judicial District Court has no business-type activities

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

*Fund Financial Statements (FFS)*

The accounts of the Eighteenth Judicial District Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Eighteenth Judicial District Court are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Eighteenth Judicial District Court or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. Basis of Presentation (continued)**

- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

**Governmental Funds.**

*General Fund*

The General Fund, as provided by Louisiana Revised Statute 13:621.18 and 13:996.58, is the Eighteenth Judicial District Court's primary operating fund and it accounts for all financial resources of the Eighteenth Judicial District Court, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the District Court's policy. This fund is considered to be a major fund.

*Special Revenue Funds*

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes

The Eighteenth Judicial District Court has established major special revenue funds. The following is a brief description of each major special revenue fund's purpose.

*Probation Fund* - used to account for funds, which are used to administer the Eighteenth Judicial District Court's Probation Department

*Hearing Officer Fund* - used to account for the funds to administer the Family Court, divorce matters, child protection and property matters

The following is a special revenue fund, but does not meet the definition of a major fund in the year ended June 30, 2012

*Drug Court Fund* - used to account for the funds to administer the Drug Court in Pointe Coupee Parish.

**3 Basis of Accounting/Measurement Focus**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3 Basis of Accounting/Measurement Focus**

**Measurement Focus –**

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting –**

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Court costs and fees, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Substantially all other revenues are recorded when received.

Expenditures (including capital outlay) 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.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4 Budget and Budgetary Accounting**

The District Court follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. The budgetary calendar -- The budget is adopted in early June
- b. All budgetary appropriations (unexpended budget balances) lapse at the end of each fiscal year
- c. There are no outstanding encumbrances.
- d. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Eighteenth Judicial District Court. Such amendments were not material in relation to the original appropriations.
- e. The District Court will, from time to time, make changes or amendments within the various budget classifications

**5. Cash and Interest-Bearing Deposits**

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District Court's investment policy allow the entity to invest in collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities

**6. Investments**

Under State law, the Eighteenth Judicial District Court may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statements are stated at fair value. Investments that do not meet the requirements are stated at cost. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2012, the Eighteenth Judicial District Court did not have any investments in LAMP.

**7. Receivables and Payables**

Receivables consist of all revenues earned at year end and not yet received. Payables consist of all expenses/expenditures incurred at year end and not yet paid.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**8. Interfund Transactions**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

**9. Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles	5 years
Office Furniture	10 years
Computer Equipment	5 years
Other Machinery and Equipment	5 years

**10. Compensated Absences**

The Eighteenth Judicial District Court does not have a formal written vacation/sick policy, however, they follow the vacation policy of the West Baton Rouge Parish Council. The employees of the Drug Court have their own policy as of June 30, 2012. During fiscal year 2013, the Drug Court changed to the West Baton Rouge Parish Council's policy for vacation/sick.

Employees can earn from two to five weeks of vacation per year depending on years of service. An employee resigning shall be compensated for vacation leave accumulated to the date of separation not to exceed three hundred (300) hours.

Employees do not receive monetary compensation for accumulated sick leave upon early termination of employment. However, if an employee works to retirement eligibility, this accumulated sick leave shall be combined with vacation leave to apply toward retirement years.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**11. Equity Classifications**

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. The Eighteenth Judicial District Court elected to implement GASB No 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

- a. Non-spendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact All amounts reported as non-spendable at June 30, 2012, by the Eighteenth Judicial District Court are non-spendable in form The Eighteenth Judicial District Court has not reported any amounts that are legally or contractually required to be maintained intact
- b. Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc ) or by constitutional provisions or enabling legislation
- c. Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the Eighteenth Judicial District Court who has the highest level of decision making authority Commitments may be modified or rescinded only through actions of the Eighteenth Judicial District Court
- d. Assigned – includes amounts that the Eighteenth Judicial District Court intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Eighteenth Judicial District Court may assign amounts to this classification
- e. Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The Eighteenth Judicial District Court reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**11 Equity Classifications**

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

**12 Prepaid Items**

Insurance payments made to insurance agencies that will benefit periods beyond June 30, 2012 are recorded as prepaid items.

**13. Estimates**

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

**B. CASH AND INTEREST-BEARING DEPOSITS**

Under state law, the Eighteenth Judicial District Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Eighteenth Judicial District Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2012, the Eighteenth Judicial District Court had cash and interest-bearing deposits (book balances) totaling \$360,642 as follows:

	<u>General Fund</u>	<u>Probation</u>	<u>Drug Court</u>
Demand Deposits	\$ 171,006	\$ 9,758	\$ 10,406
Interest-Bearing Demand Deposits	-	<u>169,472</u>	-
Total	<u>\$ 171,006</u>	<u>\$ 179,230</u>	<u>\$ 10,406</u>

*Custodial Credit Risk Relating to Deposits*

Custodial credit risk is the risk that, in the event of bank failure, the Eighteenth Judicial District Court deposits might not be recovered. The Eighteenth Judicial District Court does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**B. CASH AND INTEREST-BEARING DEPOSITS (continued)**

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties

As of June 30, 2012, \$869,406 of the Eighteenth Judicial District Court's bank balances of \$869,406 was secured through the Federal Deposit Insurance Corporation or other government-backed securities

**C. INVESTMENTS**

The Eighteenth Judicial District Court can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The Eighteenth Judicial District Court's investments are categorized to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Eighteenth Judicial District Court or its agent in the Eighteenth Judicial District Court's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the Eighteenth Judicial District Court's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the Eighteenth Judicial District Court's name.

At June 30, 2012, the District Court's investment totaled \$957,076 as follows:

<u>Description</u>	<u>Category</u>	<u>Carrying Amount/ Amortized Cost</u>	<u>Approximate Fair Market Value</u>
Certificate of Deposit	1	<u>\$ 957,076</u>	<u>\$ 957,076</u>

**D. RECEIVABLES**

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method. At June 30, 2012, the receivables totaled \$42,786

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**E. INTERFUND TRANSACTIONS**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Those receivables and payables are classified as due from other funds and due to other funds on the balance sheet. Such advances create short-term interfund loans. A summary of these interfund loans, at year-end, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Judicial	Drug	\$ 3,488
Judicial	Hearing	166,156
Judicial	Probation	7,167
Probation	Drug	<u>12,382</u>
Total		<u>\$189,193</u>

**F. RETIREMENT COMMITMENTS**

All employees are members of one of the following retirement systems:

- Federal Social Security System
- Louisiana State Employees' Retirement System
- Parochial Employees' Retirement System of Louisiana

Pertinent information relative to each plan follows:

1. Federal Social Security System

All employees who are not eligible to participate in the Louisiana State Employees' Retirement System or the Parochial Employees' Retirement System of Louisiana are members of the Federal Social Security System. The District and its employees contribute a percentage of each employee's compensation to the System (7.65% contributed by the District; 5.65% by the employee). The District's contributions during the fiscal year ended June 30, 2012 amounted to \$2,698.

2. Louisiana State Employees' Retirement System

*Judicial Expense and Hearing Officer Funds*

Plan Description

- a. Substantially all of the Judicial Expense Fund and Hearing Officer's employees are members of the Louisiana State Employees' Retirement System of Louisiana (System), a single employer plan
- b. A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**F. RETIREMENT COMMITMENTS – continued**

**2. Louisiana State Employees' Retirement System**

*Judicial Expense and Hearing Officer Funds*

Plan Description

- c. Final-average compensation will be based on the member's average earned compensation for the highest 60 consecutive months of employment
- d. Act 992 of 2010 Regular Session, effective January 1, 2011, provides for the creation of Judges Plan for LASER's members who are hired on or after January 1, 2011. The act also provides for a change in retirement eligibility for Act 75 members from 10 years of service at age 60 to 5 years of service at age 60. The system also provides death and disability benefits. Benefits are established by state statute
- e. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (225) 922-0600

Funding Policy

- a. Under the Plan A, members are required by state statute to contribute 7.5% (RGL1) or 8% (RGL2&3) of their annual covered salary and the District is required to contribute at an actuarially determined rate. The rate for fiscal year June 30, 2012 was 25.6% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by state statute
- b. As provided by Louisiana Revised Statute Chapter 2 of Title 11, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The District Court's contributions to the System for the year ended June 30, 2012 was \$104,692.

**3. Parochial Employees' Retirement System of Louisiana**

*Probation and Drug Court*

Plan Description

- a. Substantially all of the Probation and Drug Court's employees are members of the Parochial Employees' Retirement System of Louisiana (System) a cost sharing, multiple-employer, non-qualified defined benefit pension plan controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the District are members of Plan A

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**F. RETIREMENT COMMITMENTS – continued**

**3 Parochial Employees' Retirement System of Louisiana**

*Probation and Drug Court*

**Plan Description**

- b. Employees with 7 or more years of service who have attained age 60 or employees who have 25 years of service who have attained the age of 55, or 30 years of service at any age are entitled to annual pension benefits equal to 3% of their final-average salary for each year of creditable service. However, for most employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final-average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980.
- c. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.
- d. Employees who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the age specified above and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established by state statute.
- e. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**Funding Policy**

- a. Under the Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The rate for fiscal year ended June 30, 2012 is 15.75% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by state statute.
- b. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the District are established and may be amended by state statute.
- c. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to changes each year based on the results of the valuation for the prior year. The District Court's contributions to the System under Plan A for the year ended June 30, 2012 was \$44,235.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**G. DEFERRED COMPENSATION PLAN**

The Eighteenth Judicial District Court has adopted Governmental Accounting Standards Board (GASB) Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The Eighteenth Judicial District Court offers a deferred compensation plan to its employees. Under GASB 32, the Eighteenth Judicial District Court does not report the deferred compensation plan in the general purpose financial statements. The Eighteenth Judicial District Court does not match the employees' deferred compensation amounts.

**H. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<b>Balance</b>			<b>Balance</b>
	<b><u>July 1, 2011</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>June 30, 2012</u></b>
<b>Governmental Activities:</b>				
Furniture, Equipment and Vehicles	\$ 266,797	\$ -	\$ -	\$ 266,797
Less Accumulated Depreciation	<u>(247,552)</u>	<u>(6,708)</u>	-	<u>(254,260)</u>
<b>Net Capital Assets</b>	<b><u>\$ 19,245</u></b>	<b><u>\$ (6,708)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,537</u></b>

**I. ACCOUNTS AND OTHER PAYABLES**

The payables of \$129,191 at June 30, 2012 are as follows:

Accounts Payable	\$ 37,766
Retirement Payable	29,078
Accrued Wages	4,885
Compensated Absences	<u>57,462</u>
Total	<b><u>\$ 129,191</u></b>

**J. LITIGATION AND CLAIMS**

As of June 30, 2012, there was no litigation pending against the Eighteenth Judicial District Court, nor was the Eighteenth Judicial District Court aware of any unasserted claims. No claims were paid out or litigation costs incurred during the year ended June 30, 2012.

**EIGHTEENTH JUDICIAL DISTRICT COURT**  
**Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**K. RISK MANAGEMENT**

The District Court is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions; injuries to employees, and natural disasters. The District Court has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the District Court's coverage.

**L. LEASES**

The District Court has an immaterial copier lease and does not record items under capital leases as assets and obligations in the accompanying financial statements.

**M. COMPENSATION PAID TO THE BOARD**

There was no compensation paid to the board during the fiscal year ended June 30, 2012.

**N. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)**

As a condition of receiving funds from the Supreme Court Drug Court Office, the Eighteenth Judicial District Court is required to report a schedule of Federal TANF revenue and expenditure activity. The activities as of June 30, 2012 are as follows:

Total Revenues from TANF	\$ 25,699
TANF expenditures	
Administrative and Personnel	2,529
Treatment	22,462
Office Expense	420
Other Services	288
Total TANF expenditures	<u>\$ 25,699</u>

**O. SUBSEQUENT EVENTS**

The District did not have any subsequent events through February 18, 2013, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2012.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (GAAP BASIS)  
YEAR ENDED JUNE 30, 2012**

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
<b>Fees, Charges, and Commissions for Services -</b>				
Civil and Criminal Fees	\$ 528,400	\$ 616,962	\$ 552,566	\$ (64,396)
Federal, State and Parish Appropriations	70,300	125,016	77,742	(47,274)
Other Revenues	2,000	2,000	1,785	(215)
<b>Total Revenues</b>	<b>600,700</b>	<b>743,978</b>	<b>632,093</b>	<b>(111,885)</b>
<b>Expenditures:</b>				
<b>Current -</b>				
<b>General Government.</b>				
Personnel Services and Related Benefits	463,400	582,238	508,207	74,031
Operating Services	109,000	133,440	119,577	13,863
Materials and Supplies	13,600	13,600	7,476	6,124
Other Charges	14,700	14,700	7,625	7,075
<b>Total Expenditures</b>	<b>600,700</b>	<b>743,978</b>	<b>642,885</b>	<b>101,093</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>(10,792)</b>	<b>(10,792)</b>
<b>Fund Balance, Beginning</b>	<b>522,894</b>	<b>522,894</b>	<b>547,742</b>	<b>(24,848)</b>
<b>Fund Balance, Ending</b>	<b>\$ 522,894</b>	<b>\$ 522,894</b>	<b>\$ 536,950</b>	<b>\$ (14,056)</b>

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**PROBATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (GAAP BASIS)  
YEAR ENDED JUNE 30, 2012**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Fees, Charges, and Commissions for Services -</b>				
<b>Civil and Criminal Fees</b>	\$ 332,630	\$ 332,630	\$ 750,317	\$ 417,687
<b>Other Revenues</b>	-	-	9,293	9,293
	<u>332,630</u>	<u>332,630</u>	<u>759,610</u>	<u>426,980</u>
<b>Total Revenues</b>				
<b>Expenditures:</b>				
<b>Current -</b>				
<b>General Government</b>				
<b>Personnel Services and Related Benefits</b>	280,000	280,000	284,864	(4,864)
<b>Operating Services</b>	38,600	38,600	24,803	13,797
<b>Materials and Supplies</b>	6,000	6,000	4,082	1,918
<b>Other Charges</b>	7,100	7,100	503,975	(496,875)
	<u>331,700</u>	<u>331,700</u>	<u>817,724</u>	<u>(486,024)</u>
<b>Total Expenditures</b>				
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>930</u>	<u>930</u>	<u>(58,114)</u>	<u>(59,044)</u>
<b>Fund Balance, Beginning</b>	-	-	981,564	981,564
<b>Fund Balance, Ending</b>	<u>\$ 930</u>	<u>\$ 930</u>	<u>\$ 923,450</u>	<u>\$ 922,520</u>

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**HEARING OFFICER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (GAAP BASIS)  
YEAR ENDED JUNE 30, 2012**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues.</b>				
<b>Fees, Charges, and Commissions for Services -</b>				
Civil and Criminal Fees	\$ 62,270	\$ 62,270	\$ -	\$ (62,270)
Federal, State and Parish Appropriations	<u>144,414</u>	<u>144,414</u>	<u>145,954</u>	<u>1,540</u>
<b>Total Revenues</b>	<u>206,684</u>	<u>206,684</u>	<u>145,954</u>	<u>(60,730)</u>
<b>Expenditures:</b>				
<b>Current -</b>				
<b>General Government</b>				
Personnel Services and Related Benefits	179,684	179,684	193,847	(14,163)
Operating Services	13,300	13,300	13,872	(572)
Materials and Supplies	9,400	9,400	5,928	3,472
Other Charges	<u>4,300</u>	<u>4,300</u>	<u>2,889</u>	<u>1,411</u>
<b>Total Expenditures</b>	<u>206,684</u>	<u>206,684</u>	<u>216,536</u>	<u>(9,852)</u>
<b>Excess (Deficiency) of Revenues Over   Expenditures</b>	<u>-</u>	<u>-</u>	<u>(70,582)</u>	<u>(70,582)</u>
<b>Fund Balance, Beginning</b>	<u>(6,717)</u>	<u>(6,717)</u>	<u>(82,099)</u>	<u>75,382</u>
<b>Fund Balance, Ending</b>	<u>\$ (6,717)</u>	<u>\$ (6,717)</u>	<u>\$ (152,681)</u>	<u>\$ 145,964</u>

**EIGHTEENTH JUDICIAL DISTRICT COURT**

**DRUG COURT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (GAAP BASIS)  
YEAR ENDED JUNE 30, 2012**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees, Charges, and Commissions for Services -				
Civil and Criminal Fees	\$ -	\$ -	\$ 7,590	\$ 7,590
Federal, State and Parish Appropriations	<u>135,000</u>	<u>135,000</u>	<u>138,135</u>	<u>3,135</u>
<b>Total Revenues</b>	<u>135,000</u>	<u>135,000</u>	<u>145,725</u>	<u>10,725</u>
<b>Expenditures:</b>				
Current -				
General Government:				
Personnel Services and Related Benefits	58,185	58,185	58,427	(242)
Operating Services	74,135	74,135	95,202	(21,067)
Materials and Supplies	1,480	1,480	783	697
Other Charges	<u>1,200</u>	<u>1,200</u>	<u>817</u>	<u>383</u>
<b>Total Expenditures</b>	<u>135,000</u>	<u>135,000</u>	<u>155,229</u>	<u>(20,229)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>(9,504)</u>	<u>(9,504)</u>
<b>Fund Balance, Beginning</b>	<u>26,659</u>	<u>5,766</u>	<u>12,867</u>	<u>(7,101)</u>
<b>Fund Balance, Ending</b>	<u>\$ 26,659</u>	<u>\$ 5,766</u>	<u>\$ 3,363</u>	<u>\$ 2,403</u>

**COMPLIANCE  
AND  
INTERNAL CONTROL**

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

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\*\* A LIMITED LIABILITY COMPANY

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TINA B. VIATOR, CPA

Honorable Judges  
Eighteenth Judicial District Court  
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana

We have audited the financial statements of the governmental activities of the Eighteenth Judicial District Court as of and for the year ended June 30, 2012, which collectively comprise the Eighteenth Judicial District Court's basic financial statements and have issued our report thereon dated February 18, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

Management of Eighteenth Judicial District Court is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Eighteenth Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eighteenth Judicial District Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Eighteenth Judicial District Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness 2012-1.

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. We did not identify any deficiency in internal control that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eighteenth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, instances of noncompliance with Louisiana Revised Statutes were noted and are described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3 and 2012-4.

Eighteenth Judicial District Court's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Eighteenth Judicial District Court's response and, accordingly, we express no opinion on it.

This report is intended for the information of management, the Board and Judges and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DeHART,  
DUPUIS & HUTCHINSON, LLC  
(Certified Public Accountants)

Lafayette, Louisiana  
February 18, 2013

**EIGHTEENTH JUDICIAL DISTRICT COURT  
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2012**

We have audited the financial statements of the Eighteenth Judicial District Court as of and for the year ended June 30, 2012, and have issued our report thereon dated February 18, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24.513 and the Louisiana Governmental Audit Guide. Our audit of the financial statements of June 30, 2012 resulted in an unqualified opinion.

***Section I - Summary of Auditors' Reports***

**A Report on Internal Control and Compliance Material to the Financial Statements**

**Internal Control**

Material Weaknesses	<u>  X  </u>	Yes	<u>    </u>	No
Significant Deficiencies	<u>    </u>	Yes	<u>  X  </u>	No

**Compliance**

Compliance Material to Financial Statements	<u>    </u>	Yes	<u>  X  </u>	No
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***Section II - Financial Statement Findings***

**2012-1 Financial Statements**

***Statement of Condition***

The District Court does not have any employees, nor have they engaged a third party who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

***Criteria***

*Government Auditing Standards*, issued by Comptroller General of the United States requires governmental units to have employees or engage a third party who has the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes.

***Effect of Condition***

The lack of ability to generate GAAP basis financial statements on the part of the District Court resulted in the auditor making several material adjustments to the financial statements.

***Cause of Condition***

Management did not engage a third party capable of producing GAAP basis financial statements.

***Recommendation***

No recommendation. The District Court has evaluated the cost vs benefit of hiring a qualified individual to prepare the necessary financial statements. The decision has been made to continue to allow the audit firm to prepare the statements and management reviews and takes responsibility for the information in the statements.

**EIGHTEENTH JUDICIAL DISTRICT COURT  
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2012**

***Section II - Financial Statement Findings (continued)***

**2012-1 Financial Statements**

***Management's Response***

Management agrees with the recommendation and will continue to evaluate this decision annually.

**2012-2 Timely Filing**

***Statement of Condition***

The District Court neglected to submit audited financial statements in a timely manner.

***Criteria***

Agencies that must report to the Louisiana Legislative Auditor must observe the state law and submit their audited financial statements within six months after the fiscal year end

***Effect of Condition***

The delay in the audit submission caused the entity to be out of compliance with the Louisiana Legislative Auditor

***Cause of Condition:***

Due to extenuating circumstances out of management's control, they were unable to adhere to the requirement. Management made the necessary arrangements with the Louisiana Legislative Auditor to obtain an extension which was met. No effect on the financial statements

***Recommendation.***

The District Court experienced extenuating circumstances with the loss of their auditor. In previous years, the audit was completed by the six month deadline and we believe the District Court will continue to meet this requirement as in prior years

**2012-3 Budget Amendments**

***Statement of Condition:***

Management did not properly amend the budgets for the Judicial Expense Fund (general fund) and Special Revenue Funds to insure compliance with the applicable laws.

***Criteria***

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General and Special Revenue funds and that amendments be made and properly adopted when variance to budget amounts are in excess of five (5) percent. The District Court failed to adequately amend the budgeted expenditures for the General and Special Revenue Funds

***Effect of Condition***

The condition has no effect on the financial statements of the District Court

**EIGHTEENTH JUDICIAL DISTRICT COURT  
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2012**

***Section II - Financial Statement Findings (continued)***

**2012-3 Budget Amendments**

***Cause of Condition***

Management did not properly project revenues and expenditures when preparing the amendments to the budget thus causing a budget variance of greater than five (5) percent.

***Recommendation:***

We recommend that management implement procedures to monitor budget to actual comparisons and amend budgets as necessary to comply with the Louisiana Local Government Budget Act

***Management's Response:***

Management has implemented procedures to monitor expenditures more closely to ensure that budgets are properly amended to remain in compliance with the Louisiana Local Government Budget Act.

**2012-4 Deficit Fund Balance**

***Statement of Condition:***

The Hearing Officer Fund has a deficit fund balance of \$152,681

***Criteria:***

According to R.S. 39 76, if a deficit exists in any fund at the end of the fiscal year that deficit shall be eliminated no later than the end of the next fiscal year.

***Effect of Condition:***

The District Court is out of compliance with Louisiana requirements regarding fund balance.

***Cause of Condition:***

The Hearing Officer Fund is supported by the Judicial Expense Fund to handle family law cases and not enough funds were provided by the Judicial Expense Fund to cover the cost of operations.

***Recommendation***

We recommend a transfer into the Hearing Officer Fund for \$152,681 from the Judicial Expense Fund to cover the deficit fund balance

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

This section is not applicable for the current year.

**EIGHTEENTH JUDICIAL DISTRICT COURT  
Parishes of Iberville, Pointe Coupee and West Baton Rouge, Louisiana**

**SCHEDULE OF PRIOR YEAR'S FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

<b>Reference Number</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description</b>	<b>Corrective Action Taken (Yes, No, Partially)</b>
2011-1	6/30/2008	Management lacks qualifications to prepare GASB 34 financial statements	None. The cost/benefit is too great.
2011-2	6/30/2011	Hearing Officer Fund has a deficit balance	No

Division D  
Iberville  
West Baton Rouge  
L'Anse-au-Loup  
Port Chenet

WILLIAM C. DUPONT, JUDGE  
18TH JUDICIAL DISTRICT OF LOUISIANA  
IBERVILLE PARISH COURTHOUSE  
PLAQUEMINE, LOUISIANA 70764  
WEB 18thjdc.com

P.O. Box 758  
Telephone:  
(225) 687-5220  
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**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2012**

**Louisiana Legislative Auditor**

The Office of the Eighteenth Judicial District Court respectfully submits the following corrective action plan for the year ended June 30, 2012

**2012-1 Financial Statements**

***Recommendation:***

No recommendation. The District Court has evaluated the cost vs. benefit of hiring a qualified individual to prepare the necessary financial statements. The decision has been made to continue to allow the audit firm to prepare the statements and management reviews and takes responsibility for the information in the statements.

***Management's Response:***

We agree with the recommendation and will continue to evaluate this decision annually.

**2012-2 Timely Filing**

***Recommendation:***

The District Court experienced extenuating circumstances with the loss of their auditor. In previous years, the audit was completed by the six month deadline and we believe the District Court will continue to meet this requirement as in prior years.

***Management's Response:***

We agree with the finding and will ensure that all future audits are issued in a timely manner.

**2012-3 Budget Amendments**

***Recommendation:***

We recommend that management implement procedures to monitor budget to actual comparisons and amend budgets as necessary to comply with the Louisiana Local Government Budget Act

***Management's Response:***

We agree with the finding and will begin compliance during the 2013 fiscal year.

**2012-4 Deficit Fund Balance**

***Recommendation:***

We recommend a transfer into the Hearing Officer Fund for \$152,681 from the Judicial Expense Fund to cover the deficit fund balance

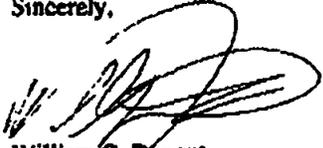
***Management's Response:***

We agree with the finding and will make the recommended transfer

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2012**

If the Louisiana Legislative Auditor has questions regarding this plan, please call Bobby Stanley, CPA, at 225-343-4641.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Dupont', with a large, stylized flourish at the end.

**William C. Dupont  
District Judge  
Eighteenth Judicial District Court**

# WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants  
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February 18, 2013

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\*\* A LIMITED LIABILITY COMPANY

M. TROY MOORE, CPA \*\*  
MICHAEL G. DEHART, CPA, CVA, MBA \*\*  
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\* RETIRED



STEPHANIE A. BLANK, CPA  
ROBERT F. DUCHARME II, CPA  
MARY PATRICIA KEZLEY, CPA  
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TINA B. VIATOR, CPA

Eighteenth Judicial District Court  
P O Box 758  
Plaquemine, LA 70765

In planning and performing our audit of the financial statements of Eighteenth Judicial District Court as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the District Court's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of a few matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the Organization's internal control in our report dated February 18, 2013. This letter does not affect our report dated February 18, 2013, on the financial statements of Eighteenth Judicial District Court.

We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

*Wright, Moore, DeHart,  
Dupuis & Hutchinson, L.L.C.*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L.L.C.  
Certified Public Accountants

## MANAGEMENT COMMENTS

For Year Ended June 30, 2012

### 2012-5 POLICY

*Auditors' Comment* During our audit of vacation payable, we noticed that there isn't a formal policy for the Eighteenth Judicial District Court. We were told the entity follows certain parts of another entity's policy, but there is no formal documentation that this is the policy. We also noticed that the Drug Court has its own vacation policy.

*Auditors' Recommendation* We recommend creating your own document to be used across all funds for consistency and clarity

*Management's Response* We will create a policy and make it uniform for the whole district

### 2012-6 VACATION HOURS

*Auditors' Comment* During our audit of vacation payable, we noticed that employees are responsible for keeping up with their own vacation hours. We noticed discrepancies between the ending balance in one fiscal year compared to the beginning balance in the next fiscal year. These balances should be the same. This is an indication that vacation hours are not being recorded/maintained accurately. This could be due to error or fraud.

*Auditors' Recommendation* We recommend delegating this task to the payroll department or third party payroll processor. Individuals should not have the ability to maintain their own vacation hours.

*Management's Response* It will be our intent to have one person keep up with all employee vacation and sick leave records maintained in that office.

### 2012-7 ETHICS TRAINING

*Auditors' Comment* During our audit of compliance with Louisiana Laws, we noticed that all employees did not take the one hour required ethics course as outlined in RS 42:1170. This course is required annually by December 31<sup>st</sup>.

*Auditors' Recommendation* We recommend delegating this task to the supervisors or secretaries to maintain for each department. These certificates should be kept in the employees' personnel files and be available for viewing.

*Management's Response* This will be taken care of by the person handling the employee vacation and sick leave policy.

## MANAGEMENT COMMENTS

For Year Ended June 30, 2012

### 2012-8 FIXED ASSETS

*Auditors' Comment:* During our audit of fixed assets, we noticed several items that were no longer in use, but still on the books

*Auditors' Recommendation* We recommend taking an annual inventory of assets valuing \$500 and above and removing assets that are lost, stolen or no longer in use. We also recommend adding purchases made during the year to the listing in order to maintain current records. This process is required in order to adhere to asset management laws outlined in R S 24.515.

*Management's Response* We will take our asset schedule and have an inventory performed and make necessary corrections.

### 2012-9 CASH RECONCILIATIONS

*Auditors' Comment:* During our audit of cash, we noticed several old outstanding checks still on the reconciliation. Some of the checks are so old that the payee is unknown.

*Auditors' Recommendation* We recommend implementing a policy to void checks after a certain period of time, but maintaining a report of checks voided in case the payee contacts the District Court to claim their funds. We also recommend adhering to the State's escheat laws regarding unclaimed property.

*Management's Response* These go back several years and will turn over to unclaimed property.

### 2012-10 RETIREMENT

*Auditors' Comment.* During our audit of payroll, we noticed that the employer's portion of retirement contributions was not being accrued at the required amount of 15.75%, but at an old rate of 13.25%.

*Auditors' Recommendation* We recommend notifying Paychex of the change so that the payroll reports can properly reflect the correct rate of 15.75% for the employer's portion of the retirement accrual.

*Management's Response* We will notify the payroll service of the correct agency match. The correct amount has always been remitted to the retirement system.

## MANAGEMENT COMMENTS

For Year Ended June 30, 2012

### 2012-11 BOOKKEEPING

*Auditors' Comment:* During our audit of the Probation Department, we noticed that information such as deposit slips and checks written was not being sent to the CPA responsible for performing bank reconciliations and other bookkeeping services

*Auditors' Recommendation* We recommend providing the CPA with reports on checks written and deposits made at least on a monthly basis in order to maintain accurate books

*Management's Response* We will correct

### 2012-12 REIMBURSEMENTS

*Auditors' Comment.* During our audit of expenses, we noticed that reimbursements for mileage are not being paid at the current IRS rates.

*Auditors' Recommendation* We recommend going to [www.irs.gov](http://www.irs.gov) and obtaining the current rates and reimbursing at those rates.

*Management's Response* We will make necessary corrections when paid.

### 2012-13 CHECK SIGNERS

*Auditors' Comment:* During our audit of expenses, we noticed that some checks had only one signature.

*Auditors' Recommendation* We recommend implementing a policy and communicating it with the bank that all checks are required to have two signatures. This provides a small level of checks and balances

*Management's Response* This will be difficult We have a Surety Bond to help protect the district.

### 2012-14 RECORD RETENTION

*Auditors' Comment:* During our audit of revenue, we had a difficult time determining that individuals placed on probation paid their fines as outlined by the judge because records are shredded ninety (90) days after final payment is made

*Auditors' Recommendation* We recommend, based on R S. 44 36, retaining the records for a minimum of three (3) years

*Management's Response* We have discussed this with agency and correction will be made