

**FIFTEENTH JUDICIAL DISTRICT COURT**  
Lafayette, Louisiana

**FINANCIAL REPORT**

**Year Ended June 30, 2019**

## TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet - All Governmental Funds	7-8
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Funds	10-11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	12
Notes to Financial Statements	13-30
Required Supplemental Information	
Budgetary Comparison Schedules:	
General Fund	32
Child Support Fund	33
Misdemeanor Probation Fund	34
Drug Court Enhancement Fund	35
Notes to the Budgetary Comparison Schedules	36
Schedule of Proportionate Share of Net Pension Liability	37
Schedule of Contributions	38
Additional Information	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	40
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41-42
Summary Schedule of Prior Audit Findings	43
Schedule of Findings and Responses	44
Management's Corrective Action Plan	45

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Charles Fitzgerald  
Fifteenth Judicial District Court  
Lafayette, Louisiana

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fifteenth Judicial District Court, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Fifteenth Judicial District Court's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Fifteenth Judicial District Court, as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of proportionate share of net pension liability, and schedule of contributions on pages 32-38 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.

Management has omitted management's discussion and analysis that 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2019, on our consideration of the Fifteenth Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fifteenth Judicial District Court's internal control over financial reporting and compliance.

## ***Dawall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana  
September 17, 2019

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements (GWFS)

FIFTEENTH JUDICIAL DISTRICT COURT

Statement of Net Position  
 June 30, 2019  
 (With Comparative Totals as of June 30, 2018)

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 1,685,758	\$ 1,485,047
Certificates of deposit	4,001,805	3,901,805
Due from other governmental entities	65,453	70,051
Prepaid expenses	8,817	25,535
Accrued income	<u>270,570</u>	<u>255,239</u>
Total current assts	<u>6,032,403</u>	<u>5,737,677</u>
Noncurrent assets:		
Security deposits	3,300	3,300
Capital assets, net of accumulated depreciation	81,308	74,482
Net pension asset	<u>-</u>	<u>222,417</u>
Total noncurrent assets	<u>84,608</u>	<u>300,199</u>
Total assets	<u>6,117,011</u>	<u>6,037,876</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>1,082,159</u>	<u>377,449</u>
<b>LIABILITIES</b>		
Accrued expenses	216,077	129,056
Long-term liabilities:		
Net pension liability	<u>1,346,842</u>	<u>-</u>
Total liabilities	<u>1,562,919</u>	<u>129,056</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	<u>245,909</u>	<u>839,440</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	81,308	74,482
Restricted	644,314	863,857
Unrestricted	<u>4,664,720</u>	<u>4,508,490</u>
Total net position	<u>\$ 5,390,342</u>	<u>\$ 5,446,829</u>

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Statement of Activities  
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services, Fines and Forfeitures	Operating Grants and Contributions	
Governmental Activities				
District Court	\$ 2,714,868	\$ 681,436	\$ 1,148,786	\$ (884,646)
Child Support	885,341	862,079	-	(23,262)
Misdemeanor Probation	494,874	478,631	-	(16,243)
Drug Court	<u>81,435</u>	<u>103,493</u>	<u>-</u>	<u>22,058</u>
Total governmental activities	<u>\$ 4,176,518</u>	<u>\$ 2,125,639</u>	<u>\$ 1,148,786</u>	<u>(902,093)</u>
General revenues:				
				52,250
				23,189
				<u>770,167</u>
				<u>845,606</u>
				(56,487)
				<u>5,446,829</u>
				<u>\$ 5,390,342</u>

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**

**Fund Financial Statements (FFS)**

FIFTEENTH JUDICIAL DISTRICT COURT

Balance Sheet  
Government Funds  
June 30, 2019

(With Comparative Totals as of June 30, 2018)

	General Fund	Child Support Fund	Misdemeanor Probation Fund
	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS			
Cash	\$ 717,849	\$ 288,158	\$ 274,847
Certificates of deposit	1,900,000	1,501,805	400,000
Due from other funds	91,592	-	-
Due from other governmental entities	65,453	-	-
Prepaid expenses	1,137	1,325	6,355
Accrued income	180,642	70,198	2,419
Security deposits	<u>-</u>	<u>-</u>	<u>3,300</u>
 Total assets	 <u>2,956,673</u>	 <u>1,861,486</u>	 <u>686,921</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	-	57,010	32,818
Accrued expenses	<u>187,767</u>	<u>16,531</u>	<u>134</u>
 Total liabilities	 <u>187,767</u>	 <u>73,541</u>	 <u>32,952</u>
FUND BALANCES			
Nonspendable:			
Prepaid expenditures	1,137	1,325	6,355
Security deposits	-	-	3,300
Restricted for:			
Fund/program administration	-	-	644,314
Assigned	-	1,786,620	-
Unassigned	<u>2,767,769</u>	<u>-</u>	<u>-</u>
 Total fund balances	 <u>2,768,906</u>	 <u>1,787,945</u>	 <u>653,969</u>
 Total liabilities and fund balances	 <u>\$ 2,956,673</u>	 <u>\$ 1,861,486</u>	 <u>\$ 686,921</u>

Drug Court Enhancement Fund	Totals (Memorandum Only)	
	2019	2018
\$ 404,904	\$ 1,685,758	\$ 1,485,047
200,000	4,001,805	3,901,805
-	91,592	4,780
-	65,453	70,051
-	8,817	25,535
17,311	270,570	255,239
<u>-</u>	<u>3,300</u>	<u>3,300</u>
<u>622,215</u>	<u>6,127,295</u>	<u>5,745,757</u>
1,764	91,592	4,780
<u>11,645</u>	<u>216,077</u>	<u>129,056</u>
<u>13,409</u>	<u>307,669</u>	<u>133,836</u>
-	8,817	25,535
-	3,300	3,300
-	644,314	863,857
608,806	2,395,426	2,212,419
<u>-</u>	<u>2,767,769</u>	<u>2,506,810</u>
<u>608,806</u>	<u>5,819,626</u>	<u>5,611,921</u>
<u>\$ 622,215</u>	<u>\$ 6,127,295</u>	<u>\$ 5,745,757</u>

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Reconciliation of the Governmental Funds Balance  
Sheet to the Statement of Net Position  
June 30, 2019

Total fund balances - governmental funds \$ 5,819,626

The cost of capital assets (furniture and equipment) purchased is reported as an expenditure in the governmental funds. The Statement of Net Position includes these capital assets among the assets of the Court as a whole. The cost of these capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 445,173	
Accumulated depreciation	<u>(363,865)</u>	
Net capital assets		81,308

Net pension liability does not require the use of current financial resources and, therefore, is not reported in the governmental funds financial statements. (1,346,842)

The net effect of deferred outflows of resources and deferred inflows of resources related to pensions does not provide current financial resources and therefore is not reported in governmental funds. 836,250

Net position of governmental activities \$ 5,390,342

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Statement of Revenues, Expenditures, and Changes  
 In Fund Balances – All Governmental Funds  
 Year Ended June 30, 2019  
 (With Comparative Totals for the Year Ended June 30, 2018)

	General Fund	Child Support Fund	Misdemeanor Probation Fund
<b>Revenues</b>			
Intergovernmental			
Court Fees	\$ 209,366	\$ -	\$ -
Bond Premiums	275,197	-	-
Families in Need of Services Grant	75,648	-	-
Drug Court Grants	585,466	-	-
Sobriety Court Grant	158,269	-	-
Family Preservation Court Grants	225,387	-	-
Administrative Collection Fees	43,245	862,079	478,631
Drug Court Fee Income	43,580	-	-
Commissioner Income	152,478	-	-
Families in Need of Service Supplement	60,436	-	-
Sanctions	1,150	-	-
Reimbursements - law clerks	770,167	-	-
Investment Income	<u>32,762</u>	<u>14,307</u>	<u>3,841</u>
<b>Total Revenues</b>	<u>2,633,151</u>	<u>876,386</u>	<u>482,472</u>
<b>Expenditures</b>			
Accounting	28,770	6,615	4,165
Commissioner expenses	153,759	-	-
Litter Abatement	-	-	9,830
Compensation, supplements, and benefits	1,104,278	690,963	398,436
Computer expenses	-	6,627	6,346
Contractual service	248,506	47,351	-
Cooperative endeavor - IDO	2,657	-	-
Court administration and reporters	7,624	5,299	-
Dues and subscriptions	8,886	19,530	205
FINS excess expense	60,436	-	-
Incentives	-	-	-
Insurance	41,771	20,928	1,123
Internet provider charges	316	3,663	3,055
CLE expenses-retired judges	-	-	-
Judges' allowances (including prior banked)	159,405	35,320	-
Judges' meeting expenses and ad hoc	3,254	-	-
Mileage in dist.-Acadia/Vermilion hearing officers	-	3,353	-
Miscellaneous\other	80,835	7,633	2,680
Office expenses, services, and small equipment	55,461	32,663	54,021
Parking fees	9,816	-	1,000
Postage	607	2,879	3,400
Security expense	-	1,114	444
Telephone - cellular	5,174	1,684	5,663
Testing and lab	122,324	-	-
Travel and seminars	19,449	-	2,240
Treatment	<u>324,938</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>2,438,266</u>	<u>885,622</u>	<u>492,608</u>
Excess (deficiency) of revenues over expenditures	<u>194,885</u>	<u>(9,236)</u>	<u>(10,136)</u>
Other financing sources (uses):			
Operating transfers in (out)	<u>44,000</u>	<u>-</u>	<u>(10,000)</u>
<b>Net change in fund balance</b>	<b>238,885</b>	<b>(9,236)</b>	<b>(20,136)</b>
Fund balance, beginning	<u>2,530,021</u>	<u>1,797,181</u>	<u>674,105</u>
Fund balance, ending	<u>\$ 2,768,906</u>	<u>\$ 1,787,945</u>	<u>\$ 653,969</u>

Drug Court Enhancement Fund	Totals (Memorandum Only)	
	2019	2018
\$ -	\$ 209,366	\$ 211,874
-	275,197	271,004
-	75,648	75,648
-	585,466	607,923
-	158,269	184,008
-	225,387	220,384
-	1,383,955	1,358,888
103,493	147,073	148,333
-	152,478	-
-	60,436	50,413
-	1,150	250
-	770,167	830,756
<u>1,340</u>	<u>52,250</u>	<u>30,714</u>
<u>104,833</u>	<u>4,096,842</u>	<u>3,990,195</u>
-	39,550	67,359
-	153,759	618
-	9,830	9,720
10,775	2,204,452	2,337,762
-	12,973	18,330
-	295,857	139,788
-	2,657	10,683
-	12,923	11,762
-	28,621	22,737
-	60,436	50,413
4,521	4,521	2,262
-	63,822	34,379
-	7,034	6,325
-	-	929
-	194,725	181,566
-	3,254	3,533
-	3,353	3,548
-	91,148	85,823
2,462	144,607	181,065
-	10,816	11,312
-	6,886	5,667
-	1,558	3,080
-	12,521	13,473
11,830	134,154	136,967
11,504	33,193	25,664
<u>31,549</u>	<u>356,487</u>	<u>367,120</u>
<u>72,641</u>	<u>3,889,137</u>	<u>3,731,885</u>
<u>32,192</u>	<u>207,705</u>	<u>258,310</u>
<u>(34,000)</u>	<u>-</u>	<u>-</u>
(1,808)	207,705	258,310
<u>610,614</u>	<u>5,611,921</u>	<u>5,353,611</u>
<u>\$ 608,806</u>	<u>\$ 5,819,626</u>	<u>\$ 5,611,921</u>

The accompanying notes are an integral part of this statement.

FIFTEENTH JUDICIAL DISTRICT COURT

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 207,705

Governmental funds report capital outlays as expenditures.

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

Capital outlay expenditures	\$ 29,326	
Depreciation expense	<u>(22,500)</u>	
Excess of capital outlays over depreciation		6,826

Governmental funds report current year pension contributions as expenditures. However, in the statement of activities, these contributions are reported as deferred inflows of resources and the Court's proportionate share of the plan's pension expense is reported as pension expense.

Pension contributions subsequent to the measurement date	100,666
Cost of benefits earned net of employee contributions	(525,898)
Amortization of excess contributions during the measurement period	131,025

The Court's proportionate share of non-employer contributions to the pension plans do not provide current financial resources and are not reported as revenue in the governmental funds.

23,189

Change in net position of governmental activities \$ (56,487)

## FIFTEENTH JUDICIAL DISTRICT COURT

### Notes to Financial Statements

#### NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fifteenth Judicial District Court (the “Court”) is comprised of three parishes within the State of Louisiana: Acadia, Lafayette, and Vermilion. The courthouses of the Fifteenth Judicial District are located in the three parish seats of Crowley (Acadia Parish), Lafayette (Lafayette Parish), and Abbeville (Vermilion Parish). The caseload of the Fifteenth Judicial District Court is handled by thirteen judges that are elected from sub-districts within the entire district. These judges all have general trial jurisdiction throughout the district and preside over individual divisions designated by the letters A through M as follows:

Division A	Judge John D. Trahan
Division B	Judge Jules D. Edwards, III
Division C	Judge Edward B. Broussard
Division D	Judge Edward D. Rubin
Division E	Judge Michelle M. Breaux
Division F	Judge David M. Smith
Division G	Judge Laurie A. Hulin
Division H	Judge David A. Blanchet
Division I	Judge Thomas R. Duplantier
Division J	Judge Kristian Earles
Division K	Judge Patrick L. Michot
Division L	Judge Marilyn C. Castle
Division M	Judge Charles G. Fitzgerald

The accompanying financial statements of the Court have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Court are described below:

#### Basis of Presentation

The Court uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. The minimum number of funds maintained by the Court is consistent with legal and managerial requirements.

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

The Court’s basic financial statements include both government-wide (reporting the Court as a whole) and fund financial statements (reporting the Court’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Court’s activities are classified as governmental activities.

## FIFTEENTH JUDICIAL DISTRICT COURT

### Notes to Financial Statements

#### NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Basic Financial Statements - Government-Wide Financial Statements

The government-wide financial statements include a *Statement of Net Position* and *Statement of Activities*. These statements report financial information about the Court. In the process of aggregating data for the *Statement of Net Position* and *Statement of Activities* some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

In the *Statement of Net Position* the governmental type activities column (1) is presented on a consolidated basis by column, and (2) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Court’s net position is reported in three parts: (1) *invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) *restricted net position* – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) *unrestricted net position* – all other net assets that do not meet the definition of *restricted* or *invested in capital assets, net of related debt*. The Court first utilizes restricted resources to finance qualifying activities.

The *Statement of Activities* reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses associated with a distinct functional activity. Program revenues includes: (1) charges for services which report fees, fines, and forfeitures, and other charges to users of the Court’s services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. Other revenue sources not properly included with program revenues are reported as general revenues.

The Court reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

This government-wide focus is more on the sustainability of the Court as an entity and the change in the Court’s net assets resulting from the current year’s activities.

##### Basic Financial Statements - Fund Financial Statements

Fund financial statements are provided for governmental funds. The emphasis of fund financial statements is on major individual governmental funds, each reported in a separate column. All remaining governmental fund(s) are aggregated and reported as nonmajor fund(s).

## FIFTEENTH JUDICIAL DISTRICT COURT

### Notes to Financial Statements

#### NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a description of the governmental funds of the Court:

**General Fund** – To account for all financial resources traditionally associated with governments which are not required to be accounted for in another fund.

**Special Revenues Funds** – To account for the proceeds of specific revenue sources legally restricted to expenditures for specific purposes.

The Court has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

*Child Support Fund* - The Child Support Fund was established by Louisiana Revised Statute 46:236.5. It collects support payments on behalf of guardians who are being assisted by State aid. The Child Support Fund is authorized to receive payment of nonsupport funds on behalf of the State of Louisiana. It is also authorized to collect an administrative fee of .0395 cents of the transaction fee on payments. The fees are used to fund the administrative costs of the expedited processing system associated with a segregated family court within the Fifteenth Judicial District Court.

*Misdemeanor Probation Fund* - The Misdemeanor Probation Fund collects a \$35 per month supervision fee for misdemeanor cases and \$50 per month for felony cases pled down to a misdemeanor case. The fees are used to fund the administrative and personnel costs of the Misdemeanor Probation Program within the Fifteenth Judicial District Court.

*Drug Court Enhancement Fund* – The Drug Court Enhancement Fund was established by way of an ordinance that allows specific distribution of Lafayette Parish contempt fines charged for failure to appear. The Drug Court Enhancement Fund amounts that are distributed to Juvenile and Adult Drug Court programs are used to supplement grant monies that primarily fund these programs. The Enhancement Fund monies are used for training, additional staffing, materials, or any other "enhancements" to the programs that would not be possible due to lack of funding.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition, management may include a fund as a major fund that does not meet the minimum criteria established by GASB if management believes the fund is important to present as such for the financial statement users.

#### Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements; measurement focus refers to what is being measured. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrual Basis - Government-Wide Financial Statements (GWFS)

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized when grantor eligibility requirements are met.

Modified Accrual Basis - Governmental Fund Financial Statements (FFS)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of “available spending resources.” Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spending resources” during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become 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 be used to pay liabilities of the current period. Expenditure-driven grant revenues are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

Major revenue sources susceptible to accrual include intergovernmental revenues and investment income. In general, other revenues are recognized when cash is received.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget is employed as a management control device during the year that assists its users in financial activity analysis. All budget appropriations lapse at year-end. The budgets presented are the originally adopted budget and the final amended budget.

Use of Estimates

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

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Certificates of Deposit

The Fifteenth Judicial District Court has certificates of deposit as of June 30, 2019 which are not subject to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and are therefore stated at cost, which approximates market.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods and services rendered. These receivables and payables are classified as *due from other funds* or *due to other funds* on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Prepaid Expenses

Advance payments made that will benefit periods beyond the current fiscal year are recorded as prepaid expenses.

Compensated Absences

Employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. Therefore, no provision for compensated absences has been made in the financial statements.

Capital Assets and Depreciation

The accounting treatment over property and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-Wide Financial Statements:*

The Court's property and equipment with useful lives of more than one year are stated at historical costs and comprehensively reported in the government-wide financial statements. The Court maintains a threshold level of \$250, or more for capitalizing capital assets. Donated assets are stated at fair value at the date donated. The Court has no donated assets. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Machinery and equipment	5 – 15 years
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FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Fund Financial Statements:*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Fund Equity

*Government-Wide Financial Statements:*

The Fifteenth Judicial District Court's net position is reported in three parts: (1) *invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) *restricted net position* – consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) *unrestricted net position* – all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

*Fund Financial Statements:*

Governmental fund equity is classified as fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and security deposits as being nonspendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.

Management has classified fund balance for program administration as being restricted due to the constraints placed on the use of the money contributed by its grantor agencies.

## FIFTEENTH JUDICIAL DISTRICT COURT

### Notes to Financial Statements

#### NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Fifteenth Judicial District Court's board of directors, which is the Court's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Judges en banc remove or change the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Judges en banc did not have any committed resources as of year-end.
- **Assigned:** This classification includes amounts that are constrained by the Judges en banc's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Fifteenth Judicial District Court's (1) Judges en banc, (2) its finance committee, or (3) an official, such as the Administrator, to which the Judges en banc has delegated the authority to assign amounts to be used for a specific purpose.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Fifteenth Judicial District Court will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Fifteenth Judicial District Court's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

#### Interfund Transfers

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Legally authorized interfund transactions, except quasi-external transactions and reimbursements, are treated as operating transfers and are included in the results of operations. For purposes of the *Statement of Activities*, all interfund transfers between individual governmental funds have been eliminated.

#### Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 17 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The Fifteenth Judicial District Court recognizes a net pension liability for its participation in the Parochial Employee Retirement System, which represents the Fifteenth Judicial District Court's

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions (Continued)

proportionate share of the excess of the total pension liability over the fiduciary net position of the cost – sharing multiple employer pension plan, measured as of the District Court’s fiscal year – end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five – year period beginning with the period in which the difference occurred.

NOTE 2 CASH

For reporting purposes, cash includes demand deposits and interest-bearing demand deposits. Under State law, the Court may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Court may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount.

The amount of total bank balances is classified into three categories of credit risk:

1. Insured or collateralized with securities held by the government or by the government’s agent in the government’s name.
2. Collateralized with securities held by the pledging financial institution’s trust department or government’s agent in the government’s name.
3. Uncollateralized, including amounts collateralized with securities held by the pledging institution or the pledging institution’s trust department or agent, but not in the government’s name.

At June 30, 2019, the carrying value of the Court’s cash deposits, including demand deposits and time certificates of deposit, totaled \$5,687,563, and the bank balances totaled \$5,707,843. Of the bank balances, \$5,202,221 was covered by Federal Deposit Insurance Corporation (FDIC) and \$505,623 was covered by collateral held by the custodial bank in the bank’s name (Category III).

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 3 CERTIFICATES OF DEPOSIT

The District has certificates of deposit for the following funds as of June 30, 2019:

<u>Fund</u>	<u>Amount</u>	<u>Interest Rates</u>
General	\$ 1,900,000	.90% - 2.48%
Child Support	1,501,805	.51% - 2.23%
Misdemeanor Probation	400,000	.65% - 2.48%
Drug Court Enhancement	<u>200,000</u>	.40% - 2.48%
Totals	<u>\$ 4,001,805</u>	

NOTE 4 DUE FROM OTHER GOVERNMENTAL ENTITIES

The following is a summary of due from other governmental entities at June 30, 2019:

<u>Due From</u>	
Lafayette Parish	\$ 25,530
Vermilion Parish	11,020
Acadia Parish	28,491
Criminal Court	<u>412</u>
Total due from other governmental entities	<u>\$ 65,453</u>

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets reported in the government-wide financial statements for the year ended June 30, 2019, is as follows:

<u>Governmental activities</u>	<u>Balance June 30, 2018</u>	<u>Acquisitions</u>	<u>Dispositions</u>	<u>Balance June 30, 2019</u>
Capital assets being depreciated				
Machinery and equipment	\$ 419,421	\$ 29,326	\$ (3,574)	\$ 445,173
Less accumulated depreciation for				
Machinery and equipment	<u>(344,939)</u>	<u>(22,500)</u>	<u>3,574</u>	<u>(363,865)</u>
Governmental activities capital assets, net	<u>\$ 74,482</u>	<u>\$ 6,826</u>	<u>\$ -</u>	<u>\$ 81,308</u>

Depreciation expense for the year ended June 30, 2019, was charged to governmental activities of the Court as follows:

District Court	\$ 2,526
Child Support	6,079
Misdemeanor Probation	2,266
Drug Court	<u>11,629</u>
Total depreciation expense	<u>\$ 22,500</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 6 COURT FEES REVENUE

The Fifteenth Judicial District Court collected court fees during the fiscal year ended June 30, 2019 as follows:

<u>Parish</u>	<u>Amount</u>
Lafayette	\$ 146,179
Acadia	32,014
Vermilion	<u>31,173</u>
Total	<u>\$ 209,366</u>

NOTE 7 BOND PREMIUMS

This source of funds was instituted by Louisiana Revised Statute 22:1065.1. The statute provides that 2% of all judgments of bond forfeiture collected by the Sheriff's Department shall be paid to the court fund of the parish where the bond was posted. Bond premiums for the fiscal year ended June 30, 2019, totaled \$275,197.

NOTE 8 FAMILIES IN NEED OF SERVICES (FINS) ASSISTANCE PROGRAM

The Fifteenth Judicial District Court entered into a contract with the State of Louisiana, Department of Public Safety and Corrections Youth Services under the Families in Need of Services (FINS) Assistance Program. The Court has agreed to furnish the administration and implementation of the Families in Need of Services, Title VII of the Louisiana Children's Code, within the Fifteenth Judicial District, State of Louisiana. The Fifteenth Judicial District Court's General (Judicial Expense) Fund is the appointed administrator of the FINS Assistance Program. FINS is a pre-delinquency intervention program that provides interagency social work services to assist children with disciplinary problems from entering the juvenile court system by counseling with parents or other agencies to correct behavioral problems. Additional funding is received from the State of Louisiana Judicial Branch with costs in excess of funding being covered by the Judicial Expense Fund and surplus FINS funds from previous years. Total funding received or accrued, as necessary, from the Department of Public Safety and Corrections Youth Services and the State of Louisiana Judicial Branch for the year ended June 30, 2019, totaled \$136,084. Expenditures of the Fifteenth Judicial District Court General (Judicial Expense) Fund related to the FINS Program for the year ended June 30, 2019, totaled \$156,084. The program was supplemented by a transfer from other funds totaling \$20,000.

NOTE 9 FAMILY PRESERVATION COURT (FPC) PROGRAM

The Fifteenth Judicial District Court participates in a contract with the state of Louisiana Department of Children and Family Services. FPC is a program helping to rehabilitate parents who are in danger of losing their children due to substance abuse related issues with the courts. There are two funding sources for this program as follows: Supreme Court Grant and Children's Justice Act. Funding received or accrued, as necessary, from all FPC sources for the year ended June 30, 2019, totaled \$225,387. Expenditures of the Fifteenth Judicial District Court General (Judicial Expense) Fund related to the FPC program for the year ended June 30, 2019, totaled \$225,387.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 10 DRUG COURT (GRANT) PROGRAMS

The Fifteenth Judicial District Court entered into a contract with the Louisiana Supreme Court, Office of the Judicial Administrator, Supreme Court Drug Court Office under the Drug Court Program. The Court has agreed to provide assistance to adults and juveniles and their families to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. The Supreme Court Drug Court Office reimburses drug courts for services to Temporary Assistance for Needy Families (TANF) Eligible Drug Court Program clients to help these families understand the health risks associated with substance abuse and to assist them in becoming better able to successfully function in the family setting. The Fifteenth Judicial District Court's General Fund is the appointed administrator of the Drug Court Programs.

Funding received or accrued, as necessary, from the Supreme Court Drug Court Office for the year ended June 30, 2019, totaled \$390,046 for Adult Drug Court (ADC) and \$227,738 for Juvenile Drug Court (JDC). Expenditures of the Fifteenth Judicial District Court General (Judicial Expense) Fund related to the ADC and JDC Programs for the year ended June 30, 2019, totaled \$390,046 and \$227,738, respectively.

NOTE 11 SOBRIETY COURT GRANT

The Fifteenth Judicial District Court entered into a contract with the Louisiana Supreme Court, Office of the Judicial Administrator, Supreme Court Drug Court Office under the Louisiana Highway Safety Commission (LHSC) statewide Fatal and Injury Crash Reduction Effort. The first project goal is to identify and enroll participants into the Fifteenth Judicial District Court DWI Program, identified as Sobriety Court. The objectives defined to meet this goal are to develop a target population and receive referrals, conduct validated screenings and assessments on potential participants, and enroll twenty eligible non-violent substance-dependent DWI offenders in the DWI court program and graduate a minimum of seven participants within the program year. The next goal of the program is to reduce alcohol and substance abuse and recidivism among non-violent offenders by providing daily and weekly drug screenings to enrolled clients. Funding for this program is provided by the Louisiana Supreme Court Drug Court Office. For the year ended June 30, 2019, funding received or accrued, as necessary, totaled \$310,747, while related expenses totaled \$197,885. The program was supplemented by a transfer from the Drug Court Enhancement fund of \$24,000.

NOTE 12 INTERFUND TRANSFERS

Interfund transfers reported in the fund financial statements during the year ended June 30, 2019, were as follows:

	Transfers In	Transfers Out
General Fund	\$ 44,000	\$ -
Special Revenue		
Misdemeanor Probation Fund	-	10,000
Drug Court Enhancement	-	34,000
Total operating transfers	<u>\$ 44,000</u>	<u>\$ 44,000</u>

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 12 INTERFUND TRANSFERS (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 13 FEES, COMPENSATION SUPPLEMENTS, AND REIMBURSEMENTS

Personnel assigned to the judiciary include secretaries, receptionists, and court reporters. These personnel are paid by the three respective parishes of the Fifteenth Judicial District (Acadia, Lafayette, and Vermilion parishes). Some supplements and reimbursements are funded by the Court via payment to the respective parish governments. These reimbursements include wages, insurance, and retirement benefit costs. Compensation paid to law clerks assigned to the judiciary is established by the Court and funded by parishes. The Court pays health insurance premiums for the law clerks of the judiciary.

NOTE 14 CONTINGENCIES

Secretarial and clerical support staff of the District Court are paid by the respective parish police juries or consolidated governments. The judges of the district en banc are working to provide parity and uniformity in compensation and benefits. To date, it is uncertain if compensation has been provided in accordance with established policy. Also, it is uncertain which agency would be responsible if a liability exists. The amount of any potential liability has not been determined.

NOTE 15 RISK MANAGEMENT

The Fifteenth Judicial District Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Court has decided to retain the risk of liability exposure and presently, does not have any funds appropriated for the potential liability exposure.

NOTE 16 OPERATING LEASE

The Court is committed under an operating lease for office space. The lease commenced August 1, 2017, payable in monthly installments of \$6,155, for a term of five years. Future minimum operating lease commitments are as follows:

<u>Year ending June 30,</u>	
2020	73,864
2021	73,864
2022	73,864
2023	6,155
Total	<u>\$ 227,747</u>

Rent expenditures under this lease totaled \$73,864 for the year ended June 30, 2019.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 17 PENSION PLAN

Plan Description

Substantially all employees of the Fifteenth Judicial District Court are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer, defined benefit public employee retirement system (PERS), controlled and administered by a separate Board of Trustees and was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). Contributions of participating agencies are pooled within the system to fund accrued benefits, with contribution rates approved by the Louisiana legislature. The Court does not guarantee the benefits granted by the retirement system. The Court's payroll qualified to be covered by the system for the year ended June 30, 2019 was approximately \$1,756,099.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Court are members of Plan A. Under Plan A, employees hired prior to January 1, 2007 who retire (1) at or after age 65 with at least 7 years of creditable service, (2) at or after age 60 with at least 10 years of creditable service, (3) at or after age 55 with at least 25 years of creditable service, or (4) at any age with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life. Annual maximum benefit for employees hired prior to January 1, 2007, equals 3% multiplied by creditable years of service, multiplied by the average of the employee's highest consecutive 36 months' salary. Employees hired on or after January 1, 2007, who retire (1) at or after age 67 with at least 7 years of creditable service, (2) at or after age 62 with at least 10 years of creditable service, or (3) at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit payable monthly for life. Annual maximum benefit for employees hired on or after January 1, 2007, equals 3% multiplied by creditable years of service, multiplied by the average of the employee's highest consecutive 60 months' salary. Employees who terminate with at least the amount of creditable service stated previously and who do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits. Benefits are established by state statute (LSA R.S. 11:1901, last modified by Act 584 of 2006).

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member who is eligible to retire may elect to participate in the (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the Plan will be placed in liquid asset money market investments at the discretion of the board of trustees.

## FIFTEENTH JUDICIAL DISTRICT COURT

### Notes to Financial Statements

#### NOTE 17 RETIREMENT (Continued)

These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this Plan must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of the Plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

A plan member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or three percent multiplied by years of service assuming continued service to age sixty.

The Board of Trustees is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age sixty-five equal to 2% of the member's benefit paid on October 1, 1977, (or member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (R.S. 11:1937). Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

#### Funding Policy

According to state statute, contributions for all employers are actuarially determined each year. Under Plan A, members are required by State statute to contribute 9.50% of their annual covered salary and the Court is required to contribute at an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2019 was 11.5% of annual covered payroll. The contribution requirements of Plan members and the Court are established and may be amended by the System's Board of Trustees. The Court's contributions to the System under Plan A for the years ended June 30, 2019, 2018, and 2017, were \$202,454, \$201,149, and \$223,962, respectively, equal to the required contributions for each year.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parish. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 17 RETIREMENT (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, Court reported a liability of \$1,346,842 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2018, the Court's proportion was 0.303455%, which was an increase of .016188% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Court recognized pension expense of \$391,769. The Court recognized revenue of \$23,189 as its proportionate share of non-employer contributions for the year ended June 30, 2019.

At June 30, 2019, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 82,053
Net difference between projected and actual investment earnings on pension plan investments	644,738	
Changes of assumptions	336,755	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	163,856
Employer contributions subsequent to the measurement date	<u>100,666</u>	<u>-</u>
Total	<u>\$ 1,082,159</u>	<u>\$ 245,909</u>

Court contributions subsequent to the measurement date in the amount of \$100,666 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 17 RETIREMENT (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2020	\$ 177,020
2021	36,423
2022	231,557
2023	<u>290,584</u>
Total	<u>\$ 735,584</u>

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2018
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	6.50% (Net of investment expense, including inflation)
Projected salary increases	4.75% (2.35% Merit/2.40% Inflation)
Mortality rates	Pub-2010 Public Retirement Plans Mortality Table was selected for employees. Pub-2010 Public Retirement Plans Mortality Table for Health Retirees was selected for annuitants and beneficiaries. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees selected for disabled annuitants.
Expected remaining service lives	4 years
Cost of living adjustments	The present value of future benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 17 RETIREMENT (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification.

The resulting expected long-term rate of return is 7.43% for the year ended December 31, 2018.

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of December 31, 2018 are summarized in the following table:

Asset Class	Expected Rate of Return	
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.22%
Equity	52%	3.45%
Alternatives	11%	0.65%
Real assets	<u>2%</u>	<u>0.11%</u>
Totals	<u>100%</u>	<u>5.43%</u>
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.43%</u>

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement System’s Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to Financial Statements

NOTE 17 RETIREMENT (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents Court's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Court's net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.50% or one percentage point higher 7.50% that the current rate.

	<u>Discount rate</u>	<u>Net pension liability</u>
1% decrease	5.50%	\$ 2,860,331
Current discount rate	6.50%	\$ 1,346,842
1% increase	7.50%	\$ 81,696

The Parochial Employees' Retirement System issues a publicly available report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225) 928-1361.

NOTE 18 CONCENTRATIONS OF CREDIT RISK

Intergovernmental receivables represent amounts due from other Acadia, Lafayette, and Vermilion Parishes governmental agencies and the State of Louisiana. Payment of these amounts is partly dependent upon the economic and financial conditions within these parishes and the State of Louisiana.

NOTE 19 FEDERAL AND STATE GRANTS

In the normal course of operations, the Court receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 20 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 17, 2019, the date at which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental				
Court fees	\$ 210,800	\$ 204,471	\$ 209,366	\$ 4,895
Bond premiums	272,000	246,157	275,197	29,040
Families in Need of Service grants	75,648	75,648	75,648	-
Drug Court grants	654,282	581,946	585,466	3,520
Sobriety Court grants	166,574	124,521	158,269	33,748
Family Preservation Court grants	225,856	221,432	225,387	3,955
Administrative collection fees	36,500	43,120	43,245	125
Drug Court fee income	38,880	45,167	43,580	(1,587)
Commissioner Income	-	151,286	152,478	1,192
Families in Need of Service Supplement	62,021	61,067	60,436	(631)
Sanctions	-	1,050	1,150	100
Reimbursements - law clerks	636,596	776,348	770,167	(6,181)
Investment income	14,900	28,678	32,762	4,084
Total revenues	<u>2,394,057</u>	<u>2,560,891</u>	<u>2,633,151</u>	<u>72,260</u>
Expenditures				
Accounting/legal	53,300	29,440	28,770	670
CLE expenses-retired judges	2,000	-	-	-
Commissioner expenses	6,750	153,720	153,759	(39)
Compensation, supplements, and benefits	956,961	984,593	1,104,278	(119,685)
Contractual services	350,414	329,735	248,506	81,229
Cooperative endeavor - IDO	-	-	2,657	(2,657)
Court administration and reporters	14,120	18,548	7,624	10,924
Dues and subscriptions	16,500	7,500	8,886	(1,386)
FINS excess expense	62,021	61,067	60,436	631
Insurance	32,054	42,456	41,771	685
Internet provider charges	1,000	925	316	609
Judges' allowances (including prior banked)	228,200	232,200	159,405	72,795
Judges' meeting expenses and ad hoc	7,400	3,355	3,254	101
Miscellaneous/other	123,351	85,791	80,835	4,956
Office expenses, services, and small equipment	46,944	51,231	55,461	(4,230)
Parking fees	9,300	9,220	9,816	(596)
Postage	-	-	607	(607)
Telephone - cellular	4,400	4,100	5,174	(1,074)
Testing and lab	158,760	114,272	122,324	(8,052)
Travel and seminars	18,730	16,642	19,449	(2,807)
Treatment	409,700	384,687	324,938	59,749
Total expenditures	<u>2,501,905</u>	<u>2,529,482</u>	<u>2,438,266</u>	<u>91,216</u>
Excess (deficiency) of revenues over expenditures	(107,848)	31,409	194,885	163,476
Other financing sources (uses):				
Operating transfers in (out)	<u>44,000</u>	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Net change in fund balance	(63,848)	75,409	238,885	163,476
Fund balance, beginning	<u>2,530,021</u>	<u>2,530,021</u>	<u>2,530,021</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,466,173</u>	<u>\$ 2,605,430</u>	<u>\$ 2,768,906</u>	<u>\$ 163,476</u>

See notes to required supplementary information.

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule  
 Child Support Fund  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Administrative collection fees	\$ 814,000	\$ 839,300	\$ 862,079	\$ 22,779
Investment income	<u>10,400</u>	<u>13,115</u>	<u>14,307</u>	<u>1,192</u>
Total revenues	<u>824,400</u>	<u>852,415</u>	<u>876,386</u>	<u>23,971</u>
Expenditures				
Accounting	7,000	6,615	6,615	-
Compensation, supplements, and benefits	696,086	689,656	690,963	(1,307)
Computer expenses	4,500	34,600	6,627	27,973
Contractual services	53,000	55,560	47,351	8,209
Court reporter	3,450	3,015	5,299	(2,284)
Development expenses	5,000	-	-	-
Dues and subscriptions	32,200	33,900	19,530	14,370
Insurance expense	17,500	16,200	20,928	(4,728)
Internet provider charges	2,400	3,300	3,663	(363)
Judges' expense allowance	34,400	34,400	35,320	(920)
Mileage in dist.-Acad./Verm. hearing officers	4,000	2,700	3,353	(653)
Miscellaneous/other	6,000	4,949	7,633	(2,684)
Office expenses, services, and small equipment	27,940	26,040	32,663	(6,623)
Postage	2,200	2,399	2,879	(480)
Security	6,500	1,200	1,114	86
Telephone - cellular	<u>1,350</u>	<u>1,150</u>	<u>1,684</u>	<u>(534)</u>
Total expenditures	<u>903,526</u>	<u>915,684</u>	<u>885,622</u>	<u>30,062</u>
Excess (deficiency) of revenues over expenditures	(79,126)	(63,269)	(9,236)	54,033
Other financial sources (uses):				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(79,126)	(63,269)	(9,236)	54,033
Fund balance, beginning	<u>1,797,181</u>	<u>1,797,181</u>	<u>1,797,181</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,718,055</u>	<u>\$ 1,733,912</u>	<u>\$ 1,787,945</u>	<u>\$ 54,033</u>

See notes to required supplementary information.

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule  
Misdemeanor Probation Fund  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Administrative collection fees	\$ 464,200	\$ 453,683	\$ 478,631	\$ 24,948
Investment income	<u>2,750</u>	<u>2,900</u>	<u>3,841</u>	<u>941</u>
Total revenue	<u>466,950</u>	<u>456,583</u>	<u>482,472</u>	<u>25,889</u>
Expenditures				
Accounting	4,000	4,165	4,165	-
Litter Abatement	10,100	9,700	9,830	(130)
Compensation, supplements, and benefits	409,144	399,928	398,436	1,492
Computer expenses	7,310	7,210	6,346	864
Dues and subscriptions	-	-	205	(205)
Insurance expense	1,123	1,123	1,123	-
Internet provider charges	2,400	2,680	3,055	(375)
Miscellaneous/other	1,100	500	2,680	(2,180)
Office expenses, services, and small equipment	65,400	62,620	54,021	8,599
Parking fees	750	773	1,000	(227)
Postage	3,550	2,990	3,400	(410)
Security	1,700	500	444	56
Telephone	5,900	4,950	5,663	(713)
Travel and seminars	<u>1,300</u>	<u>1,300</u>	<u>2,240</u>	<u>(940)</u>
Total expenditures	<u>513,777</u>	<u>498,439</u>	<u>492,608</u>	<u>5,831</u>
Excess (deficiency) of revenues over expenditures	<u>(46,827)</u>	<u>(41,856)</u>	<u>(10,136)</u>	<u>31,720</u>
Other financial sources (uses):				
Operating transfers in (out)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(56,827)	(51,856)	(20,136)	31,720
Fund balance, beginning	<u>674,105</u>	<u>674,105</u>	<u>674,105</u>	<u>-</u>
Fund balance, ending	<u>\$ 617,278</u>	<u>\$ 622,249</u>	<u>\$ 653,969</u>	<u>\$ 31,720</u>

See notes to required supplementary information.

FIFTEENTH JUDICIAL DISTRICT COURT

Budgetary Comparison Schedule  
Drug Court Enhancement Fund  
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Adult Drug Court Fee Income	\$ 60,000	\$ 48,700	\$ 51,747	\$ 3,047
Juvenile Drug Court Fee Income	60,000	48,686	51,747	3,061
Investment income	<u>700</u>	<u>769</u>	<u>1,340</u>	<u>571</u>
Total Revenues	<u>120,700</u>	<u>98,155</u>	<u>104,833</u>	<u>6,678</u>
Expenditures				
Compensation	9,945	14,471	10,775	3,696
Computer expenses	500	-	-	-
Incentives	3,000	3,907	4,521	(614)
Miscellaneous/other	500	-	-	-
Office expenses, services, and small equipment	4,900	1,100	2,462	(1,362)
Testing and lab	17,400	12,700	11,830	870
Travel and training	21,000	10,274	11,504	(1,230)
Treatment	<u>19,000</u>	<u>18,000</u>	<u>31,549</u>	<u>(13,549)</u>
Total expenditures	<u>76,245</u>	<u>60,452</u>	<u>72,641</u>	<u>(12,189)</u>
Excess (deficiency) of revenues over expenditures	<u>44,455</u>	<u>37,703</u>	<u>32,192</u>	<u>(5,511)</u>
Other financing sources (uses):				
Operating transfers in (out)	<u>(59,455)</u>	<u>(35,855)</u>	<u>(34,000)</u>	<u>(1,855)</u>
Net change in fund balance	(15,000)	1,848	(1,808)	(7,366)
Fund balance, beginning	<u>610,614</u>	<u>610,614</u>	<u>610,614</u>	<u>-</u>
Fund balance, ending	<u>\$ 595,614</u>	<u>\$ 612,462</u>	<u>\$ 608,806</u>	<u>\$ (7,366)</u>

See notes to required supplementary information.

FIFTEENTH JUDICIAL DISTRICT COURT

Notes to the Budgetary Comparison Schedules

Budgets and budgetary accounting:

The Court follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the Court Administrator prepares a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then approved by the Judges en banc.
3. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Court.
4. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final amended budget. Actual amounts may not vary more than 5% from the final amended budget at the individual fund level.

FIFTEENTH JUDICIAL DISTRICT COURT

Schedule of Proportionate Share of Net Pension Liability  
Year Ended June 30, 2019

Year Ended June 30,	Proportion of the net pension liability	Proportionate share of the net pension liability (asset)	Covered employee payroll	Share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2015	0.338928%	\$ 92,666	\$1,870,769	5.0%	99.15%
2016	0.327824%	862,927	1,875,862	46.0%	92.23%
2017	0.312041%	642,653	1,756,194	36.6%	94.15%
2018	0.299654%	(222,417)	1,676,437	13.3%	101.98%
2019	0.303455%	1,346,842	1,756,099	76.7%	88.86%

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

FIFTEENTH JUDICIAL DISTRICT COURT

Schedule of Contributions  
Year Ended June 30, 2019

Year Ended June 30,	Statutorily required contribution	Contributions relative to statutorily required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 285,151	\$ 285,151	\$ -	\$ 1,870,769	15.2%
2016	257,884	257,884	-	1,875,862	13.8%
2017	223,962	223,962	-	1,756,194	12.8%
2018	201,149	201,149	-	1,676,437	12.0%
2019	201,951	201,951	-	1,756,099	11.5%

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

ADDITIONAL INFORMATION

FIFTEENTH JUDICIAL DISTRICT COURT

Schedule of Compensation, Benefits, and Other Payments to Agency Head  
Year Ended June 30, 2019

**Judge Charles Fitzgerald, Chief Judge**

<u>Purpose</u>	<u>Amount</u>
<b>Paid from Child Support Fund:</b>	
Professional liability policy	\$ 2,616
Continuing professional education fees	1,700
Auto allowance	4,944
Reimbursements - meals in district	1,100
Reimbursements - internet service	1,033
Reimbursements - office equipment repairs	2,443
Reimbursements - office expense/postage	3,055
Library & Research	1,766

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 Honorable Charles Fitzgerald  
Fifteenth Judicial District Court  
Lafayette, Louisiana

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, each major fund, and the aggregate remaining fund information of Fifteenth Judicial District Court, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Fifteenth Judicial District Court's basic financial statements and have issued our report thereon dated September 17, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## 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.

This report is intended solely for the information and use of the Fifteenth Judicial District Court's management, the Judges en banc, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dawall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana  
September 17, 2019

FIFTEENTH JUDICIAL DISTRICT COURT

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2019

Section I Internal Control and Compliance Material to the Financial Statements

This section is not applicable for the year ended June 30, 2019.

Section II Internal Control And Compliance Material To Federal Awards

This section is not applicable for the year ended June 30, 2019.

Section III Management Letter

This section is not applicable for the year ended June 30, 2019.

FIFTEENTH JUDICIAL DISTRICT COURT

Schedule of Findings and Responses  
Year Ended June 30, 2019

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unmodified opinion has been issued on Fifteenth Judicial District Court's financial statements as of and for the year ended June 30, 2019.

Deficiencies and Material Weaknesses in Internal Control - Financial Reporting

No deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

The results of our tests disclosed no material instances of noncompliance, which are required to be reported under *Government Auditing Standards*.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2019.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

This section is not applicable for the fiscal year ended June 30, 2019.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2019, the Fifteenth Judicial District Court did not meet the requirements to have a single audit in accordance with OMB Uniform Guidance, therefore this section is not applicable.

Part IV: Management Letter

The auditor did not issue a management letter this year

FIFTEENTH JUDICIAL DISTRICT COURT

Management's Corrective Action Plan  
Year Ended June 30, 2019

**Part I Internal Control and Compliance Material to the Financial Statement**

This section is not applicable for the year ended June 30, 2019.

**Part II Internal Control and compliance Material to Federal Awards**

This section is not applicable for the year ended June 30, 2019.

**Part III Management Letter**

This Section is not applicable for the year ended June 30, 2019.



**DARNALL SIKES  
& FREDERICK**

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**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Charles Fitzgerald  
Fifteenth Judicial District Court and  
The Louisiana Legislative Auditor  
Opelousas, Louisiana

We have performed the procedures enumerated below, which were agreed to by Fifteenth Judicial District Court (District), 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 July 1, 2018 through June 30, 2019. The District's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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1. Obtain the District'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 District does not have any written policies and procedures), as applicable:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget:

No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

- 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:

No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

- c) **Disbursements**, including processing, reviewing, and approving:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- d) **Receipts**, including receiving, recording, and preparing deposits:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- 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:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- 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:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- 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 District's ethics policy. Note: Ethics requirements are not applicable to nonprofits:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements:  
No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.  
Written policies and procedures were obtained and address the functions (2) and (6) above, but were not noted for (1), (3), (4) and (5) above.

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

---

2. Obtain and review the board/committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

a) 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:

Obtained and reviewed minutes of the board for the fiscal period noting that the board met at least every other month in accordance with the District's policy.

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 District's prior audit (GAAP-basis):

Minutes did not include or reference monthly budget-to-actual comparisons for the General Fund and major funds identified as such for ten of the eleven monthly minutes presented.

c) 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:

Deficit spending was not noted during the fiscal period.

***Bank Reconciliations***

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No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

***Collections***

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3. Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of cash collection locations and management provided representation that the listing is complete.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained listing of cash collection locations and management provided representation that the listing is complete.

a. Employees that are responsible for cash collections do not share cash drawers/registers.

The Entity has written policies and procedures that address the function above.

b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbers receipts) to the deposit.

The Entity has written policies and procedures that address the function above.

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The Entity has written policies and procedures that address the function above.

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The Entity has written policies and procedures that address the function above.

- 5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The Entity does have a surety bond insurance policy covering each person responsible for collecting cash.

- 6. Randomly select two deposit dates for each of the 5 bank accounts selected for the “Bank Reconciliations” procedure above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a. Observe that receipts are sequentially pre-numbered.

Observed cash receipts noting that they are sequentially pre-numbered.

- b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Deposit slips of selected cash receipts were traced to the actual deposit per the bank statement.

- c. Trace the deposit slip total to the actual deposit per the bank statement.

Deposit slips of selected cash receipts were traced to the actual deposit per the bank statement.

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Cash collection documentation was obtained for the selected dates and we noted certain deposits were not made within one day of collection. The number of days from receipt to deposit are summarized below:

<u>Collection Day</u>	<u>Number of days between receipt to deposit</u>	<u>Collection Day</u>	<u>Number of days between receipt to deposit</u>	<u>Collection Day</u>	<u>Number of days between receipt to deposit</u>
7/10/2017	11	12/27/2017	2	4/12/2018	8
7/18/2017	3	3/5/2018	11	4/13/2018	7

- e. Trace the actual deposit per the bank statement to the general ledger.

The actual deposits per the bank statement for selected cash receipts were traced to the general ledger.

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

No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

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

No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

**Travel and Expense Reimbursement**

No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

**Contracts**

7. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Obtained a listing of contracts from management and management provided representation that the listing is complete.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

The five contracts selected for testing were not subject to the Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Obtained documentation of approval for selected contracts as required by policy.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Contracts selected were not amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

The invoices and related payments selected complied with the terms and conditions of the contract.

***Payroll and Personnel***

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No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

***Ethics (excluding nonprofits)***

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No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

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

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No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

***Other***

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No exceptions noted during the fiscal year ended June 30, 2018 AUP engagement, therefore this section is excluded from testing this fiscal year.

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.

This 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.

***Dannall, Sikes & Frederick***

A Corporation of Certified Public Accountants

Eunice, Louisiana  
August 28, 2019



FIFTEENTH JUDICIAL DISTRICT COURT  
STATE OF LOUISIANA

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COURT ADMINISTRATOR

PARISHES OF  
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LAFAYETTE  
VERMILION

August 28, 2019

Darnall, Sikes & Frederick  
A Corporation of Certified Public Accountants  
Eunice, Louisiana

The following is management's response to the 2018-19 AUP report submitted for the Fifteenth Judicial District Court.

WRITTEN POLICIES AND PROCEDURES

1. k) Existence of written policies and procedures

Response: Disaster Recovery/Business Continuity policy will be updated accordingly.

BOARD

2. b) Minutes should include or reference monthly budget-to-actual comparisons.

Response: Budget to actual comparisons are prepared and presented quarterly. Presentation will be noted in minutes going forward.

COLLECTIONS

6. d) Days from collection to deposit exceeded one day.

Response: Current staffing does not allow for daily deposits.