

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Annual Financial Statements

December 31, 2019



Contents

Independent Auditor's Report	1 - 3
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Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Governmental Funds	
Balance Sheet	8
Statement of Revenues, Expenditures, and Changes in Fund Balances	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Notes to Financial Statements	11 - 21

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Judicial Expense General Fund	23
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non-Support Special Revenue Fund	24
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Specialty Courts Special Revenue Fund	25

Other Supplementary Information

Schedules of Compensation, Benefits, and Other Payments to Agency Heads	27 - 38
--	---------

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>	39 - 40
--	----------------

Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	41 - 42
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Contents (Continued)

Schedule of Expenditures of Federal Awards	43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45

Independent Auditor's Report

To the Chief Judge and Judges
of the Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Court (the Court), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Twenty-Second Judicial District Court as of December 31, 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

Management has omitted the 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 (GASB), 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information beginning on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The schedules of compensation, benefits, and other payments to agency heads, as required by Louisiana Revised Statute (LRS) 24:513 A(3), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules of compensation, benefits, and other payments to agency heads and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation, benefits, and other payments to agency heads and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020 on our consideration of the Twenty-Second Judicial District Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Twenty-Second Judicial District Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "LaPorte".

A Professional Accounting Corporation

Covington, LA
June 24, 2020

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Statement of Net Position
December 31, 2019**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 2,968,703
Receivables	738,114
Capital Assets, Net of Accumulated Depreciation	<u>65,294</u>
Total Assets	<u>3,772,111</u>
Liabilities	
Accounts Payable	595,315
Compensated Absences	<u>57,004</u>
Total Liabilities	<u>652,319</u>
Net Position	
Net Investment in Capital Assets	65,294
Restricted	115,404
Unrestricted	<u>2,939,094</u>
Total Net Position	<u><u>\$ 3,119,792</u></u>

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Statement of Activities
For the Year Ended December 31, 2019**

	Governmental Activities
Program Expenses	
Public Safety - Court System	
Salaries and Related Benefits	\$ 2,160,678
Contractual Services	1,972,290
Materials and Supplies	173,443
Lodging and Registration Fees	80,148
Depreciation	32,297
Intergovernmental Support	22,000
	<hr/>
Total Program Expenses	4,440,856
	<hr/>
Program Revenues	
Operating Grants and Contributions	2,326,354
Charges for Services	29,173
	<hr/>
Net Program Expenses	2,085,329
	<hr/>
General Revenues	
Judicial Fees (Excluding Drug Screen Fees)	1,305,294
Court Revenues	347,543
Other	131,530
Interest Income	10,495
	<hr/>
Total General Revenues	1,794,862
	<hr/>
Change in Net Position	(290,467)
	<hr/>
Net Position, Beginning of Year	3,410,259
	<hr/>
Net Position, End of Year	<u><u>\$ 3,119,792</u></u>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Balance Sheet
Governmental Funds
December 31, 2019**

	<u>General Fund</u>	<u>Special Revenue Funds</u>		
	<u>Judicial Expense Fund</u>	<u>Non- Support Fund</u>	<u>Specialty Courts Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and Cash Equivalents	\$ 2,837,559	\$ 131,144	\$ -	\$ 2,968,703
Receivables	350,466	103,575	284,073	738,114
Due from Other Court Funds	418,548	2,484	17,092	438,124
Total Assets	<u>\$ 3,606,573</u>	<u>\$ 237,203</u>	<u>\$ 301,165</u>	<u>\$ 4,144,941</u>
Liabilities				
Accounts Payable	\$ 590,899	\$ 275	\$ 4,141	\$ 595,315
Due to Other Court Funds	19,576	219,566	198,982	438,124
Total Liabilities	<u>610,475</u>	<u>219,841</u>	<u>203,123</u>	<u>1,033,439</u>
Fund Balances				
Restricted	-	17,362	98,042	115,404
Unassigned	2,996,098	-	-	2,996,098
Total Fund Balances	<u>2,996,098</u>	<u>17,362</u>	<u>98,042</u>	<u>3,111,502</u>
Total Liabilities and Fund Balances	<u>\$ 3,606,573</u>	<u>\$ 237,203</u>	<u>\$ 301,165</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 65,294

Long-term liabilities, like compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Compensated Absences (57,004)

Net Position of Governmental Activities \$ 3,119,792

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019**

	General Fund	Special Revenue Funds		Total
	Judicial Expense Fund	Non- Support Fund	Specialty Courts Fund	Governmental Funds
Revenues				
Court Revenues				
Court Costs	\$ 105,435	\$ -	\$ 7,879	\$ 113,314
Civil Cases	134,567	-	-	134,567
Bail Bond Fees	99,662	-	-	99,662
Judicial Fees				
Court Ordered Payments	48,995	640,127	-	689,122
Probation Fees	616,172	-	-	616,172
Drug Screens	8,364	-	20,809	29,173
Other Revenues				
Federal Grants	-	-	1,367,764	1,367,764
State Grants	-	-	958,590	958,590
Other Revenues	97,057	-	34,473	131,530
Interest Earned	9,453	486	556	10,495
Total Revenues	1,119,705	640,613	2,390,071	4,150,389
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	695,181	603,025	862,472	2,160,678
Contractual Services				
Evaluation/Testing/Treatment	43,000	-	1,057,007	1,100,007
Other	59,477	5,244	157,165	221,886
Legal and Professional Fees	94,934	3,050	55,713	153,697
Youth Service Bureau/CASA	80,669	-	-	80,669
Insurance	76,925	-	-	76,925
22nd JDC Public Defender	-	75,000	-	75,000
Rent	-	-	69,050	69,050
Contract Labor	56,679	937	-	57,616
Utilities	24,133	-	21,766	45,899
Deputy Detail	7,733	-	30,850	38,583
Court Reporters	38,250	-	-	38,250
Drug Screens	14,708	-	-	14,708
Materials and Supplies	152,202	2,160	19,081	173,443
Lodging and Registration Fees	40,041	8,256	31,851	80,148
Intergovernmental Support	22,000	-	-	22,000
Capital Outlays	7,216	-	1,959	9,175
Total Expenditures	1,413,148	697,672	2,306,914	4,417,734
(Deficiency) Excess of Revenues Over Expenditures	(293,443)	(57,059)	83,157	(267,345)
Net Change in Fund Balances	(293,443)	(57,059)	83,157	(267,345)
Fund Balances, Beginning of Year	3,289,541	74,421	14,885	3,378,847
Fund Balances, End of Year	\$ 2,996,098	\$ 17,362	\$ 98,042	\$ 3,111,502

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended December 31, 2019**

Amounts reported for governmental activities in the statement of activities
are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ (267,345)
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Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated
over their estimated useful lives and reported as depreciation
expense. This is the amount by which depreciation exceeded
capital outlays in the current period.

(23,122)

Change in Net Position of Governmental Activities	<u>\$ (290,467)</u>
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The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The basic financial statements of the Twenty-Second Judicial District Court (the Court) include the Judicial Expense General Fund, the Non-Support Special Revenue Fund, and the Specialty Courts Special Revenue Fund. The Criminal Court Fund is included in the basic financial statements of St. Tammany Parish (the Parish) because the Parish is responsible for any deficiency in the fund.

Basis of Presentation

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

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Court. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by the program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds.

Fund Financial Statements

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Court or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten (10) percent of the corresponding total for all governmental funds.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

The Court reports the following major governmental funds:

Judicial Expense General Fund

The Judicial Expense Fund of the Court was established under the provisions of Louisiana Legislative Act 553 (the Act) in 1980. The Act specifies that the clerks of courts and the sheriffs of the Parishes of St. Tammany and Washington shall collect a fee, limited by laws as to the amount, for each civil suit and criminal case filed within the Court's jurisdiction. The clerks of courts and the sheriffs of the Parishes of St. Tammany and Washington shall place all sums collected or received under this Act in a separate account, to be designated as the Judicial Expense Fund for the Court, in depositories to be designated by the Judges of the Court, en banc.

The Judges, en banc, shall have control over the fund and all disbursements made thereafter. They shall cause to be conducted annually an audit of the fund and the books and accounts relating thereto, and shall file the same with the Office of the Louisiana Legislative Auditor, where it shall be available for public inspection.

In general, the Judicial Expense Fund was established and may be used for any purpose or purposes connected with, incidental to, or related to the proper administration or function of the Court or the offices of the individual Judges and is in addition to any and all other funds, salaries, expenses, or other monies that are now or hereafter provided, authorized, or established by law for any of the aforementioned purposes. No salary shall be paid from the Judicial Expense Fund to any of the Judges of the Twenty-Second Judicial District Court, except as may be paid for administering the said funds, and then only after prior legislative approval.

Non-Support Special Revenue Fund

The Non-Support Fund of the Court was established under the provisions of Louisiana Revised Statute 46:236.5, effective January 1, 1989. Under this statute, the Court has implemented an expedited process for the establishment, modification, and enforcement of support obligations by authorizing and directing the Judge presiding over the Family Section (Child Support) of the Court to appoint one or more Hearing Officers, who shall serve at his pleasure, to hear support and support-related matters.

The fund is authorized to assess a fee of five (5) percent on all support obligations made executory on or after January 1, 1989, as a result of a hearing on a rule to enforce support.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Specialty Courts Special Revenue Fund

The Specialty Courts Fund was established in 1999. The Specialty Courts program is designed to be a prosecution diversion program for nonviolent offenders of illegal drug possession. The Specialty Courts program provides counseling to participants; however, the participants agree to random drug testing to monitor their use of illegal drugs.

Measurement Focus/Basis of Accounting

The government-wide financial statements are reported 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 and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

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

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred.

Budget Policies

The Court has adopted annual budgets for its Judicial Expense Fund, Non-Support Fund, and Specialty Courts Fund on a basis consistent with generally accepted accounting principles for all governmental funds. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditures must be approved by the Court. Budgeted amounts in the accompanying financial statements include all amendments. The Court does not use encumbrance accounting. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Investments

Cash includes all amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At December 31, 2019, the Court did not have any investments.

The Court may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Capital Assets

All capital assets of the Court are recorded at historical cost and are reported on the government-wide financial statements. Depreciation of all exhaustible capital assets is charged as an expense against their operations. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized over the remaining useful lives of the related capital assets, as applicable. It is the Court's policy to capitalize fixed assets over \$1,000. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures, and Equipment	3 - 10 Years	Straight-Line
Improvements and Renovations	20 Years	Straight-Line

Depreciation expense amounted to \$32,297 for the year ended December 31, 2019.

Compensated Absences

The Judges of the Court establish vacation policies for their respective employees. All other employees generally earn vacation according to the following length of employment:

One Year of Employment	-	One Week Vacation
Two Years of Employment	-	Two Weeks Vacation
Five Years of Employment	-	Three Weeks Vacation
Ten Years of Employment	-	Four Weeks Vacation

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

The Court allows full-time administrative personnel to carryover up to five days of their unused vacation time. Employees are allocated ten days of sick leave each year and are allowed to carry forward unused sick leave days. Upon termination, unused vacation time is paid to all employees in good standing with the Court, but any remaining sick leave is forfeited. At December 31, 2019, the Court had accrued compensated absences payable of \$57,004, which has been reported on the statement of net position.

Equity Classifications

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - Consists of amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - Consists of all other amounts not included in spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Court's policy is to apply restricted net position first.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

Interfund Transactions

Permanent re-allocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements

The GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of GASB 83 is to establish criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 83 to reporting periods beginning after June 15, 2019.

The GASB issued Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 84 to reporting periods beginning after December 15, 2019.

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 87 to reporting periods beginning after June 15, 2021.

The GASB issued Statement No. 88, *Certain Disclosures Related to Debt*. This Statement defines debt for purposes of disclosure in notes to the financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 88 to reporting periods beginning after June 15, 2019.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. In May 2020, the GASB issued

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of Statement No. 89 to reporting periods beginning after December 15, 2020.

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at December 31, 2019:

Demand Deposits	<u>\$ 2,968,703</u>
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These deposits are stated at cost, which approximates market.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Court's deposits may not be recovered. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2019, \$2,858,144 of the Court's total bank balance of \$3,108,144 was exposed to custodial credit risk. However, these deposits are secured from risk by the pledge of securities owned by the fiscal agent bank.

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 3. Receivables

The receivables at December 31, 2019 considered to be fully collectable are summarized below:

Class of Receivable	Judicial Expense Fund	Non-Support Fund	Specialty Courts Fund	Total
Accounts Receivable	\$ 302,117	\$ -	\$ -	\$ 302,117
Intergovernmental				
Grants	-	-	284,073	284,073
Court Costs and Fees	48,349	103,575	-	151,924
Total	\$ 350,466	\$ 103,575	\$ 284,073	\$ 738,114

Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated				
Computer Equipment	\$ 204,765	\$ 9,175	\$ (7,595)	\$ 206,345
Office Equipment	128,027	-	-	128,027
Furniture and Fixtures	52,123	-	-	52,123
Renovations	60,289	-	-	60,289
Total Capital Assets Being Depreciated	445,204	9,175	(7,595)	446,784
Less Accumulated Depreciation for:				
Computer Equipment	(165,335)	(15,409)	7,595	(173,149)
Office Equipment	(94,204)	(12,644)	-	(106,848)
Furniture and Fixtures	(49,022)	(1,230)	-	(50,252)
Renovations	(48,227)	(3,014)	-	(51,241)
Total Accumulated Depreciation	(356,788)	(32,297)	7,595	(381,490)
Capital Assets, Net	\$ 88,416	\$ (23,122)	\$ -	\$ 65,294

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 5. Restricted Fund Balances/Net Position

The balances of the restricted fund balance/net position accounts of the Court as of December 31, 2019 were as follows:

Restricted for Non-Support Fund	\$ 17,362
Restricted for Specialty Courts Fund	<u>98,042</u>
Total Restricted Fund Balances/Net Position	<u>\$ 115,404</u>

Note 6. Operating Leases

The Court leases office space and equipment under non-cancelable operating leases. Total costs for such leases were \$77,707 for the year ended December 31, 2019.

The future minimum lease payments for these leases are as follows:

Year Ended December 31,	Amount
2020	\$ 10,464
2021	4,608
2022	4,398
2023	<u>2,863</u>
Total	<u>\$ 22,333</u>

Note 7. Pension Plans

The employees of the Court belong to the Parochial Employees' Retirement System of Louisiana (the Plan). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by St. Tammany Parish and the Washington Parish Police Jury. The Court reimburses the Parish and the Police Jury for amounts in excess of what they are required to pay.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 8. Commitments

As authorized by Louisiana Revised Statute 46:236.5, and as ordered by the Judges of the Court, the Non-Support Fund is required to pay the Twenty-Second Judicial District Court Public Defender's Office \$6,250 per month. These payments shall continue until otherwise terminated by the Judges of the Court.

Note 9. Risk Management

The Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Court has obtained liability insurance for the Judges and Hearing Officers and other supporting staff, as well as for employee dishonesty. Losses associated with the destruction of or damage to assets are covered through St. Tammany Parish.

Note 10. Interfund Accounts and Transfers

The primary purpose of interfund receivables/payables is to loan monies between funds to cover current expenditures. Individual balances due from/to other funds as of December 31, 2019 were as follows:

	Due From	Due To
Judicial Expense Fund		
Non-Support Fund	\$ 219,566	\$ 2,484
Specialty Courts Fund	198,982	17,092
Non-Support Fund		
Judicial Expense Fund	2,484	219,566
Specialty Courts Fund		
Judicial Expense Fund	17,092	198,982
Total All Funds	<u>\$ 438,124</u>	<u>\$ 438,124</u>

Note 11. Excess Expenditures Over Appropriations

During the year ended December 31, 2019, the Specialty Court Fund's actual expenditures of \$2,306,914 exceeded the budgeted expenditures of \$2,304,037 resulting in an unfavorable variance of \$2,877.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA**

Notes to Financial Statements

Note 12. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Court operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Court.

REQUIRED SUPPLEMENTARY INFORMATION

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Judicial Expense General Fund
For the Year Ended December 31, 2019

	Budgetary Amounts		Actual -	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Court Revenues				
Civil Cases	\$ 127,000	\$ 135,000	\$ 134,567	\$ (433)
Court Costs	111,000	105,500	105,435	(65)
Bail Bond Fees	83,000	99,000	99,662	662
Judicial Fees				
Probation Fees	640,000	616,000	616,172	172
Drug Screens	22,000	8,332	8,364	32
Court Ordered Payments	46,000	49,000	48,995	(5)
Other Revenues				
Other Revenues	101,572	97,072	97,057	(15)
Interest Earned	3,400	9,550	9,453	(97)
Total Revenues	1,133,972	1,119,454	1,119,705	251
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	624,000	695,500	695,181	319
Contractual Services				
Legal and Professional Fees	97,200	95,335	94,934	401
Youth Service Bureau/CASA	82,572	80,572	80,669	(97)
Insurance	74,000	74,731	76,925	(2,194)
Other	61,700	60,295	59,477	818
Contract Labor	49,000	56,000	56,679	(679)
Evaluation/Testing/Treatment	43,500	43,250	43,000	250
Court Reporters	15,000	38,280	38,250	30
Utilities	29,000	24,000	24,133	(133)
Drug Screens	24,500	14,900	14,708	192
Deputy Detail	10,000	7,800	7,733	67
Materials and Supplies	249,500	154,000	152,202	1,798
Lodging and Registration Fees	52,500	39,500	40,041	(541)
Intergovernmental Support	22,000	22,000	22,000	-
Capital Outlays	100,000	7,500	7,216	284
Total Expenditures	1,534,472	1,413,663	1,413,148	515
Net Change in Fund Balance	\$ (400,500)	\$ (294,209)	(293,443)	\$ 766
Fund Balance, Beginning of Year			3,289,541	
Fund Balance, End of Year			\$ 2,996,098	

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Non-Support Special Revenue Fund
For the Year Ended December 31, 2019**

	Budgetary Amounts		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Judicial Fees				
Court Ordered Payments	\$ 650,000	\$ 640,500	\$ 640,127	\$ (373)
Other Revenues				
Interest Earned	125	500	486	(14)
Total Revenues	650,125	641,000	640,613	(387)
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	601,500	603,000	603,025	(25)
Contractual Services				
22nd JDC Public Defender	75,000	75,000	75,000	-
Other	5,900	3,000	5,244	(2,244)
Legal and Professional Fees	3,050	3,050	3,050	-
Contract Labor	3,500	1,000	937	63
Materials and Supplies	2,000	2,000	2,160	(160)
Lodging and Registration Fees	7,000	8,500	8,256	244
Capital Outlays	3,000	2,500	-	2,500
Total Expenditures	700,950	698,050	697,672	378
Net Change in Fund Balance	\$ (50,825)	\$ (57,050)	(57,059)	\$ (9)
Fund Balance, Beginning of Year			74,421	
Fund Balance, End of Year			\$ 17,362	

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Specialty Courts Special Revenue Fund
For the Year Ended December 31, 2019

	Budgetary Amounts		Actual -	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Favorable
				(Unfavorable)
Revenues				
Court Revenues				
Court Costs	\$ 8,000	\$ 8,500	\$ 7,879	\$ (621)
Judicial Fees				
Drug Screens	34,800	20,900	20,809	(91)
Other Revenues				
State Grants	968,600	958,670	958,590	(80)
Federal Grants	1,336,282	1,387,582	1,367,764	(19,818)
Other Revenues	20,000	34,500	34,473	(27)
Interest Earned	200	560	556	(4)
Total Revenues	2,367,882	2,410,712	2,390,071	(20,641)
Expenditures				
Public Safety - Court System				
Salaries and Related Benefits	819,122	862,522	862,472	50
Contractual Services				
Evaluation/Testing/Treatment	1,068,758	1,056,800	1,057,007	(207)
Other	130,599	153,700	157,165	(3,465)
Legal and Professional Fees	103,000	55,725	55,713	12
Rent	72,360	69,860	69,050	810
Deputy Detail	43,560	30,900	30,850	50
Utilities	22,660	22,000	21,766	234
Materials and Supplies	14,300	19,030	19,081	(51)
Lodging and Registration Fees	67,122	31,500	31,851	(351)
Capital Outlays	47,000	2,000	1,959	41
Total Expenditures	2,388,481	2,304,037	2,306,914	(2,877)
Net Change in Fund Balance	\$ (20,599)	\$ 106,675	83,157	\$ (23,518)
Fund Balance, Beginning of Year			14,885	
Fund Balance, End of Year			\$ 98,042	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads
For the Year Ended December 31, 2019**

Agency Head

District A - Honorable Raymond S. Childress

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$3,600
Per Diem	\$649
Reimbursements	\$0
Travel	\$0
Registration Fees	\$820
Cell Phone	\$1,712
Dues	\$360
Conference Travel	\$495
Continuing Professional Education Fees	\$0
Lodging	\$908
Other Expenses	\$82
Special Meals	\$139

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District B - Honorable August J. Hand

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$3,373
Per Diem	\$885
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$1,721
Dues	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$1,299
Other Expenses	\$0
Special Meals	\$151

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District C - Honorable Richard A. Swartz, Jr., Chief Judge

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$3,282
Automobile Allowance	\$0
Per Diem	\$708
Reimbursements	\$0
Travel	\$0
Registration Fees	\$1,245
Cell Phone	\$1,231
Dues	\$0
Conference Travel	\$1,969
Continuing Professional Education Fees	\$0
Lodging	\$1,616
Other Expenses	\$0
Special Meals	\$180

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District D - Honorable Peter J. Garcia

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$6,309
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$55
Cell Phone	\$1,231
Dues	\$150
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$128

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019

Agency Head

District E - Honorable William H. Burris

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$834
Automobile Allowance	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$1,231
Dues	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$153

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District F - Honorable Martin E. Coady

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$1,231
Dues	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$163

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019

Agency Head

District G - Honorable Scott C. Gardner

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$519
Dues	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$140

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019

Agency Head

District H - Honorable Alan A. Zaunbrecher

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$1,231
Dues	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$128

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District I - Honorable Reginald T. Badeaux, III

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$1,673
Dues	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$157

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District J - Honorable William J. Knight

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$383
Automobile Allowance	\$0
Per Diem	\$1,652
Reimbursements	\$0
Travel	\$0
Registration Fees	\$1,515
Cell Phone	\$1,386
Dues	\$380
Conference Travel	\$944
Continuing Professional Education Fees	\$0
Lodging	\$2,528
Other Expenses	\$0
Special Meals	\$163

See independent auditor's report.

TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019

Agency Head

District K - Honorable Mary C. Devereux

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$0
Per Diem	\$1,770
Reimbursements	\$0
Travel	\$0
Registration Fees	\$3,900
Cell Phone	\$1,695
Dues	\$865
Conference Travel	\$1,368
Continuing Professional Education Fees	\$0
Lodging	\$2,421
Other Expenses	\$0
Special Meals	\$157

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2019**

Agency Head

District L - Honorable Dawn Amacker

Purpose	Amount Paid by the Court
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Mileage	\$0
Automobile Allowance	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Cell Phone	\$2,311
Dues	\$1,115
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Lodging	\$0
Other Expenses	\$0
Special Meals	\$191

See independent auditor's report.

**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**

Independent Auditor's Report

To the Chief Judge and Judges
of the Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Court (the Court), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated June 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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. 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 the 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 Court'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 Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 24, 2020

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report

To the Chief Judge and Judges
of the Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Twenty-Second Judicial District Court's (the Court) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Court's major federal programs for the year ended December 31, 2019. The Court's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Court's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Court's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Court's compliance.

Opinion on Each Major Federal Program

In our opinion, the Court complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Court is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Court's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



A Professional Accounting Corporation

Covington, LA
June 24, 2020

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through Substance Abuse and Mental Health Services Administration			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	16T126706A	\$ 443,428
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	17T180137A	292,622
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	18T181020A	<u>247,958</u>
			984,008
Passed through the Supreme Court State of Louisiana Office of the Judicial Administration			
Temporary Assistance for Needy Families	93.558		<u>383,756</u>
Total U.S. Department of Health and Human Services			<u>1,367,764</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,367,764</u></u>

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019**

Note 1. General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Twenty-Second Judicial District Court (the Court). The Court's reporting entity is defined in Note 1 to the basic financial statements for the year ended December 31, 2019. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal assistance passed through other government agencies.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting which is described in Note 1 to the Court's basic financial statements for the year ended December 31, 2019.

Note 3. De Minimis Cost Rate

The Court has not elected to use the 10% de minimis indirect cost rate as provided for in Section 200.414 of the Uniform Guidance.

**TWENTY-SECOND JUDICIAL DISTRICT COURT
WASHINGTON, ST. TAMMANY PARISHES, LOUISIANA
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|------------------------------|
| 3. Internal control over major programs | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 4. Type of auditor's report issued on compliance for each major program | Unmodified |
| 5. Audit findings disclosed that are required in accordance with Section 2 CFR 200.516(a) | None |
| 6. Identification of major programs | |
| Substance Abuse and Mental Health Services | <u>CFDA Number</u>
93.243 |
| 7. Dollar threshold used to distinguish between Type A and B programs | \$750,000 |
| 8. Auditee qualified as a low-risk auditee under 2 CFR 200.520? | Yes |

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

AGREED-UPON PROCEDURES REPORT

Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2019 - December 31, 2019

To the Chief Judge and Judges
of the Twenty-Second Judicial District Court
Washington, St. Tammany Parishes, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the Twenty-Second Judicial District Court (the Court) is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Court and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Court's compliance with certain laws and regulations during the period of January 1, 2019 through December 31, 2019, in accordance with Act 774 of 2014 Regular Legislative Session. 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.

Our procedures and findings are as follows:

Travel and Travel-Related Expense Reimbursement (excluding card transactions) (follow-up)

1. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements (to include at least 1 LSBA/Louisiana Judicial College Joint Summer School reimbursement, if any), obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation.

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For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established by the State of Louisiana, the U.S. General Services Administration (www.gsa.gov) or the Judicial Administrator of the Louisiana Supreme Court (for Summer School per diem only).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased (and that the reimbursement is within allowable amounts prescribed by the Judicial Administrator of the Louisiana Supreme Court, if applicable).
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy.
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: We noted that 2 of the 5 reimbursements tested were expensed at the mileage rate from 2018 instead of the correct rate in 2019. No other exceptions were noted as a result of performing this procedure.

Management's Response: Management will inform all approvers of change to mileage and make sure going forward all mileage is paid at correct rate.

Ethics (follow-up)

1. Obtain and inspect the entity's written policies and procedures over ethics and observe that they address actions to be taken if an ethics violation takes place; system to monitor possible ethics violations; and requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Results: We obtained and inspected the entity's written policies and procedures over ethics and noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

1. Obtain and inspect the entity's written policies and procedures over information technology disaster recovery/business continuity (or the equivalent contractual terms if IT services are outsourced) and observe that they address (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.

Results: We obtained and inspected the entity's written policies and procedures over information technology disaster recovery/business continuity and noted no exceptions.

2. Perform the following sub-procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have active antivirus software and that the antivirus, operating system, and accounting system software are the most recent versions available (i.e., up-to-date).

Results: No exceptions noted.

Sexual Harassment

1. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of Louisiana Revised Statutes (R.S.) 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Results: The Court's written sexual harassment policies and procedures do not address the annual reporting requirements. No other exceptions were noted as a result of performing this procedure.

Management's Response: Management will edit the Court's policies and procedures to address the annual reporting requirements.

2. Obtain a listing of employees/elected officials/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/elected officials/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/elected official/board member completed at least one hour of sexual harassment training during the calendar year.

Results: No exceptions noted.

3. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: No exceptions noted.

4. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Results: No exceptions noted.

Completeness of Collections

1. Obtain and inspect the entity's written policies and procedures over collections and observe that they address management's actions to determine the completeness of collections for each type of revenue, including fines/fees (e.g., periodic confirmation with the sheriff and clerk of court, if applicable, regarding the amounts remitted to the court).

Results: No exceptions noted.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to perform, and did not perform an examination or review, the objective of which would be the expression of an opinion or conclusion. 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 report is intended solely for the use of the management of the Twenty-Second Judicial District Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 24, 2020