

**INDEPENDENT AUDITORS' REPORT ON  
BASIC FINANCIAL STATEMENTS, COMPLIANCE,  
AND INTERNAL CONTROLS OF THE  
TWENTY-FOURTH JUDICIAL DISTRICT COURT  
FOR THE PARISH OF JEFFERSON, LOUISIANA**  
*December 31, 2018*

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

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# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

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## INDEPENDENT AUDITORS' REPORT

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twenty-Fourth Judicial District Court (the Court), as of and for the year ended December 31, 2018, 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.

### Auditors' 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 Court as of December 31, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 8 and 39 through 43 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 inquires 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 combining nonmajor governmental fund financial statements and the schedule of compensation, benefits, and other payments to agency heads 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 and prepared in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the amounts paid by the Court on the schedule 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 combining and individual nonmajor fund financial statements, the schedule of compensation, benefits, and other payments paid 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 20, 2019, on our consideration of the 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 on compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

KUSHNER LAGRAIZE, L.L.C.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 20, 2019

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

*Management's Discussion and Analysis*

*December 31, 2018*

The Management's Discussion and Analysis (MD&A) of the Twenty-Fourth Judicial District Court's (the Court's) annual financial report provides important background information and management's analysis of the Court's financial performance during the fiscal year that ended on December 31, 2018. Please read this section in conjunction with the basic financial statements and the notes to the financial statements beginning on page 21 of this report.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2018) and the prior year (2017) is required to be presented in the MD&A.

## **FINANCIAL HIGHLIGHTS**

The net position of the Court at the close of 2018 was \$966,608 of which \$274,171 is investment in capital assets and \$398,565 is restricted for the operational costs for the Twenty-Fourth Judicial District Intensive Probation Drug Court, Indigent Transcript, Intensive Probation Services, DWI Court, Veterans Court, Smart Supervision, and the Domestic Support Services. The remainder is considered unrestricted and may be used for any lawful purpose.

The Court's change in net position increased by \$17,906 in 2018, primarily due to an increase in the operating revenues of \$42,409 and a decrease in operating expenses of \$154,283. However, the Court also recorded a prior period adjustment related to the implementation of GASB Statement No. 75 in the amount of \$522,942, which reduced total net position.

Operating revenues increased \$42,409 during 2018 due to an increase in intergovernmental revenues related to the implementation of the Smart Supervision Program.

Operating expenses decreased \$154,283 during 2018 due to a decrease in expenses related to pensions and current health insurance benefits.

# **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

*Management's Discussion and Analysis - Continued*

*December 31, 2018*

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This financial report consists of the following basic parts: management's discussion and analysis (this section) the basic financial statements, the notes to the financial statements and supplementary information.

The basic financial statements contained in this report are presented using Governmental Accounting Standards Board (GASB) accounting principles. These financial statements provide overall information about the Court's financial activities on both a short-term and long-term basis. The statement of net position presents information about its assets (resources) and liabilities (the amounts obligated to its creditors). The statement of activities presents information about the current years' revenues and expenses. This statement can be used to measure operating improvements or deterioration. The statement also provides useful information for determining whether the Court's revenues were sufficient to allow the Court to recover all its costs. The notes to financial statements are also an integral part of this report.

## **FINANCIAL ANALYSIS OF THE COURT**

The statement of net position and the statement of activities report information about the Court's activities. These two statements report the net position of the Court and changes in them. Increases or decreases in the Court's net position are one of a number of indicators of whether its overall financial health is improving or deteriorating. However, other non-financial factors that should also be considered include:

- Number of filings (Civil and Criminal)
- Number of Criminal Bonds issued
- Number of participants in Court programs
- Economic condition of the State and Parish

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

*Management's Discussion and Analysis - Continued*

*December 31, 2018*

### **Net Position**

A summary of the Court's statements of net position is presented in Table I below.

TABLE I

Condensed Statements of Net Position  
as of December 31, 2018 and 2017

|                                  | <u>2018</u>       | <u>2017</u>         | <u>Change</u>       |
|----------------------------------|-------------------|---------------------|---------------------|
| Current Assets and other assets  | \$ 2,348,243      | \$ 1,975,542        | \$ 372,701          |
| Capital assets - net             | <u>274,171</u>    | <u>360,455</u>      | <u>(86,284)</u>     |
| Total Assets                     | <u>2,622,414</u>  | <u>2,335,997</u>    | <u>286,417</u>      |
| Deferred Outflows of Resources   | <u>269,377</u>    | <u>343,855</u>      | <u>(74,478)</u>     |
| Current Liabilities              | 565,137           | 458,258             | 106,879             |
| Non-Current Liabilities          | <u>1,070,003</u>  | <u>712,377</u>      | <u>357,626</u>      |
| Total Liabilities                | <u>1,635,140</u>  | <u>1,170,635</u>    | <u>464,505</u>      |
| Deferred Inflows of Resources    | <u>290,043</u>    | <u>45,145</u>       | <u>244,898</u>      |
| Net Position:                    |                   |                     |                     |
| Net investment in capital assets | 274,171           | 360,455             | (86,284)            |
| Restricted                       | 398,565           | 312,908             | 85,657              |
| Unrestricted                     | <u>293,872</u>    | <u>790,709</u>      | <u>(496,837)</u>    |
| Total Net Position               | <u>\$ 966,608</u> | <u>\$ 1,464,072</u> | <u>\$ (497,464)</u> |

As shown in Table I, total assets increased by \$286,417 from \$2,335,997 in 2017 to \$2,622,414 at December 31, 2018. Liabilities increased by \$464,505 from \$1,170,635 in 2017 to \$1,635,140 at December 31, 2018. Capital assets-net decreased by \$86,284 from \$360,455 in 2017 to \$274,171 at December 31, 2018 primarily due to an increase in depreciation of new courtroom equipment.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

*Management's Discussion and Analysis - Continued*

December 31, 2018

### **Changes in Net Position**

The Court's net position decreased \$497,464 to \$966,608 in fiscal year 2018, from \$1,464,072 at the end of fiscal year 2017. The change resulted primarily from the implementation of GASB Statement No. 75.

### **Summary of Statements of Activities**

The following table presents a summary of the Court's historical revenues and expenses for the fiscal years ended December 31, 2018 and 2017:

TABLE 2

Condensed Statements of Activities  
For the Years Ended December 31, 2018 and 2017

|   | <u>2018</u>        | <u>2017</u>         | <u>Change</u>       |
|---|--------------------|---------------------|---------------------|
| Operating revenues  | \$ 6,510,078       | \$ 6,467,669        | \$ 42,409           |
| Operating expenses  | <u>8,095,083</u>   | <u>8,249,366</u>    | <u>(154,283)</u>    |
| Operating loss  | <u>(1,585,005)</u> | <u>(1,781,697)</u>  | <u>196,692</u>      |
| Non-operating revenues                                    |                    |                     |                     |
| General revenues  | <u>1,610,483</u>   | <u>1,789,269</u>    | <u>(178,786)</u>    |
| Change in net position                                    | 25,478             | 7,572               | 17,906              |
| Total net position, beginning of year (originally stated) | 1,464,072          | 1,456,500           | 7,572               |
| Prior period adjustments                                  | <u>(522,942)</u>   | <u>-</u>            | <u>(522,942)</u>    |
| Total net position, beginning of the year (restated)      | <u>941,130</u>     | <u>1,456,500</u>    | <u>(515,370)</u>    |
| Total net position, end of year                           | <u>\$ 966,608</u>  | <u>\$ 1,464,072</u> | <u>\$ (497,464)</u> |

Operating loss decreased by \$196,692 in 2018 due to a decrease in costs related to the Court's Pension, salaries and corresponding benefits, a decrease in general operating costs for all funds, as well as an increase in revenues related to the implementation of the Smart Supervision Program as noted earlier. Total net position was \$966,608 and \$1,464,072 at the end of 2018 and 2017, respectively. The \$497,464 decrease in net position is due to the factors noted above.

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

*Management's Discussion and Analysis - Continued*

*December 31, 2018*

### ***Budgets***

The budget for the Judicial Expense Fund was amended one time during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original budget and the final amended budget were as follows:

- Capital outlay was decreased \$50,000 due to a decrease in the anticipated purchase of courtroom evidence video presentation systems.
- Charges for services: Criminal Bond Fees were increased by \$15,000 in order to adjust for the amount of the Criminal Bond Fees submitted from the Jefferson Parish Sheriff's Office.

### ***Contacting the Court's Financial Management***

This financial report is designed to provide all interested parties with a general overview of the Court's finances and to demonstrate the Court's accountability for money it receives. If you have questions about this report or need additional financial information, contact the Judicial Administrator's Office at (504) 364-3990.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# TWENTY-FOURTH JUDICIAL DISTRICT COURT

## STATEMENT OF NET POSITION

December 31, 2018

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Cash   | \$ 2,008,968                       |
| Accounts receivable  | 9,428                              |
| Due from other governments   | 219,781                            |
| Prepaid expenses   | 12,000                             |
| Capital assets (net of accumulated depreciation)   | 274,171                            |
| Net pension asset  | <u>98,066</u>                      |
| <b>TOTAL ASSETS</b>  | <b>2,622,414</b>                   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>  |                                    |
| Post-measurement date contributions  | 96,004                             |
| Net difference between projected and actual investment earnings on OPEB plan investments                   | 2,196                              |
| Changes of assumptions related to pension calculation  | 123,774                            |
| Changes of assumptions related to OPEB calculation   | 43,709                             |
| Changes in proportion and differences between Court contributions and proportionate share of contributions | <u>3,694</u>                       |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>  | <b>269,377</b>                     |
| <b>LIABILITIES</b>   |                                    |
| Accounts payable   | 395,784                            |
| Accrued payroll  | 24,061                             |
| Due to victims   | 134,778                            |
| Due to other governments   | 10,514                             |
| Noncurrent liabilities:  |                                    |
| OPEB payable   | <u>1,070,003</u>                   |
| <b>TOTAL LIABILITIES</b>   | <b>1,635,140</b>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                                    |
| Net difference between projected and actual investment earnings on pension plan investments                | 226,562                            |
| Differences between expected and actual experience   | <u>63,481</u>                      |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>   | <b>290,043</b>                     |
| <b>NET POSITION</b>  |                                    |
| Net investment in capital assets   | 274,171                            |
| Restricted   | 398,565                            |
| Unrestricted   | <u>293,872</u>                     |
| <b>TOTAL NET POSITION</b>  | <b><u>\$ 966,608</u></b>           |

The accompanying notes are an integral part of this statement.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**STATEMENT OF ACTIVITIES**  
*For the Year Ended December 31, 2018*

| <u>Functions/Programs</u>                          | <u>Expenses</u>     | <u>Program Revenues</u>         |                             | <u>Net (Expenses)<br/>Revenues<br/>and Changes<br/>in Net Position</u> |
|--|---------------------|---------------------------------|-----------------------------|--|
|  |                     | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants</u> |  |
| Governmental Activities:                           |                     |                                 |                             |  |
| Judicial Activities:                               | <u>\$ 8,095,083</u> | <u>\$ 1,455,587</u>             | <u>\$ 5,054,491</u>         | <u>\$ (1,585,005)</u>  |
| Total Governmental Activities                      | <u>\$ 8,095,083</u> | <u>\$ 1,455,587</u>             | <u>\$ 5,054,491</u>         | (1,585,005)  |
| General revenues:                                  |                     |                                 |                             |  |
| Fines and fees                                     |                     |                                 |                             | 988,413  |
| Interest income                                    |                     |                                 |                             | 453  |
| Intergovernmental                                  |                     |                                 |                             | 621,194  |
| Miscellaneous                                      |                     |                                 |                             | <u>423</u>   |
| Total general revenues                             |                     |                                 |                             | <u>1,610,483</u>   |
| Change in net position                             |                     |                                 |                             | 25,478   |
| Net position - January 1, 2018 (originally stated) |                     |                                 |                             | 1,464,072  |
| Prior period adjustment                            |                     |                                 |                             | <u>(522,942)</u>   |
| Net position – January 1, 2018 (restated)          |                     |                                 |                             | <u>941,130</u>   |
| Net position – December 31, 2018                   |                     |                                 |                             | <u>\$ 966,608</u>  |

***FUND FINANCIAL STATEMENTS***

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
*December 31, 2018*

|                            | Judicial<br>Expense<br>Fund | Intensive<br>Probation<br>Drug Court<br>Fund | Collections<br>Fund | Legal<br>Assistance<br>Program<br>Fund | Intensive<br>Probation<br>Services<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------|-----------------------------|--|---------------------|--|--|-----------------------------------|--------------------------------|
| <b>ASSETS</b>              |                             |  |                     |  |  |                                   |                                |
| Cash and cash equivalents  | \$ 1,080,479                | \$ 156,965                                   | \$ 248,001          | \$ 90,233                              | \$ 34,461                                  | \$ 398,829                        | \$ 2,008,968                   |
| Accounts receivable        | 403                         | -  | -                   | 6,527                                  | -  | 2,498                             | 9,428                          |
| Due from other funds       | 176,672                     | 6,802  | 725                 | -                                      | 753  | 33,582                            | 218,534                        |
| Due from other governments | 45,220                      | 115,038                                      | -                   | -                                      | -  | 59,523                            | 219,781                        |
| Prepaid insurance          | 12,000                      | -  | -                   | -                                      | -  | -                                 | 12,000                         |
|                            |                             |  |                     |  |  |                                   |                                |
| TOTAL ASSETS               | <u>\$ 1,314,774</u>         | <u>\$ 278,805</u>                            | <u>\$ 248,726</u>   | <u>\$ 96,760</u>                       | <u>\$ 35,214</u>                           | <u>\$ 494,432</u>                 | <u>\$ 2,468,711</u>            |
| <b>LIABILITIES</b>         |                             |  |                     |  |  |                                   |                                |
| Accounts payable           | \$ 5,114                    | \$ 108,789                                   | \$ 95,459           | \$ 96,760                              | \$ 24,771                                  | \$ 64,891                         | \$ 395,784                     |
| Accrued payroll            | -                           | 8,423  | -                   | -                                      | 7,259                                      | 8,379                             | 24,061                         |
| Due to victims             | -                           | -  | 134,778             | -                                      | -  | -                                 | 134,778                        |
| Due to other funds         | 159                         | 67,460                                       | 7,975               | -                                      | 50,728                                     | 92,212                            | 218,534                        |
| Due to other governments   | -                           | -  | 10,514              | -                                      | -  | -                                 | 10,514                         |
|                            |                             |  |                     |  |  |                                   |                                |
| TOTAL LIABILITIES          | <u>5,273</u>                | <u>184,672</u>                               | <u>248,726</u>      | <u>96,760</u>                          | <u>82,758</u>                              | <u>165,482</u>                    | <u>783,671</u>                 |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS - CONTINUED**  
*December 31, 2018*

|  | Judicial<br>Expense<br>Fund | Intensive<br>Probation<br>Drug Court<br>Fund | Collections<br>Fund | Legal<br>Assistance<br>Program<br>Fund | Intensive<br>Probation<br>Services<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------|--|---------------------|--|--|-----------------------------------|--------------------------------|
| FUND BALANCES                          |                             |  |                     |  |  |                                   |                                |
| Nonspendable                           | 12,000                      | -  | -                   | -                                      | -  | -                                 | 12,000                         |
| Restricted                             | -                           | 94,133                                       | -                   | -                                      | -  | 304,432                           | 398,565                        |
| Committed                              | 543,697                     | -  | -                   | -                                      | -  | -                                 | 543,697                        |
| Assigned                               | -                           | -  | -                   | -                                      | -  | 24,518                            | 24,518                         |
| Unassigned                             | 753,804                     | -  | -                   | -                                      | (47,544)                                   | -                                 | 706,260                        |
|  |                             |  |                     |  |  |                                   |                                |
| TOTAL FUND BALANCES                    | 1,309,501                   | 94,133                                       | -                   | -                                      | (47,544)                                   | 328,950                           | 1,685,040                      |
|  |                             |  |                     |  |  |                                   |                                |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u>\$ 1,314,774</u>         | <u>\$ 278,805</u>                            | <u>\$ 248,726</u>   | <u>\$ 96,760</u>                       | <u>\$ 35,214</u>                           | <u>\$ 494,432</u>                 | <u>\$ 2,468,711</u>            |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
*December 31, 2018*

|   |  |                   |
|---|--|-------------------|
| Total fund balances – Governmental Funds  |  | \$ 1,685,040      |
| Cost of capital assets  |  | 1,197,068         |
| Less accumulated depreciation   |  | (922,897)         |
| <p>In accordance with Government Accounting Standards Board Statements on pension and other post-employment benefit plans, the net pension and OPEB assets (liabilities) related to the pension plans, OPEB plans, deferred outflows of resources and deferred inflows of resources are not recorded in governmental funds:</p> |  |                   |
| Net OPEB liability  |  | (1,070,003)       |
| Net pension asset   |  | 98,066            |
| <p>Deferred outflows of resources:</p>  |  |                   |
| Post-measurement date contributions   |  | 96,004            |
| Net difference between projected and actual investment earnings on OPEB plan investments  |  | 2,196             |
| Changes of assumptions related to pension calculation   |  | 123,774           |
| Changes of assumptions related to OPEB calculation  |  | 43,709            |
| Changes in proportion and differences between Court contributions and proportionate share of contributions  |  | 3,694             |
| <p>Deferred inflows of resources</p>  |  |                   |
| Net difference between projected and actual investment earnings on pension plan investments   |  | (226,562)         |
| Differences between expected and actual experience  |  | <u>(63,481)</u>   |
| Net Position of Governmental Activities   |  | <u>\$ 966,608</u> |

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES**  
*For the Year Ended December 31, 2018*

|                                   | Judicial<br>Expense<br>Fund | Intensive<br>Probation<br>Drug Court<br>Fund | Collections<br>Fund | Legal<br>Assistance<br>Program<br>Fund | Intensive<br>Probation<br>Services<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------|-----------------------------|--|---------------------|--|--|-----------------------------------|--------------------------------|
| <b>REVENUES</b>                   |                             |  |                     |  |  |                                   |                                |
| Charges for Services              |                             |  |                     |  |  |                                   |                                |
| Clerk of Court fees               | \$ 278,635                  | \$ -   | \$ -                | \$ -                                   | \$ -                                       | \$ -                              | \$ 278,635                     |
| Bond fees                         | 329,497                     | -  | -                   | -                                      | -  | -                                 | 329,497                        |
| Assessment fees                   | -                           | 145,999                                      | -                   | -                                      | -  | -                                 | 145,999                        |
| Supervision fees                  | -                           | -  | -                   | -                                      | -  | 132,147                           | 132,147                        |
| Drug Lab fees                     | -                           | -  | -                   | -                                      | 130,786                                    | 279,417                           | 410,203                        |
| Legal assistance fees             | -                           | -  | -                   | 97,741                                 | -  | -                                 | 97,741                         |
| Indigent transcript fees          | -                           | -  | -                   | -                                      | -  | 61,317                            | 61,317                         |
| Domestic support enforcement fees | -                           | -  | -                   | -                                      | -  | 48                                | 48                             |
| Other Revenues                    |                             |  |                     |  |  |                                   |                                |
| Fines and fees                    | 1,700                       | -  | 2,956,035           | -                                      | -  | -                                 | 2,957,735                      |
| Federal grants                    | -                           | 167,041                                      | -                   | -                                      | -  | 59,399                            | 226,440                        |
| Interest income                   | 201                         | -  | 250                 | -                                      | -  | 2                                 | 453                            |
| Intergovernmental                 | 4,837,651                   | 388,506                                      | -                   | -                                      | -  | 223,088                           | 5,449,245                      |
| Miscellaneous                     | 401                         | -  | 22                  | -                                      | -  | -                                 | 423                            |
| <b>TOTAL REVENUES</b>             | <b>5,448,085</b>            | <b>701,546</b>                               | <b>2,956,307</b>    | <b>97,741</b>                          | <b>130,786</b>                             | <b>755,418</b>                    | <b>10,089,883</b>              |
| <b>EXPENDITURES</b>               |                             |  |                     |  |  |                                   |                                |
| Judicial Activities               |                             |  |                     |  |  |                                   |                                |
| Advertising                       | -                           | 320  | -                   | -                                      | 320  | 265                               | 905                            |
| Audit fees                        | 34,596                      | 14,184                                       | -                   | 981                                    | 2,990                                      | 15,758                            | 68,509                         |
| Banking                           | 1,287                       | -  | -                   | -                                      | -  | 101                               | 1,388                          |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES - CONTINUED**  
*For the Year Ended December 31, 2018*

|  | Judicial<br>Expense<br>Fund | Intensive<br>Probation<br>Drug Court<br>Fund | Collections<br>Fund | Legal<br>Assistance<br>Program<br>Fund | Intensive<br>Probation<br>Services<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------|--|---------------------|--|--|-----------------------------------|--------------------------------|
| EXPENDITURES-continued                 |                             |  |                     |  |  |                                   |                                |
| Computer and<br>noninventory equipment | 10,840                      | 316  | -                   | -                                      | 11,159                                     | 5,444                             | 27,759                         |
| Computer services                      | -                           | 8,022  | -                   | -                                      | -  | 10,028                            | 18,050                         |
| Contract personnel                     | -                           | 152,737                                      | -                   | -                                      | -  | 11,655                            | 164,392                        |
| Court reporters                        | -                           | -  | -                   | -                                      | -  | 46,342                            | 46,342                         |
| Drug tests                             | -                           | -  | -                   | -                                      | -  | 4,428                             | 4,428                          |
| Drug testing supplies                  | -                           | -  | -                   | -                                      | -  | 113,321                           | 113,321                        |
| Dues and subscriptions                 | 38,195                      | -  | -                   | -                                      | -  | 50                                | 38,245                         |
| Equipment rental                       | -                           | 4,457  | -                   | -                                      | -  | 261                               | 4,718                          |
| Expense allowance                      | -                           | -  | -                   | -                                      | -  | 200                               | 200                            |
| Health - current                       | 449,358                     | 37,478                                       | -                   | -                                      | 44,644                                     | 47,862                            | 579,342                        |
| Health - retirement                    | 166,525                     | -  | -                   | -                                      | -  | -                                 | 166,525                        |
| JPRS                                   | 33,394                      | 2,689  | -                   | -                                      | 2,082                                      | 2,764                             | 40,929                         |
| Legal assistance                       | -                           | -  | -                   | 96,760                                 | -  | -                                 | 96,760                         |
| Liability insurance                    | 45,355                      | -  | -                   | -                                      | -  | -                                 | 45,355                         |
| Life - current                         | 4,326                       | 291  | -                   | -                                      | 255  | 338                               | 5,210                          |
| Life - retirement                      | 5,903                       | -  | -                   | -                                      | -  | -                                 | 5,903                          |
| Linen services                         | -                           | 768  | -                   | -                                      | -  | -                                 | 768                            |
| Medicare                               | 48,018                      | 4,006  | -                   | -                                      | 3,137                                      | 4,170                             | 59,331                         |
| Meetings                               | 9,907                       | -  | -                   | -                                      | -  | -                                 | 9,907                          |
| Miscellaneous expense                  | 24,166                      | 346  | -                   | -                                      | -  | 837                               | 25,349                         |
| Office supplies                        | 28,751                      | 11,979                                       | -                   | -                                      | 6,427                                      | 12,628                            | 59,785                         |
| Online services                        | 92,126                      | -  | -                   | -                                      | -  | -                                 | 92,126                         |
| PAR employee                           | 401,071                     | 33,094                                       | -                   | -                                      | 26,977                                     | 35,087                            | 496,229                        |
| Pension factor                         | 23,557                      | 718  | -                   | -                                      | 585  | 761                               | 25,621                         |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES - CONTINUED**  
*For the Year Ended December 31, 2018*

|  | Judicial<br>Expense<br>Fund | Intensive<br>Probation<br>Drug Court<br>Fund | Collections<br>Fund | Legal<br>Assistance<br>Program<br>Fund | Intensive<br>Probation<br>Services<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------|--|---------------------|--|--|-----------------------------------|--------------------------------|
| EXPENDITURES-continued                                       |                             |  |                     |  |  |                                   |                                |
| Professional services  | 12,175                      | 228,668                                      | -                   | -                                      | -  | 134,231                           | 375,074                        |
| Postage  | 448                         | -  | -                   | -                                      | -  | -                                 | 448                            |
| Repairs and maintenance                                      | 32,496                      | 135  | -                   | -                                      | 170  | 50                                | 32,851                         |
| Restitution  | -                           | -  | 654,158             | -                                      | -  | -                                 | 654,158                        |
| Salaries   | 3,676,143                   | 298,628                                      | -                   | -                                      | 230,637                                    | 309,967                           | 4,515,375                      |
| Security guard   | -                           | -  | -                   | -                                      | -  | 2,563                             | 2,563                          |
| Social security  | 12,398                      | 671  | -                   | -                                      | -  | 187                               | 13,256                         |
| Storage  | 16,542                      | -  | -                   | -                                      | -  | -                                 | 16,542                         |
| Training & travel  | 86,061                      | 9,066  | -                   | -                                      | -  | 5,898                             | 101,025                        |
| Unemployment   | 7,358                       | 605  | -                   | -                                      | 471  | 619                               | 9,053                          |
| Wireless service   | 13,428                      | 2,021  | -                   | -                                      | -  | 1,460                             | 16,909                         |
| Capital outlay   | 16,645                      | 1,509  | -                   | -                                      | -  | -                                 | 18,154                         |
| <b>TOTAL<br/>EXPENDITURES</b>                                | <b>5,291,069</b>            | <b>812,708</b>                               | <b>654,158</b>      | <b>97,741</b>                          | <b>329,854</b>                             | <b>767,275</b>                    | <b>7,952,805</b>               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <b>157,016</b>              | <b>(111,162)</b>                             | <b>2,302,149</b>    | <b>-</b>                               | <b>(199,068)</b>                           | <b>(11,857)</b>                   | <b>2,137,078</b>               |
| OTHER FINANCING SOURCES (USES)                               |                             |  |                     |  |  |                                   |                                |
| Transfers in (out)   |                             |  |                     |  |  |                                   |                                |
| Judicial interest  | 29,582                      | -  | (29,582)            | -                                      | -  | -                                 | -                              |
| Contempt payments  | 7,590                       | -  | (7,590)             | -                                      | -  | -                                 | -                              |
| Supervision fees   | -                           | 143,683                                      | (295,655)           | -                                      | 144,893                                    | 7,079                             | -                              |
| Other  | -                           | -  | -                   | -                                      | (32,662)                                   | 32,662                            | -                              |
| <b>Total transfers in (out)</b>                              | <b>37,172</b>               | <b>143,683</b>                               | <b>(332,827)</b>    | <b>-</b>                               | <b>112,231</b>                             | <b>39,741</b>                     | <b>-</b>                       |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND TYPES - CONTINUED**  
*For the Year Ended December 31, 2018*

|  | Judicial<br>Expense<br>Fund | Intensive<br>Probation<br>Drug Court<br>Fund | Collections<br>Fund | Legal<br>Assistance<br>Program<br>Fund | Intensive<br>Probation<br>Services<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------------|--|---------------------|--|--|-----------------------------------|--------------------------------|
| OTHER FINANCING SOURCES (USES)-continued           |                             |  |                     |  |  |                                   |                                |
| Fines and fees transferred to<br>other governments | -                           | -  | (1,969,322)         | -                                      | -  | -                                 | (1,969,322)                    |
| TOTAL OTHER<br>FINANCING<br>SOURCES (USES)         | 37,172                      | 143,683                                      | (2,302,149)         | -                                      | 112,231                                    | 39,741                            | (1,969,322)                    |
| NET CHANGE IN FUND BALANCES                        | 194,188                     | 32,521                                       | -                   | -                                      | (86,837)                                   | 27,884                            | 167,756                        |
| FUND BALANCES<br>BEGINNING OF YEAR                 | 1,115,313                   | 61,612                                       | -                   | -                                      | 39,293                                     | 301,066                           | 1,517,284                      |
| END OF YEAR  | <u>\$ 1,309,501</u>         | <u>\$ 94,133</u>                             | <u>\$ -</u>         | <u>\$ -</u>                            | <u>\$ (47,544)</u>                         | <u>\$ 328,950</u>                 | <u>\$ 1,685,040</u>            |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
*December 31, 2018*

|   |    |         |
|---|----|---------|
| Total net change in fund balance – governmental funds | \$ | 167,756 |
|---|----|---------|

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

|                      |  |          |
|----------------------|--|----------|
| Capital outlay       |  | 12,842   |
| Depreciation expense |  | (98,975) |
| Loss on disposal     |  | (151)    |

In accordance with Governmental Accounting Standards Board Statements on pension and other post-employment benefit plans, the net pension/OPEB asset (liability) related to the plans is not required to be reported in the governmental fund financial statements. Adjustments to pension/OPEB expense related to changes in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

|                               |  |                |
|-------------------------------|--|----------------|
| Current year OPEB obligation  |  | (46,763)       |
| Net change in pension expense |  | <u>(9,231)</u> |

|   |    |               |
|---|----|---------------|
| Change in net position of governmental activities | \$ | <u>25,478</u> |
|---|----|---------------|

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS**  
*December 31, 2018*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Twenty-Fourth Judicial District Court (the Court) conform to U.S. generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

***Reporting Entity***

The Court is a level of the judicial branch of government and is governed by sixteen (16) independently elected judges with 6 year-terms. As required by U. S. generally accepted accounting principles, the basic financial statements of the reporting entity present the primary government and its component units. The accompanying basic financial statements present the Court as the primary government. No other organization was determined to be a component unit of the Court. Therefore, no blended or discretely presented component units are presented in the accompanying basic financial statements.

Since the Court Judges are independently elected officials, and the district is legally separate and fiscally independent, they are considered a separate governmental reporting entity.

There are unrecorded financial transactions between the Jefferson Parish Council (the Parish) and the Court where the Parish provides office space, courtrooms, and various other items. These transactions between the Court and the Parish are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

The financial statements of the Court include all funds and activities that are within their oversight responsibility.

***Basis of Presentation***

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying basic financial statements of the Court have been prepared in conformity with such principles.

***Basis of Accounting***

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of this measurement focus is the determination of operating income, changes in assets and financial position. All assets and liabilities (whether current or noncurrent) associated with the government's activities are reported. Fund equity is classified as net position.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

***Basis of Accounting - Continued***

Government-Wide Financial Statements - Continued

Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, the Statement of Net Position and Statement of Activities present revenues, expenses and capital asset acquisitions as follows:

Revenues - Revenues are recognized in the accounting period in which they are earned.

Grants - Grants are recognized as soon as all eligibility requirements imposed by the provider have been met.

Expenses - Expenses are recorded when the liability is incurred or economic asset used.

Capital Assets - All capital assets are valued at historical cost, except for donated capital assets which are recorded at their estimated fair market value at the date of donation.

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

Fund Financial Statements

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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are typically classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resource measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and grants) and decreases (i.e., expenditures) in net current position.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

***Basis of Accounting – Continued***

The modified accrual basis of accounting is used by governmental funds. 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 be used to pay liabilities of the current period. Fees collected and held by intermediary collecting governments at year-end on behalf of the Court are considered susceptible to accrual and are recognized as revenues. The Court considers all revenues available if they are collected within 60 days after the fiscal year end.

The Court reports the following major governmental funds:

**Judicial Expense Fund**

As provided by Revised Statutes 13:994 through 13:995, the Fund was created for the purpose or purposes related to the proper administration or function of the Twenty-Fourth Judicial District Court or the offices of the individual judges of the Twenty-Fourth Judicial District Court.

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 accounting thereto, and shall file with the Office of the Louisiana Legislative Auditor, where it shall be available for public inspection. All accounting transactions are recorded and maintained by Judicial Administration.

**Intensive Probation Drug Court Fund**

As provided by Revised Statutes 13:5304, the Fund was created for the purpose or purposes related to the establishment and proper administration of a probation program of the Twenty-Fourth Judicial District Court to be administered by the presiding judge or judges thereof or by an employee designated by the Court of the Twenty-Fourth Judicial District Court. All accounting transactions are recorded and maintained by Judicial Administration.

**Collections Fund**

As provided by the Louisiana Constitution Article 5, Section 27, the Sheriff for the Parish of Jefferson is the “collector of state and parish ad valorem taxes and such other taxes and license fees as provided by law.” Through agreement with the Sheriff, the Court has established a collection department in an effort to increase the collection of court costs, fines and fees.

The Fund, by approval of the Management Committee of the Twenty-Fourth Judicial District Court, was created for the purpose or purposes related to the proper administration of the collections of court costs, fines and fees as assessed to defendants in the Twenty-Fourth Judicial District Court and to disburse the funds to the appropriate agencies in the most expeditious manner. All accounting transactions are recorded and maintained by Judicial Administration.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

***Basis of Accounting – Continued***

**Legal Assistance Program Fund**

As provided by Louisiana Revised Statute 13:1000, the Fund was created for the purpose or purposes related to the establishment and proper administration of a legal assistance program to provide by rule the means to assure that persons served by a qualified pro bono project, legal services or the state's protection and advocacy system for persons with disabilities are determined to be financially unable to afford the services of legal counsel. The Fund is to be administered by the presiding judge or judges thereof or by an employee designated by the Court. All accounting transactions are recorded and maintained by Judicial Administration.

**Intensive Probation Services Fund**

As provided by the Louisiana Code of Criminal Procedure, Article 17, the Fund was created for the purpose or purposes related to the establishment and proper administration of a probation program of the Court to be administered by the presiding judge or judges thereof or by an employee designated by the Court. All accounting transactions are recorded and maintained by Judicial Administration.

***Budgetary Accounting***

As required by Louisiana Revised Statute 39:1303, the Judges of the Court adopt an annual budget for the Judicial Expense Fund. The budget is legally enacted and amended through a meeting of the Court's Judges. The budget is prepared primarily on the modified accrual basis of accounting, except that losses resulting from claims and litigation are recorded when paid instead of when the liability arises. The accompanying Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual presents comparisons of the legally adopted budget with actual data. Budgeted amounts are as originally adopted or as finally amended by the Court's Judges.

The Judges, as allowed by state law, are not required to adopt a budget for its non-judicial Special Revenue Funds. However, a budget is submitted to the respective grantor for approval. Funding is from various federal, state or local agencies. The budgets are prepared on various grant year-ends. Therefore, budget-to-actual comparisons for the Special Revenue Funds are not presented for the year-ended December 31, 2018.

***Cash***

All of the Court's deposits, including cash, money market accounts, and certificates of deposit are carried at cost. At year-end, the carrying amounts of these deposits were \$2,008,968.

***Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2018, the bank balance was \$2,356,818. Of this balance, \$500,000 was covered by federal depository insurance which was exposed to custodial credit risk. The remaining \$1,856,818, which was exposed to custodial credit risk, was collateralized with securities held either by the pledging financial institutions agent or agent in Jefferson Parish's name.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

***Prepaid Assets***

Payments made to vendors for services that will benefit future periods are recorded as prepaid assets in the government-wide financial statements and the fund financial statements.

***Capital Assets and Depreciation***

For the government-wide financial statements, capital assets are recorded at cost in the statement of net position. Donated assets are valued at their estimated fair market value on the date received. The Court does not have any infrastructure assets. Depreciation is computed using the straight line method over the following useful lives:

| <u>Description</u>      | <u>Estimated Lives</u> |
|-------------------------|------------------------|
| Furniture and Equipment | 3 – 7 years            |

For fund financial statements, capital acquisitions are reflected as expenditures in the governmental fund at the time purchased.

***Interfund Transactions***

All interfund transactions are reported as operating transfers, with the residual amounts not transferred during the year reported as due to or from the originating fund. Transfers are used to move fines and fees collected by the Collections Fund to the Judicial Expense Fund, the Intensive Probation Drug Court Fund, the DWI Court Fund, the Veterans Treatment Court Fund, the Smart Supervision Fund, and the Intensive Probation Services Fund. Interfund transactions are eliminated in the presentation of the Government-wide Statement of Net Position and Statement of Activities.

***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 these estimates.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

***Equity Classifications***

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

- a. Net investment in capital assets – consist of capital assets including restricted assets, net of accumulated depreciation.
- b. Restricted net position – consist of net position with constraints placed on their use either by external groups or law.
- c. Unrestricted net position – consist of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

***Governmental Fund Balances***

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified as follows:

1. Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted fund balance – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
3. Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the Judges of the Twenty-Fourth Judicial District Court.
4. Assigned fund balance – amounts that are constrained by the Court’s intent that they will be used for specific purposes.
5. Unassigned fund balance – all amounts not included in the other spendable classifications.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Court also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

***Vacation and Sick Leave***

The employees paid through the Court’s funds are allowed various amounts of vacation and sick time throughout the year, based on the number of years of service. Unused annual leave at the end of each calendar year can be carried forward up to 140 hours.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
December 31, 2018

NOTE 2 – DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2018 are summarized below:

|  | <u>Judicial<br/>Expense<br/>Fund</u> | <u>Intensive<br/>Probation<br/>Drug Court<br/>Fund</u> | <u>Non-Major<br/>Funds</u> | <u>Total</u>          |
|--|--------------------------------------|--|----------------------------|-----------------------|
| Clerk of Court                           | \$ 18,545                            | \$ -   | \$ -                       | \$ 18,545             |
| Sheriff                                  | 26,675                               | -  | 3,754                      | 30,429                |
| Louisiana State<br>Department of Justice | -                                    | -  | 47,501                     | 47,501                |
| Louisiana State Supreme Court            | <u>-</u>                             | <u>115,038</u>   | <u>8,268</u>               | <u>123,306</u>        |
| <br>Total                                | <br><u>\$ 45,220</u>                 | <br><u>\$ 115,038</u>                                  | <br><u>\$ 59,523</u>       | <br><u>\$ 219,781</u> |

NOTE 3 - ACCOUNTS RECEIVABLE

These amounts consist mainly of probation, assessment and lab fees due from participants for services administered through December 31, 2018, but not yet remitted to the Judicial Expense Fund, the Legal Assistance Fund, and the Drug Lab Fund.

NOTE 4 - CAPITAL ASSETS

A summary of changes in Capital Assets during the year is as follows:

|                                | <u>Balance<br/>01/01/18</u> | <u>Additions</u>   | <u>Retirements</u> | <u>Balance<br/>12/31/18</u> |
|--------------------------------|-----------------------------|--------------------|--------------------|-----------------------------|
| Furniture and equipment        | \$ 1,230,161                | \$ 12,842          | \$ (45,935)        | \$ 1,197,068                |
| Total at historical cost       | 1,230,161                   | 12,842             | (45,935)           | 1,197,068                   |
| Total accumulated depreciation | <u>(869,706)</u>            | <u>(98,975)</u>    | <u>45,784</u>      | <u>(922,897)</u>            |
| Capital assets, net            | <u>\$ 360,455</u>           | <u>\$ (86,133)</u> | <u>\$ (151)</u>    | <u>\$ 274,171</u>           |

Depreciation expense amounted to \$98,975 for the year ended December 31, 2018.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018**

**NOTE 5 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The statutes which created the Court and its programs place certain limitations and restrictions on the collections and disbursements of the funds. The Court is in compliance with all significant limitations and restrictions for 2018.

**NOTE 6 - ON-BEHALF PAYMENTS**

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* establishes requirements that on-behalf payments for salaries and fringe benefits be recognized as revenue and expenditures in the employer's financial statements. On-behalf payments for salaries and fringe benefits are direct payments made by one entity (Jefferson Parish) to a third-party recipient for the employee of another, legally separate entity (The Twenty-Fourth Judicial District Court). During the year ended December 31, 2018, Jefferson Parish paid state mandated salaries and fringe benefits of \$4,828,051 directly to the Court's employees. This amount included \$458,022 paid to a pension plan on-behalf of the Court's employees and \$626,111 of other postemployment benefits. These amounts have been included in the financial statements of the Court's Judicial Expense Fund thus increasing intergovernmental revenues and various expenditures related to salaries and fringe benefits by \$4,828,051.

These are not considered operating payments of the Judicial Expense Fund, but are state mandated costs paid and budgeted by Jefferson Parish through their General Fund. Therefore these payments are not included in the operating budget of the Judicial Expense Fund.

**NOTE 7 - 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 or damage to assets are also covered through the Court.

**NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS**

For the year ended December 31, 2018, the Court has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

***Health and Life Insurance - Plan Description***

The Twenty-Fourth Judicial District Court - Intensive Probation Drug Court Fund, Drug Lab Fund, Intensive Probation Services Fund, DWI Court Fund, Smart Supervision Fund and Veterans Court Fund (the Funds) provide health care and life insurance benefits to their employees upon retirement through the retirement plan implemented by Jefferson Parish as authorized by Resolution No. 74791. Health coverage includes a fully insured group health maintenance organization plan (HMO) together with Medicare 65 plans for those eligible. Life insurance coverage is continued after retirement but at a reduced amount of coverage. There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
 December 31, 2018

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - Continued

**Health and Life Insurance - Plan Description - Continued**

Medical benefits are provided to employees upon retirement according to the retirement eligibility provisions as follows: for employees hired prior to January 1, 2007, 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service; or, age 65 and 7 years of service basis; for employees hired after January 1, 2007, age 55 and 30 years of service; age 62 and 10 years of service; or, age 67 and 7 years of service basis. The plan is a fully insured, single-employer defined benefit plan.

Life insurance coverage is provided in the amount of \$10,000 for retirees under age 70 and \$5,000 to retirees age 70 and older.

A summary of members participating in the plan at December 31, 2018 is as follow:

|   |                  |
|---|------------------|
| Retirees and beneficiaries currently receiving benefit payments       | -                |
| Inactive employees entitled to but not yet receiving benefit payments | -                |
| Active employees  | <u>27</u>        |
|   | <u><u>27</u></u> |

**Funding Policy**

Prior to the implementation of GASB Statement No. 45 in 2007, the Court recognized the cost of providing post-employment medical and life benefits (the Court's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2018, the Court's portion of health care funding cost for retired employees totaled \$87,503, and the life insurance totaled \$5,165.

**Total OPEB Liability**

The Court's total OPEB liability of \$1,070,003 was measured as of December 31, 2017, and was determined by an actuarial valuation as of January 1, 2017.

**Actuarial Assumptions and other inputs**

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                  |                             |
|------------------|-----------------------------|
| Inflation        | 2.50%                       |
| Salary Increases | 2.50% (including inflation) |
| Discount Rate    | 3.23%                       |

The discount rate was based on the average of the December 31, 2017 S&P 20 year high grade rate index of 3.16 and Fidelity General Obligation AA 20 Year Yield of 3.31.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
 December 31, 2018

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - Continued

**Healthcare cost trend rates**

Post-Medicare: 5.0% for 2017, decreasing 0.4% per year to an ultimate rate of 4.1% for 2020 and later years. Pre-Medicare: 8.0% for 2017, decreasing 0.06-0.07% per year to an ultimate rate of 4.1% in 2075.

**Retirees' share of benefit-related costs**

Retiree medical premium is determined according to a "vesting" schedule based on the number of years of service at retirement date. There are different schedules for retiree coverage and for dependent coverage. It has been assumed that enrollees will retain the same coverage types after retirement date as they had during employment.

**Mortality Rates**

For active employees, mortality rates were based on the RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2016. For retirees and beneficiaries, RPH-2014 Health Annuitant and Disabled Retiree Mortality Tables for retirees and disabled employees, Generational with Projection Scale MP-2016.

**Changes in the total OPEB Liability**

|  |              |
|--|--------------|
| Total OPEB Liability   |              |
| Service cost   | \$ 8,615     |
| Interest   | 36,246       |
| Differences between expected and actual Experience               | 4,393        |
| Changes in assumptions/inputs                                    | 87,419       |
| Benefit payments and net transfers                               | (44,005)     |
| Net change in total OPEB liability                               | 92,668       |
| Total OPEB liability – beginning                                 | 977,335      |
| Total OPEB liability – ending                                    | \$ 1,070,003 |
| <br>   |              |
| Covered-employee payroll   | \$ 834,819   |
| Total OPEB liability as a percentage of covered-employee payroll | 128.2%       |

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Court, as well as what the Court's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.23%) or 1-percentage-point higher (4.23%) than the current discount rate:

|                      | 1.0% Decrease<br>(2.23%) | Current<br>Discount Rate (3.23%) | 1.0% Increase<br>(4.23%) |
|----------------------|--------------------------|----------------------------------|--------------------------|
| Total OPEB liability | \$ 1,267,167             | \$ 1,070,003                     | \$ 908,460               |

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
 December 31, 2018

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS - Continued

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Court, as well as what the Court's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.1%) or 1-percentage-point higher (9.0% decreasing to 5.1%) than the current healthcare trend rates:

|                      | 1.0% Decrease<br>(7.0% decreasing<br>to 3.1%) | Current Trend (8.0%<br>decreasing to 4.1%) | 1.0% Increase<br>(9.0% decreasing<br>to 5.1%) |
|----------------------|---|--|---|
| Total OPEB liability | \$ 908,887                                    | \$ 1,070,003                               | \$ 1,264,319                                  |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the Court recognized OPEB expense of \$90,766. At December 31, 2018, the Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 2,196                          | \$ -                             |
| Changes in assumption                              | 43,709                            | -                                |
|  | \$ 45,905                         | \$ -                             |

**Cost of Living Plan**

In addition to the health care and life insurance benefits noted above, the Court also provides a supplement to retirees' pensions as authorized by Ordinance No. 18176. This benefit is available to retirees participating in either the Employees' Retirement System of Jefferson Parish or the Parochial Employees' Retirement System of Louisiana who have been retired for at least one year. This additional benefit is paid once a year and is calculated as 2% of the monthly benefit times the number of months the person has been retired including partial years. The minimum additional payment is \$350 and the maximum payment is \$1,200. Any additional payment due to the retiree per these calculations is further reduced by any cost of living adjustment benefits paid by the Parochial Employees' Retirement System of Louisiana (not available to all plan participants). No retirees received the cost of living adjustment from the Court in 2018.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

**NOTE 9 - RETIREMENT PLAN**

***Plan Description***

The Parochial Employees' Retirement System Board of Trustees (The "Board") administers the Parochial Employees' Retirement System (the "System"). Employees of the Court are eligible for participation in the System – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 205 of the 1952 Regular Session of the Louisiana Legislature. The System was revised by Act No. 765 of 1979, effective January 1, 1980, to create the Plan A and Plan B fund to replace the "regular plan" and the "supplemental plan". The Plan is operating pursuant to LA R.S. 11:1901 through 11:2015. The System covers employees who were hired subsequent to December 15, 1979. All employees of the Intensive Probation Drug Court Fund, the Drug Lab Fund, DWI Court Fund, Veterans Treatment Court Fund and the Intensive Probation Services Fund are members of Plan A. The System issues a publicly available financial report that can be obtained at [www.persla.org](http://www.persla.org). The report may also be obtained by writing to the Parochial Employees' Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

***Benefits Provided***

The System provides retirement, disability, and death benefits. Retirement benefits are determined as 3.0% of the employee's final compensation multiplied by the employee's years of creditable service. Employees hired prior to January 1, 2007 who retire at or after age 65 with at least 7 years of creditable service, age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average compensation multiplied by his/her years of creditable service. Employees hired after January 1, 2007 who retire at or after age 67 with at least 7 years of creditable service, age 62 with at least 10 years of creditable service, or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their final-average compensation multiplied by his/her years of creditable service. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

***Contributions***

Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.50% of their annual pay. The Court's contractually required contribution rate was 11.50% for the period ended December 31, 2018.

Contributions to the System from the Court were \$96,004 for the year ended December 31, 2018.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
 December 31, 2018

NOTE 9 – RETIREMENT PLAN - Continued

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

At December 31, 2018, the Court reported an asset of \$98,066 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Court's proportion of the net pension asset was based on a projection of the Court's December 31, 2018 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Court's proportion was 0.132119%, which was an increase of 0.006857% from its proportion measured as of December 31, 2016. For the year ended December 31, 2018, the Court recognized pension expense of \$9,231. At December 31, 2018, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|---|--|
| Differences between expected and actual experience   | \$ -  | \$ 63,481                                    |
| Net difference between projected and actual investment earnings on pension plan investments                | -   | 226,562                                      |
| Changes of assumptions   | 123,774                                       | -  |
| Changes in proportion and differences between Court contributions and proportionate share of contributions | 3,694   | -  |
| Post-measurement date contributions  | <u>96,004</u>                                 | <u>-</u>                                     |
|  | <u>\$ 223,472</u>                             | <u>\$ 290,043</u>                            |

\$96,004 reported as deferred outflows of resources related to pensions resulting from the Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending:

|                   |           |
|-------------------|-----------|
| December 31, 2019 | \$ 16,126 |
| December 31, 2020 | (13,774)  |
| December 31, 2021 | (75,130)  |
| December 31, 2022 | (89,796)  |

**Actuarial Assumptions**

The total pension asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
December 31, 2018

NOTE 9 – RETIREMENT PLAN - Continued

**Actuarial Assumptions - Continued**

|                           |                                      |
|---------------------------|--------------------------------------|
| Inflation                 | 2.50%                                |
| Salary Increases          | 5.25% (2.50% Inflation, 2.75% Merit) |
| Investment Rate of Return | 6.75%, net of investment expense     |

Mortality RP-2000 Employee Sex Distinct Table for active members. RP-2000 Healthy Annuitant Sex Distinct Table for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Tables was selected for disabled annuitants.

The discount rate used to measure the total pension asset was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates approved by the Board of Trustees and the Louisiana Public Retirement Systems' Actuarial Committee ("PR SAC") taking into consideration the recommendation of the System's actuary. 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 asset.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset 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 weighting 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 7.62% for the year ended December 31, 2017.

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, 2017 are summarized in the following table:

| <u>Asset Class</u>                 | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|--------------------------|---|
| Fixed Income                       | 35.00%                   | 1.24%   |
| Equity                             | 52.00%                   | 3.57%   |
| Alternatives                       | 11.00%                   | 0.69%   |
| Real Assets                        | 2.00%                    | 0.12%   |
| Total                              | <u>100.00%</u>           | <u>5.62%</u>                                  |
| Inflation                          |                          | <u>2.00%</u>                                  |
| Expected Arithmetic Nominal Return |                          | <u>7.62%</u>                                  |

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018**

NOTE 9 – RETIREMENT PLAN – Continued

**Actuarial Assumptions - Continued**

The mortality rate assumption used in the December 31, 2017, valuation was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System’s liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using a Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

**Sensitivity of the Court’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Court’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Court’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

|   | <u>1.00%<br/>Decrease<br/>(5.75%)</u> | <u>Current<br/>Discount Rate<br/>(6.75%)</u> | <u>1.00%<br/>Increase<br/>(7.75%)</u> |
|---|---------------------------------------|--|---------------------------------------|
| The Court’s Proportionate Share of the<br>Net Pension Liability (Asset) | \$ 483,502                            | \$ (98,066)                                  | \$ (615,915)                          |

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of December 31, 2018, the Court did not have any payables due to the System.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
December 31, 2018

NOTE 10 – FUND BALANCES

| Description                    | Major Funds           |                                     |                  |                               |                                   |                             | Total Governmental Funds |
|--------------------------------|-----------------------|-------------------------------------|------------------|-------------------------------|-----------------------------------|-----------------------------|--------------------------|
|                                | Judicial Expense Fund | Intensive Probation Drug Court Fund | Collections Fund | Legal Assistance Program Fund | Intensive Probation Services Fund | Nonmajor Governmental Funds |                          |
| Fund Balances:                 |                       |                                     |                  |                               |                                   |                             |                          |
| Non-spendable:                 |                       |                                     |                  |                               |                                   |                             |                          |
| Prepaid expense                | \$ 12,000             | \$ -                                | \$ -             | \$ -                          | \$ -                              | \$ -                        | \$ 12,000                |
| Restricted for:                |                       |                                     |                  |                               |                                   |                             |                          |
| Intensive Probation Drug Court | -                     | 94,133                              | -                | -                             | -                                 | -                           | 94,133                   |
| Domestic Support Services      | -                     | -                                   | -                | -                             | -                                 | 4,483                       | 4,483                    |
| DWI Court                      | -                     | -                                   | -                | -                             | -                                 | 160,164                     | 160,164                  |
| Indigent Transcript Veterans   | -                     | -                                   | -                | -                             | -                                 | 80,030                      | 80,030                   |
| Treatment Court                | -                     | -                                   | -                | -                             | -                                 | 2,095                       | 2,095                    |
| Smart Supervision              | -                     | -                                   | -                | -                             | -                                 | 57,660                      | 57,660                   |
| Committed to:                  |                       |                                     |                  |                               |                                   |                             |                          |
| Stabilization Arrangement      | 543,697               | -                                   | -                | -                             | -                                 | -                           | 543,697                  |
| Assigned to:                   |                       |                                     |                  |                               |                                   |                             |                          |
| Drug Lab                       | -                     | -                                   | -                | -                             | -                                 | 24,518                      | 24,518                   |
| Unassigned:                    | <u>753,804</u>        | <u>-</u>                            | <u>-</u>         | <u>-</u>                      | <u>(47,544)</u>                   | <u>-</u>                    | <u>706,260</u>           |
| Total Fund Balances:           | <u>\$1,309,501</u>    | <u>\$ 94,133</u>                    | <u>\$ -</u>      | <u>\$ -</u>                   | <u>\$ (47,544)</u>                | <u>\$ 328,950</u>           | <u>\$ 1,685,040</u>      |

**Stabilization Arrangement**

In October 2012, with en banc approval, the Court established a stabilization account effective January 1, 2013 for the purpose of committing funds for emergency purposes or large equipment purchases. The account is funded annually from allotted funds for divisional expenditures in excess of \$15,000. All expenditures from the account require en banc approval. As of December 31, 2018, the account had a balance of \$543,697.

NOTE 11 – INTENSIVE PROBATION SERVICES FUND DEFICIT

At December 31, 2018, the Intensive Probation Services Fund had a deficit fund balance of \$47,544. The Court plans to resolve this deficit situation in 2019.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
*December 31, 2018*

**NOTE 12 – PRIOR PERIOD ADJUSTMENTS**

Implementation of GASB Statement No. 75 *Accounting and Financial Reporting for postemployment Benefits Other Than Pensions* required a prior period adjustment to recognize the net post-employment liability and deferred inflows and outflows of resources and expenditures for health care and life insurance benefits provided to its employees upon retirement.

The Court recorded the following prior period adjustments to record prior year balances as a result of the implementation of GASB Statement No. 75. Accordingly, the net position as of December 31, 2017, has been restated as follows:

|  |                   |
|--|-------------------|
| Beginning net position (originally stated) | \$ 1,464,072      |
| Prior period adjustment                    | <u>(522,942)</u>  |
| Beginning net position (restated)          | <u>\$ 941,130</u> |

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 20, 2019, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2018 that required recognition or disclosure in these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL**

December 31, 2018

|  | <u>BUDGETED AMOUNTS</u>    |                         | Judicial<br>Expense<br>Fund<br>Actual | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|----------------------------|-------------------------|---------------------------------------|--|
|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> |                                       |  |
| Revenues                               |                            |                         |                                       |  |
| Charges for services                   |                            |                         |                                       |  |
| Clerk of Court fees                    | \$ 260,000                 | \$ 265,000              | \$ 278,635                            | \$ 13,635  |
| Bond fees                              | 275,000                    | 290,000                 | 329,497                               | 39,497   |
| Other Revenues                         |                            |                         |                                       |  |
| Fines and fees                         | -                          | -                       | 1,700                                 | 1,700  |
| Interest income                        | 35                         | 50                      | 201                                   | 151  |
| Intergovernmental                      | 9,600                      | 9,600                   | 9,600                                 | -  |
| Miscellaneous                          | <u>500</u>                 | <u>300</u>              | <u>401</u>                            | <u>101</u>   |
| Total Revenues                         | 545,135                    | 564,950                 | 620,034                               | 55,084   |
| Expenditures                           |                            |                         |                                       |  |
| Current                                |                            |                         |                                       |  |
| General government                     |                            |                         |                                       |  |
| Audit fees                             | 25,000                     | 34,596                  | 34,596                                | -  |
| Banking                                | 500                        | 1,500                   | 1,287                                 | 213  |
| Computer and<br>noninventory equipment | 10,000                     | 8,000                   | 10,840                                | (2,840)  |
| Computer services                      | 10,000                     | 10,000                  | -                                     | 10,000   |
| Dues and subscriptions                 | 45,000                     | 45,000                  | 38,195                                | 6,805  |
| Equipment rental                       | 500                        | 500                     | -                                     | 500  |
| Liability insurance                    | 41,000                     | 42,000                  | 45,355                                | (3,355)  |
| Meetings                               | 15,000                     | 13,000                  | 9,907                                 | 3,093  |
| Miscellaneous                          | 25,000                     | 27,000                  | 24,166                                | 2,834  |
| Office supplies                        | 35,000                     | 35,000                  | 28,751                                | 6,249  |
| Online services                        | 97,000                     | 97,000                  | 92,126                                | 4,874  |
| Professional services                  | 15,000                     | 15,000                  | 12,175                                | 2,825  |
| Postage                                | 350                        | 750                     | 448                                   | 302  |
| Repairs and maintenance                | 20,000                     | 31,000                  | 32,496                                | (1,496)  |
| Secretary expense                      | 3,000                      | 3,000                   | -                                     | 3,000  |
| Storage                                | 18,000                     | 18,000                  | 16,542                                | 1,458  |
| Training & travel                      | 85,000                     | 85,000                  | 86,061                                | (1,061)  |
| Wireless service                       | 17,000                     | 17,000                  | 13,428                                | 3,572  |
| Capital outlay                         | <u>95,000</u>              | <u>45,000</u>           | <u>16,645</u>                         | <u>28,355</u>  |
| Total Expenditures                     | <u>557,350</u>             | <u>528,346</u>          | <u>463,018</u>                        | <u>65,328</u>  |

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL – *Continued*

December 31, 2018

BUDGETED AMOUNTS

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Judicial<br/>Expense<br/>Fund<br/>Actual</u> | <u>Variance with<br/>Final Budget-<br/>Positive<br/>(Negative)</u> |
|--|----------------------------|-------------------------|---|--|
| Excess (Deficiency) of Revenues<br>over Expenditures | (12,215)                   | 36,604                  | 157,016   | 120,412  |
| Other Financing Sources                              |                            |                         |   |  |
| Transfers in (out)                                   |                            |                         |   |  |
| Judicial interest                                    | 25,000                     | 29,000                  | 29,582  | 582  |
| Contempt payments                                    | 9,000                      | 8,000                   | 7,590   | (410)  |
| Stabilization  | -                          | 11,942                  | -   | (11,942)   |
| Supervision fees                                     | -                          | (70,500)                | -   | 70,500   |
| Total Other Financing<br>Sources                     | <u>34,000</u>              | <u>(21,558)</u>         | <u>37,172</u>                                   | <u>58,730</u>  |
| Net Change in Fund Balance                           | 21,785                     | 15,046                  | 194,188   | 179,142  |
| Fund Balance   |                            |                         |   |  |
| Beginning of Year                                    | <u>1,115,313</u>           | <u>1,115,313</u>        | <u>1,115,313</u>                                | <u>-</u>   |
| End of Year  | <u>\$ 1,137,098</u>        | <u>\$ 1,130,359</u>     | <u>\$ 1,309,501</u>                             | <u>\$ 179,142</u>  |

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**

*SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS AND NOTES TO THE SCHEDULE*

*For the Year Ended December 31, 2018*

|   |    |                  |
|---|----|------------------|
| Total OPEB Liability  |    |                  |
| Service cost  | \$ | 8,615            |
| Interest  |    | 36,246           |
| Differences between expected and actual<br>Experience               |    | 4,393            |
| Changes in assumptions/inputs                                       |    | 87,419           |
| Benefit payments and net transfers                                  |    | (44,005)         |
| Net change in total OPEB liability                                  |    | <u>92,668</u>    |
| Total OPEB liability – beginning                                    |    | <u>977,335</u>   |
| Total OPEB liability – ending                                       | \$ | <u>1,070,003</u> |
| <br>  |    |                  |
| Covered-employee payroll  | \$ | 834,819          |
| Total OPEB liability as a percentage of<br>covered-employee payroll |    | 128.2%           |

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

The measurement date for the above information was December 31, 2017.

Notes to the Schedule:

Benefit changes – There were no changes of benefit terms for the year ended December 31, 2018.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.76% as of the beginning of the measurement period to 3.23% as of December 31, 2017.

As of December 31, 2018, there were no assets accumulated in a trust to pay related benefits.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**JUDICIAL EXPENSE FUND**  
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
*For the Years Ended December 31, 2018 Through 2014*

| <u>Fiscal Year</u> | Employer's<br>Proportion<br>Share of the<br>Net Pension<br>Liability<br>(Asset) | Employer's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability (Asset) | Employer's<br>Covered-<br>Employee<br>Payroll | Employer's<br>Proportionate<br>Share of the Net<br>Pension Liability<br>(Asset) as a % of<br>its Covered<br>Employee Payroll | Plan Fiduciary Net<br>Position as a % of<br>the Total Pension<br>Liability |
|--------------------|---|---|---|--|--|
| 12/31/2014         | 0.154043%   | \$ 10,947   | \$ 839,130                                    | 1.30%  | 99.77%   |
| 12/31/2015         | 0.167185%   | 45,710  | 910,560                                       | 5.02%  | 99.15%   |
| 12/31/2016         | 0.177432%   | 467,024   | 1,020,309                                     | 45.77%   | 99.15%   |
| 12/31/2017         | 0.125262%   | 257,984   | 839,635                                       | 30.73%   | 94.15%   |
| 12/31/2018         | 0.132119%   | (98,066)  | 834,810                                       | (11.75)%   | 101.98%  |

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous calendar year.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT  
JUDICIAL EXPENSE FUND**

*SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS  
For the Years Ended December 31, 2018 Through 2014*

| <u>Fiscal Year</u> | <u>Contractually<br/>Required<br/>Contribution</u> | <u>Contributions<br/>in Relation to<br/>Contractually<br/>Required<br/>Contribution</u> | <u>Contribution<br/>Excess<br/>(Deficiency)</u> | <u>Employer's<br/>Covered-<br/>Employee<br/>Payroll</u> | <u>Contributions as a<br/>Percentage of<br/>Covered-Employee<br/>Payroll</u> |
|--------------------|--|---|---|---|--|
| 12/31/2014         | \$ 140,554   | \$ 140,554  | \$ -  | \$ 839,130  | 16.75%   |
| 12/31/2015         | 152,421  | 152,421   | -   | 910,560   | 16.74%   |
| 12/31/2016         | 147,696  | 147,696   | -   | 1,020,309   | 14.48%   |
| 12/31/2017         | 96,702   | 96,702  | -   | 839,635   | 11.52%   |
| 12/31/2018         | 96,004   | 96,004  | -   | 834,810   | 11.50%   |

This schedule is intended to report information for 10 years. Additional years will be displayed as they become available. The amounts presented have a measurement date of the previous calendar year.

***OTHER SUPPLEMENTAL INFORMATION***

## **TWENTY-FOURTH JUDICIAL DISTRICT COURT**

*NONMAJOR GOVERNMENTAL FUNDS*

*SPECIAL REVENUE FUNDS*

*For the Year Ended December 31, 2018*

### **Domestic Relations Section Support Fund**

As provided by Louisiana Revised Statute 46:236.5, the Fund was created for the purpose of expediting the process for the establishment and enforcement of support obligations (child support and alimony) under the jurisdiction of the Twenty-Fourth Judicial District Court Domestic Relations Section. All accounting transactions are recorded and maintained by Judicial Administration.

### **Drug Lab Fund**

As provided by the Louisiana Code of Criminal Procedure, Article 17, the Fund was created for the purpose or purposes related to the establishment and proper administration of a Drug Lab to process drug tests of the Court. The Fund is to be administered by the presiding judge or judges thereof or by an employee designated by the Court. All accounting transactions are recorded and maintained by Judicial Administration.

### **DWI Court Fund**

As provided by Revised Statutes 13:5304, the Fund was created for the purpose or purposes related to the establishment and proper administration of a probation program of the Twenty-Fourth Judicial District Court to be administered by the presiding judge or judges thereof or by an employee designated by the Court of the Twenty-Fourth Judicial District Court. All accounting transactions are recorded and maintained by Judicial Administration.

### **Indigent Transcript Fund**

As provided by Louisiana Revised Statute 13:967, the Fund was created for the purpose of paying the salaries of the court reporters for the Court. All accounting transactions are recorded and maintained by the Jefferson Parish accounting department.

### **Smart Supervision Fund**

As provided by Louisiana Revised Statute 13:5401, the Fund was created for the purpose or purposes related to the establishment and proper administration of a reentry court of the Twenty-Fourth Judicial District Court and its corresponding Swift and Certain Probation program pursuant to Act No. 676. It is to be administered by the presiding judge or judges thereof or by an employee designated by the Court of the Twenty-Fourth Judicial District Court. All accounting transactions are recorded and maintained by Judicial Administration.

### **Veterans Treatment Court Fund**

As provided by Louisiana Revised Statute 13:5362, the Fund was created for the purpose of establishing a program to assist veterans in order to reduce the incidence of alcohol and drug use, alcohol and drug addiction, and crimes committed by veterans as a result of alcohol and drug use and alcohol and drug addiction. All accounting transactions are recorded and maintained by Judicial Administration.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*December 31, 2018*

|  | Drug<br>Lab<br>Fund     | DWI Court<br>Fund        | Domestic<br>Relations<br>Section<br>Support Fund | Indigent<br>Transcript<br>Fund | Veterans<br>Treatment<br>Court<br>Fund | Smart<br>Supervision<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-------------------------|--------------------------|--|--------------------------------|--|------------------------------|--|
| <b>ASSETS</b>                                  |                         |                          |  |                                |  |                              |  |
| Cash and cash equivalents                      | \$ 48,732               | \$ 194,999               | \$ 4,483   | \$ 82,156                      | \$ 27,385                              | \$ 41,074                    | \$ 398,829                                 |
| Accounts receivable                            | 2,498                   | -                        | -  | -                              | -                                      | -                            | 2,498                                      |
| Due from other funds                           | 33,436                  | 116                      | -  | -                              | -                                      | 30                           | 33,582                                     |
| Due from other governments                     | -                       | 20,733                   | -  | 3,754                          | -                                      | 35,036                       | 59,523                                     |
| <b>TOTAL ASSETS</b>                            | <b><u>\$ 84,666</u></b> | <b><u>\$ 215,848</u></b> | <b><u>\$ 4,483</u></b>                           | <b><u>\$ 85,910</u></b>        | <b><u>\$ 27,385</u></b>                | <b><u>\$ 76,140</u></b>      | <b><u>\$ 494,432</u></b>                   |
| <b>LIABILITIES AND FUND BALANCES</b>           |                         |                          |  |                                |  |                              |  |
| <b>LIABILITIES</b>                             |                         |                          |  |                                |  |                              |  |
| Accounts payable                               | \$ 30,946               | \$ 17,013                | \$ -   | \$ 5,880                       | \$ -                                   | \$ 11,052                    | \$ 64,891                                  |
| Accrued payroll                                | 3,920                   | 1,852                    | -  | -                              | -                                      | 2,607                        | 8,379                                      |
| Due to other funds                             | 25,282                  | 36,819                   | -  | -                              | 25,290                                 | 4,821                        | 92,212                                     |
| <b>TOTAL LIABILITIES</b>                       | <b><u>60,148</u></b>    | <b><u>55,684</u></b>     | <b><u>-</u></b>                                  | <b><u>5,880</u></b>            | <b><u>25,290</u></b>                   | <b><u>18,480</u></b>         | <b><u>165,482</u></b>                      |
| <b>FUND BALANCES (DEFICITS)</b>                |                         |                          |  |                                |  |                              |  |
| Restricted                                     | -                       | 160,164                  | 4,483  | 80,030                         | 2,095                                  | 57,660                       | 304,432                                    |
| Assigned                                       | 24,518                  | -                        | -  | -                              | -                                      | -                            | 24,518                                     |
| <b>TOTAL FUND BALANCES</b>                     | <b><u>24,518</u></b>    | <b><u>160,164</u></b>    | <b><u>4,483</u></b>                              | <b><u>80,030</u></b>           | <b><u>2,095</u></b>                    | <b><u>57,660</u></b>         | <b><u>328,950</u></b>                      |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b><u>\$ 84,666</u></b> | <b><u>\$ 215,848</u></b> | <b><u>\$ 4,483</u></b>                           | <b><u>\$ 85,910</u></b>        | <b><u>\$ 27,385</u></b>                | <b><u>\$ 76,140</u></b>      | <b><u>\$ 494,432</u></b>                   |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2018**

|  | Drug<br>Lab<br>Fund | DWI Court<br>Fund | Domestic<br>Relations<br>Section<br>Support Fund | Indigent<br>Transcript<br>Fund | Veterans<br>Treatment<br>Court<br>Fund | Smart<br>Supervision<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------|-------------------|--|--------------------------------|--|------------------------------|--|
| <b>REVENUES</b>                        |                     |                   |  |                                |  |                              |  |
| Charges for Services                   |                     |                   |  |                                |  |                              |  |
| Supervision fees                       | \$ -                | \$ 125,147        | \$ -   | \$ -                           | \$ -                                   | \$ 7,000                     | \$ 132,147                                 |
| Drug Lab fees                          | 279,417             | -                 | -  | -                              | -                                      | -                            | 279,417                                    |
| Domestic support enforcement fees      | -                   | -                 | 48   | -                              | -                                      | -                            | 48   |
| Indigent transcript fees               | -                   | -                 | -  | 61,317                         | -                                      | -                            | 61,317                                     |
| Other Revenues                         |                     |                   |  |                                |  |                              |  |
| Interest income                        | -                   | -                 | 2  | -                              | -                                      | -                            | 2  |
| Intergovernmental                      | -                   | 65,325            | -  | -                              | -                                      | 157,763                      | 223,088                                    |
| Federal grants                         | -                   | 59,399            | -  | -                              | -                                      | -                            | 59,399                                     |
| <b>TOTAL REVENUES</b>                  | <b>279,417</b>      | <b>249,871</b>    | <b>50</b>  | <b>61,317</b>                  | <b>-</b>                               | <b>164,763</b>               | <b>755,418</b>                             |
| <b>EXPENDITURES</b>                    |                     |                   |  |                                |  |                              |  |
| Judicial Activities                    |                     |                   |  |                                |  |                              |  |
| Advertising                            | 265                 | -                 | -  | -                              | -                                      | -                            | 265  |
| Audit fees                             | 7,698               | 5,070             | -  | -                              | -                                      | 2,990                        | 15,758                                     |
| Banking                                | 101                 | -                 | -  | -                              | -                                      | -                            | 101  |
| Computer and noninventory<br>equipment | -                   | -                 | -  | -                              | -                                      | 5,444                        | 5,444                                      |
| Computer services                      | 8,998               | 1,030             | -  | -                              | -                                      | -                            | 10,028                                     |
| Contract personnel                     | 4,155               | -                 | -  | -                              | -                                      | 7,500                        | 11,655                                     |
| Court reporters                        | -                   | -                 | -  | 46,342                         | -                                      | -                            | 46,342                                     |
| Drug tests                             | 4,428               | -                 | -  | -                              | -                                      | -                            | 4,428                                      |
| Drug testing supplies                  | 113,321             | -                 | -  | -                              | -                                      | -                            | 113,321                                    |
| Dues and subscriptions                 | -                   | 50                | -  | -                              | -                                      | -                            | 50   |
| Equipment rental                       | -                   | -                 | -  | -                              | -                                      | 261                          | 261  |
| Expense allowance                      | -                   | 200               | -  | -                              | -                                      | -                            | 200  |
| Health-current                         | 25,582              | 10,348            | -  | -                              | -                                      | 11,932                       | 47,862                                     |
| JPRS                                   | 1,355               | 709               | -  | -                              | -                                      | 700                          | 2,764                                      |
| Life-current                           | 163                 | 89                | -  | -                              | -                                      | 86                           | 338  |
| Medicare                               | 2,042               | 1,056             | -  | -                              | -                                      | 1,072                        | 4,170                                      |
| Miscellaneous                          | 58                  | -                 | -  | -                              | -                                      | 779                          | 837  |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CONTINUED**  
**December 31, 2018**

|  | Drug<br>Lab<br>Fund | DWI Court<br>Fund | Domestic<br>Relations<br>Section<br>Support Fund | Indigent<br>Transcript<br>Fund | Veterans<br>Treatment<br>Court<br>Fund | Smart<br>Supervision<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------|-------------------|--|--------------------------------|--|------------------------------|--|
| EXPENDITURES-continued                               |                     |                   |  |                                |  |                              |  |
| Office supplies                                      | 8,219               | 970               | -  | -                              | -                                      | 3,439                        | 12,628                                     |
| PAR employee   | 17,113              | 9,031             | -  | -                              | -                                      | 8,943                        | 35,087                                     |
| Pension factor                                       | 371                 | 196               | -  | -                              | -                                      | 194                          | 761  |
| Professional services                                | -                   | 123,982           | -  | -                              | -                                      | 10,249                       | 134,231                                    |
| Repairs and maintenance                              | -                   | -                 | -  | -                              | -                                      | 50                           | 50   |
| Salaries   | 149,600             | 80,187            | -  | -                              | -                                      | 80,180                       | 309,967                                    |
| Security guard                                       | -                   | -                 | -  | -                              | -                                      | 2,563                        | 2,563                                      |
| Social security                                      | 187                 | -                 | -  | -                              | -                                      | -                            | 187  |
| Training & travel                                    | -                   | 3,930             | -  | -                              | -                                      | 1,968                        | 5,898                                      |
| Unemployment   | 306                 | 157               | -  | -                              | -                                      | 156                          | 619  |
| Wireless service                                     | -                   | 201               | -  | -                              | -                                      | 1,259                        | 1,460                                      |
| <b>TOTAL EXPENDITURES</b>                            | <b>343,962</b>      | <b>237,206</b>    | <b>-</b>   | <b>46,342</b>                  | <b>-</b>                               | <b>139,765</b>               | <b>767,275</b>                             |
| EXCESS (DEFICIENCY) OF<br>REVENUES OVER EXPENDITURES | (64,545)            | 12,665            | 50   | 14,975                         | -                                      | 24,998                       | (11,857)                                   |
| OTHER FINANCING SOURCES                              |                     |                   |  |                                |  |                              |  |
| Transfers in other                                   | -                   | -                 | -  | -                              | -                                      | 32,662                       | 32,662                                     |
| Transfers in supervision fees                        | -                   | 6,979             | -  | -                              | 100                                    | -                            | 7,079                                      |
| <b>TOTAL OTHER FINANCING<br/>SOURCES</b>             | <b>-</b>            | <b>6,979</b>      | <b>-</b>   | <b>-</b>                       | <b>100</b>                             | <b>32,662</b>                | <b>39,741</b>                              |
| NET CHANGE IN FUND<br>BALANCES                       | (64,545)            | 19,644            | 50   | 14,975                         | 100                                    | 57,660                       | 27,884                                     |
| FUND BALANCES<br>BEGINNING OF YEAR                   | 89,063              | 140,520           | 4,433  | 65,055                         | 1,995                                  | -                            | 301,066                                    |
| END OF YEAR  | <u>\$ 24,518</u>    | <u>\$ 160,164</u> | <u>\$ 4,483</u>                                  | <u>\$ 80,030</u>               | <u>\$ 2,095</u>                        | <u>\$ 57,660</u>             | <u>\$ 328,950</u>                          |

*The accompanying notes are an integral part of this statement.*

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the Year Ended December 31, 2018*

| Federal Grantor/Pass-Through Grantor<br>Program or Cluster Title | Award<br>Number | Federal<br>CFDA<br>Number | Federal<br>Expenditures |
|--|-----------------|---------------------------|-------------------------|
| United States Department of Justice                              |                 |                           |                         |
| Direct:  |                 |                           |                         |
| Drug Court Discretionary Grant Program:                          |                 |                           |                         |
| DWI Court Fund   | 2015-DC-BX-0014 | 16.585                    | \$ <u>59,399</u>        |
| Total Department of Justice                                      |                 |                           | 59,399                  |
| United States Department of Health and Human Services            |                 |                           |                         |
| Passed through the Louisiana Department of<br>Social Services:   |                 |                           |                         |
| Temporary Assistance for Needy Families                          |                 |                           |                         |
| (TANF) State Plan  | FY 2017-18      | 93.558                    | 83,326                  |
| (TANF) State Plan  | FY 2018-19      | 93.558                    | <u>83,715</u>           |
| Total Department of Health and Human Services                    |                 |                           | <u>167,041</u>          |
| TOTAL FEDERAL AWARDS EXPENDED                                    |                 |                           | <u>\$ 226,440</u>       |

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*For the Year Ended December 31, 2018*

**NOTE 1 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying *Schedule of Expenditures of Federal Awards* (the Schedule) includes the federal grant activity of the Twenty-Fourth Judicial District Court (the Court) and is prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied by governmental units. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Court, it is not intended to and does not present the net position and changes in the net position of the Court. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – DE MINIMIS COST RATE**

During the year ended December 31, 2018, the Court did not elect to use the 10% de minimis cost rate as covered in Section 200.414 of the Uniform Guidance.

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEADS**  
*December 31, 2018*

| <u>Judge</u>    | <u>Liability<br/>Ins.</u> | <u>Mileage</u>   | <u>Per Diem</u> | <u>Travel</u>   | <u>Dues</u>      | <u>Lodging</u>   | <u>Meals</u>  | <u>Wireless</u> | <u>Reg. Fees</u> | <u>Total</u>      |
|-----------------|---------------------------|------------------|-----------------|-----------------|------------------|------------------|---------------|-----------------|------------------|-------------------|
| Raymond Steib   | \$ 1,672                  | \$ 3,605         | \$ -            | \$ 679          | \$ 1,389         | \$ 2,018         | \$ -          | \$ -            | \$ 2,575         | \$ 11,938         |
| Cornelius Regan | 1,672                     | 2,776            | 242             | 864             | 750              | 1,443            | -             | -               | 2,330            | 10,077            |
| June Darensburg | 1,672                     | -                | -               | -               | 2,121            | 1,536            | -             | 1,107           | 1,341            | 7,777             |
| Scott Schlegel  | 1,672                     | -                | 153             | 928             | 1,261            | 3,251            | 149           | 1,334           | 675              | 9,423             |
| John Molaison   | 975                       | -                | -               | -               | 1,176            | -                | -             | 440             | -                | 2,591             |
| William Credo   | 697                       | -                | -               | -               | -                | -                | -             | -               | -                | 697               |
| Michael Mentz   | 1,672                     | -                | 489             | 1,360           | 800              | 4,112            | 333           | 440             | 1,970            | 11,176            |
| E. Adrian Adams | 1,672                     | -                | -               | 353             | 1,526            | 2,223            | -             | 440             | 2,950            | 9,164             |
| Glenn Ansardi   | 1,672                     | 1,490            | -               | 1,014           | 1,251            | 4,957            | -             | 735             | 2,290            | 13,409            |
| Nancy Miller    | 1,672                     | 1,201            | -               | 233             | 1,151            | 4,613            | -             | -               | 2,450            | 11,320            |
| Stephen Grefer  | 1,672                     | -                | -               | -               | 1,051            | -                | -             | -               | -                | 2,723             |
| Ellen Kovach    | 1,672                     | -                | -               | 778             | 1,065            | 4,273            | -             | 485             | 1,675            | 9,948             |
| Donald Rowan    | 1,672                     | -                | -               | -               | 750              | -                | -             | -               | 425              | 2,847             |
| Henry Sullivan  | 1,672                     | -                | -               | -               | 1,051            | -                | -             | -               | -                | 2,723             |
| Stephen Enright | 1,672                     | 3,801            | 179             | 108             | 1,051            | 499              | -             | -               | -                | 7,310             |
| Danyelle Taylor | 1,672                     | -                | 339             | 42              | 1,051            | 666              | -             | 440             | 675              | 4,885             |
| Lee Faulkner    | <u>1,672</u>              | <u>593</u>       | <u>-</u>        | <u>-</u>        | <u>1,389</u>     | <u>-</u>         | <u>-</u>      | <u>-</u>        | <u>-</u>         | <u>3,654</u>      |
| <b>TOTAL</b>    | <b>\$ 26,752</b>          | <b>\$ 13,466</b> | <b>\$ 1,402</b> | <b>\$ 6,359</b> | <b>\$ 18,833</b> | <b>\$ 29,591</b> | <b>\$ 482</b> | <b>\$ 5,421</b> | <b>\$ 19,356</b> | <b>\$ 121,662</b> |

# Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER\*, CPA, CRFAC  
WILSON A. LaGRAIZE, JR., CPA/CFE, CRFAC  
ERNEST G. GELPI, CPA, CGFM  
CRAIG M. FABACHER, CPA  
DOUGLAS W. FINEGAN, CPA, CVA  
\*A Professional Accounting Corporation

MARY ANNE GARCIA, CPA  
WILLIAM B. HAMILTON, CPA  
KATHARINE M. LASSITER, CPA  
RICHARD J. RUMNEY, CPA

Members  
American Institute of CPA's  
Society of Louisiana CPA's

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

To the Judges of the  
Twenty-Fourth Judicial District Court  
Gretna, 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 the Twenty-Fourth Judicial District Court (the Court) as of and for the year ended December 31, 2018, 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 20, 2019.

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

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

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

KUSHNER LAGRAIZE, L.L.C.

*Kushner LaGraize, L.L.C.*

Metairie, Louisiana  
June 20, 2019

## ***SCHEDULE OF FINDINGS***

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**SCHEDULE OF FINDINGS**  
*For The Year Ended December 31, 2018*

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The type of report issued on the basic financial statements: unmodified opinion
2. Significant deficiencies in internal control were disclosed by the audit of the financial statements: none reported, Material weaknesses: no
3. Noncompliance which is material to the financial statements: no

**TWENTY-FOURTH JUDICIAL DISTRICT COURT**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
*For The Year Ended December 31, 2018*

**SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

None

**SECTION II – MANAGEMENT LETTER**

None

# Kushner LaGraize, L.L.C.

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

To the Judges of the Twenty-Fourth Judicial District Court, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Twenty-Fourth Judicial District Court (the Court) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### Collections

---

1. Obtain 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).

*Management provided the listing showing all deposit sites and their representation that the listing is complete. Noted only 1 location that prepares deposits.*

2. 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 or 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:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

- 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-numbered receipts) to the deposit.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

- 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.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

- 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.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

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

*Per discussion with management, all employees who handle cash are covered, without exception.*

- 4. Randomly select two deposit dates from each of 5 bank accounts selected (selected main operating account and randomly selected 4 additional) (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). Alternatively, 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.

*The Court utilizes sequentially pre-numbered receipts and computer-generated receipts.*

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

*Examined collection documentation for 10 deposits tracing each to the deposit slip, without exception.*

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

*Examined deposit slips for 10 deposits tracing each to the bank statement, without exception.*

- 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).

*Examined 10 deposits noting that 6 of the 10 examined were not made within 1 business day of receipt. The number of business days from receipt to deposit ranged from 3 to 9 days.*

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

*Examined 10 deposits per the bank statements tracing each to recording in the general ledger, without exception.*

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

---

5. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Management provided the listing showing all locations and their representation that the listing is complete. Noted only 1 location that processes payments.*

6. For each location selected under #5 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

- b) At least two employees are involved in processing and approving payments to vendors.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*We noted that the person responsible for processing payments also has access to adding/modifying vendor files in the entity's purchasing system. However, all payments processed are required to be approved by the Chief Judge before payment is made. We do not consider this an exception.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed check to an employee to mail who is not responsible for processing payments.

*Noted proper segregation of duties for the responsibilities listed above, without exception.*

7. For each location selected, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the distribution matched the related original invoice/billing statement.

*Examined 5 disbursements noting each amount matched the original invoice/billing statement, without exception.*

- b) Observe that the distribution documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #6, as applicable.

*Examined 5 disbursements noting each showed evidence of proper segregation of duties, without exception.*

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

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

*Kushner LaGraize, L.L.C.*

June 20, 2019  
Metairie, Louisiana



JUDGES

RAYMOND S. STEIB, JR., DIVISION A  
CORNELIUS E. REGAN, DIVISION B  
JUNE B. DARENSBURG, DIVISION C  
SCOTT U. SCHLEGEL, DIVISION D  
FRANK A. BRINDISI, DIVISION E  
MICHAEL P. MENTZ, DIVISION F  
E. ADRIAN ADAMS, JR., DIVISION G  
GLENN B. ANSARDI, DIVISION H  
NANCY A. MILLER, DIVISION I  
STEPHEN C. GREFER, DIVISION J  
ELLEN SHIRER KOVACH, DIVISION K  
DONALD A. ROWAN, JR., DIVISION L  
HENRY G. SULLIVAN, JR., DIVISION M  
STEPHEN D. ENRIGHT, JR., DIVISION N  
DANYELLE M. TAYLOR, DIVISION O  
LEE V. FAULKNER, JR., DIVISION P

OFFICE OF DISTRICT JUDGES

24<sup>TH</sup> JUDICIAL DISTRICT  
JEFFERSON PARISH COURTHOUSE  
GRETN, LOUISIANA

CORRECTIVE ACTION PLAN

June 18, 2019

Louisiana Legislative Auditor

The Twenty-Fourth Judicial District Court respectfully submits the following Corrective Action Plan in response to the Statewide Agreed-Upon Procedures engagement performed for the year ended December 31, 2018.

Independent Public Accounting Firm:  
Kushner LaGraize, L.L.C.  
3330 West Esplanade Avenue, Suite 100  
Metairie, Louisiana 70002

Audit Period: January 1, 2018 through December 31, 2018

**Procedure:**

**Collections:**

4. Randomly select two deposit dates from each of 5 bank accounts selected (selected main operating account and randomly selected 4 additional) (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). Alternatively, 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:
  - 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).

**Comment:**

*Examined 10 deposits noting that 6 of the 10 examined were not made within 1 business day of receipt. The number of business days from receipt to deposit ranged from 3 to 9 days.*

**Management's Response:**

In March 2018, the fiscal agent closed its branch located one-half block from the collection location requiring deposits to be transported several miles away to another branch location. The Twenty-Fourth Judicial District Court has resolved the issue by contracting with armored car service to pick up collection deposits twice per week for secure transport to the nearest branch of the fiscal agent. Deposits remain locked in a safe until armored car personnel arrive for pick up.