

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**Component Unit of the
Avoyelles Parish Police Jury
Marksville, Louisiana**

Financial Statements

December 31, 2022

DUCOTE & COMPANY

Certified Public Accountants

P. O. Box 309

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JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

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Independent Auditors' Report

The Honorable Kerry Spruill
The Honorable William Bennett
Twelfth Judicial District Court
Marksville, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's basic financial statements, as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of December 31, 2022, and the respective changes in financial position, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head, required by Act 706 of the 2014 Regular Louisiana Legislative Session and as stated in LRS 24:513(A)(3), and the Justice System Funding Schedules, required by Act 87 of the 2020 Regular Louisiana Legislative Session, on pages 24-26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules required by Act 87 of the 2020 Regular Louisiana Legislative Session are presented on a cash basis of accounting. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head, required by Act 706 of the 2014 Regular Louisiana Legislative Session and as stated in LRS 24:513(A)(3), and the Justice System Funding Schedules, required by Act 87 of the 2020 Regular Louisiana Legislative Sessions, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2023, on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and compliance.

Ducote & Company

Marksville, Louisiana

June 17, 2023

**BASIC
FINANCIAL STATEMENTS**

GOVERNMENT WIDE FINANCIAL STATEMENTS

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF NET POSITION
December 31, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$629,453
Accounts receivable	35,351
Prepaid expenses	1,264
Machinery and equipment, (net of accum depr)	<u>24,657</u>
TOTAL ASSETS	<u>690,725</u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable	3,015
Fines payable	<u>341,167</u>
TOTAL LIABILITIES	<u>344,182</u>
 NET POSITION	
Investment in capital assets	24,657
Restricted:	
Court services	<u>321,886</u>
TOTAL NET POSITION	<u>\$346,543</u>

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

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022**

FUNCTIONS/PROGRAMS

Governmental Activities

	Expenses	Program Operating Grants	Net Revenues (Expenses)
General Government			
Salaries	\$386,618	\$369,753	(\$16,865)
Payroll taxes and insurance	44,710	42,760	(1,950)
Contract labor	13,535	12,945	(590)
Education and travel	7,333	7,013	(320)
Professional fees	9,614	9,195	(419)
Depreciation	6,378	6,100	(278)
Other expenses	138,814	132,759	(6,055)
TOTAL GOVERNMENTAL ACTIVITIES	\$607,002	\$580,524	(26,478)
General Revenues:			
Interest			662
Changes in net assets			(25,816)
Net position - beginning of year			372,359
Net position - end of year			\$346,543

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

FUND FINANCIAL STATEMENTS

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2022**

	<u>Special Revenue Fund</u>
ASSETS	
Cash	\$629,453
Accounts receivable	35,351
Prepaid expenses	<u>1,264</u>
TOTAL ASSETS	<u><u>\$666,068</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$3,015
Fines payable	<u>341,167</u>
Total Liabilities	<u>344,182</u>
 Fund Balance:	
Committed	<u>321,886</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$666,068</u></u>

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

**JUDICIAL EXPENSE FUND FOR THE
 TWELFTH JUDICIAL DISTRICT COURT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 December 31, 2022**

Total fund balances for governmental funds at December 31, 2022		\$321,886
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:		
Equipment	\$68,278	
Accumulated depreciation	<u>(43,621)</u>	<u>24,657</u>
Total net position of governmental activities at December 31, 2022		<u>\$346,543</u>

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

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND
Year Ended December 31, 2022**

	SPECIAL REVENUE FUND		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment fees	\$232,675	\$257,306	\$24,631
Intergovernmental grants	139,675	126,688	(12,987)
Federal grants	196,400	196,530	130
Interest	0	662	662
	<u>568,750</u>	<u>581,186</u>	<u>12,436</u>
TOTAL REVENUES			
EXPENDITURES			
General Government			
Salaries	387,500	386,618	882
Payroll taxes and insurance	49,000	44,710	4,290
Contract labor	9,000	13,535	(4,535)
Education and travel	8,260	7,333	927
Capital outlay	0	4,639	(4,639)
Professional fees	11,200	9,614	1,586
Rent	21,450	21,240	210
Other expenses	109,210	117,574	(8,364)
	<u>595,620</u>	<u>605,263</u>	<u>(9,643)</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,870)	(24,077)	<u>\$2,793</u>
FUND BALANCE, BEGINNING OF YEAR	<u>345,963</u>	<u>345,963</u>	
FUND BALANCE, END OF YEAR	<u>\$319,093</u>	<u>\$321,886</u>	

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

**JUDICIAL EXPENSE FUND FOR THE
 TWELFTH JUDICIAL DISTRICT COURT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended December 31, 2022**

Total net changes in fund balances for the year ended December 31, 2022 statement of revenues, expenditures, and changes in fund balances	(\$24,077)
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The change in net position reported for governmental activities in the statement of activities is different because:

Capital outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:

Loss on disposition of assets	\$0	
Capital Outlay	4,639	
Depreciation Expense	<u>(6,378)</u>	<u>(1,739)</u>

Total change in net position for the year ended December 31, 2022 per the Statement of Activities	<u>(\$25,816)</u>
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The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Fund of the Twelfth Judicial District Court was created by Louisiana R.S. 13:996.33. The accounting and reporting policies of the Judicial Expense Fund for the Twelfth Judicial District Court conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to requirements of Louisiana Revised Statutes 24:517.

The following is a summary of the more significant policies:

FINANCIAL REPORTING ENTITY

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Reporting Entity" establishes criteria for determining component units of an oversight entity. The basic - but not the only - criterion for determining a component unit is the oversight's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but is not limited to,: 1) selection of governing authority; 2) the designation of management; and 3) the ability to significantly influence operations and accountability for fiscal matters.

The Judicial Expense Fund is a part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget. Based on the above criteria it has been determined that the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana is a component unit of the Avoyelles Parish Police Jury.

While the Judicial Expense Fund is an integral part of the Avoyelles Parish Police Jury and should be included within the financial statements of the Parish reporting entity, GASB Codification Section 2600 provides that a component unit may also issue financial statements separate from those of the reporting entity. According, the accompanying financial statements present information only on the funds maintained by the 12th Judicial District Court and do not present information on the Avoyelles Parish Police Jury, the general governmental services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT WIDE FUND FINANCIAL STATEMENTS

The government wide fund financial statements report the information on all of the non-fiduciary activities of the Judicial Expense Fund of the Twelfth Judicial District Court. Governmental activities are normally supported by taxes and assessments which are reported separately from the business-type activities, which relay to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fines and assessments charge for various violations.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

FUND ACCOUNTING:

The accounts of the Court are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND

Governmental funds account for all or most of the Judicial Expense Fund of the Twelfth Judicial District Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

BUDGETARY PRACTICES

In accordance with Louisiana Revised Statute 39:1301 through 39:1314, the Judicial Expense Fund of the Twelfth Judicial District Court is required to adopt an annual budget. All annual appropriations lapse at year end. Encumbrance accounting is not utilized.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5-7 years
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RESTRICTED NET POSITION

In the government-wide statement of net position, net position is reported as restricted when constraints placed on net position that either are:

- a) Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or
- b) Imposed by law through constitutional provisions or enabling legislation.

Restrictions on net position are:

Investment in capital assets – consists of capital assets including restricted assets, net of accumulated depreciation

Restricted for court services – funds to be used strictly for the operation of court services

USE OF ESTIMATES

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

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND BALANCES

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

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.

Restricted fund balances – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the judges of the Twelfth Judicial District Court.

Assigned fund balance – amounts that are constrained by the Fund's intent that they will be used for specific purpose.

Unassigned fund balance - all other amounts not included in the other spendable classifications.

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

NOTE 2. FAIR VALUE

The District measures and reports the financial assets at fair value. Fair value is defined as the prices that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 2. FAIR VALUE (continued)

The three-level hierarchy discussed below indicates the extent and level of judgment used to estimate fair market value.

Level 1 – Uses unadjusted quoted prices that are available in active markets for identical assets as of the reporting date;

Level 2 – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets in active markets and quoted prices in markets that are not active. Level 2 also includes assets that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models are corroborated by readily observable data;

Level 3 - Uses inputs that are unobservable, supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models that utilize management estimates of market participant assumptions. The District did not have any Level 3 assets as of the report date.

The following are the assets of the District that were accounted for at fair value on a recurring basis as of December 31, 2022. This table does not include assets and liabilities that are measured at historical cost or any other basis other than fair value.

Description	12/31/2022	Fair Value at Reporting Date Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs Level (2)	Significant Unobservable Inputs Level (3)
Cash/money market funds	\$629,453	\$629,453	\$0	\$0

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 3 – CASH

At December 31, 2022, the Judicial Expense Fund for the Twelfth Judicial District Court has cash and cash equivalents (book balances) totaling \$629,453. *Custodial Credit Risk* is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At December 31, 2022, the Judicial Expense Fund for the Twelfth Judicial District Court has \$658,274 in deposits (collected bank balances), \$477,093 was covered by federal depository insurance (GASB Category 1), and \$181,181 was collateralized by pledged securities, exposed to credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$477,093
Collateralized:	
Collateral held by pledging bank's trust department not in the agency's name	181,181
Uninsured and uncollateralized	0
Total Deposits	\$658,274

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in the capital assets and depreciation activity for the year ended December 31, 2022:

	<u>Balance 12/31/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2022</u>
Machinery & equipment	\$63,639	\$4,639	\$0	\$68,278
Total Capital Assets	63,639	\$4,639	\$0	68,278
Less: Accum Depr	(37,243)	(\$6,378)	\$0	(43,621)
Net Capital Assets	\$26,396			\$24,657

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 5 – RECEIVABLES

The receivables of \$35,351, as of December 31, 2022, are as follows:

Intergovernmental:	
Local fees	<u>\$ 35,351</u>
	<u>\$ 35,351</u>

NOTE 6 – PREPAID EXPENSES

The prepaid expenses, as of December 31, 2022, are as follows:

Prepaid payroll taxes	<u>\$ 1,264</u>
	<u>\$ 1,264</u>

NOTE 7 – ACCOUNTS PAYABLES

The payables of \$344,182 at December 31, 2022, are as follows:

Accounts payable	\$ 3,015
Client fines collected	<u>341,167</u>
	<u>\$344,182</u>

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The statutes which created the Fund place certain limitations and restrictions on the collections and disbursements of the Fund. The Fund is in compliance with all significant limitations and restrictions for 2022.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2022**

NOTE 9 – FUND BALANCES

Fund balances for the Fund consisted of the following as of December 31, 2022:

Committed fund balance – The committed fund balance consists of divisional expenditures totaling \$321,886 that are committed by the Judges of the Twelfth Judicial District Court.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

At December 31, 2022, the Judicial Expense Fund for the Twelfth Judicial District Court was not involved in any litigation that would materially affect the financial statements.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through June 17, 2023, which is the date the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2022, that required recognition or disclosure in the financial statements. No subsequent events occurring after June 17, 2023 have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
December 31, 2022**

Agency Head: Honorable Kerry Spruill, Chief Judge, Division A

<u>Purpose</u>		<u>Amount</u>
Salary	*	\$0
Benefits:		
Insurance	*	0
Retirement	*	0
Cell phone		784
Conference travel		980
Continuing professional education fees		575
Professional dues		<u>1,285</u>
		<u>\$3,624</u>

The Judge's salary and employer portion of his insurance and retirement (indicated by an *) are paid by the Louisiana Supreme Court directly to the Judge. This information is not available in the 12th Judicial District records.

See independent auditors' report.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**JUSTICE SYSTEM FUNDING SCHEDULE –
RECEIVING ENTITY**

As Required by Act 87 of the 2020 Regular Legislative Session

Year Ended December 31, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/2022	Second Six Month Period Ended 12/31/2022
Receipts From:		
Avoyelles Parish District Attorney / Pretrial Diversion Fees	\$6,108	\$12,279
Avoyelles Parish Sheriff / Juvenile Holdover Fees	1,266	1,028
Avoyelles Parish Sheriff / Secretary Fund	45,600	45,600
Avoyelles Parish Sheriff / Bail Bonds	26,180	16,494
Avoyelles Parish Sheriff / Court Costs/Fees	83,212	89,551
Avoyelles Parish Clerk of Court / Drug Court Services	3,337	6,009
Avoyelles Parish Clerk of Court / Court Filing Fees	5,420	5,530
Total Receipts	\$171,123	\$176,491

See independent auditors' report.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**JUSTICE SYSTEM FUNDING SCHEDULE –
COLLECTING/DISBURSING ENTITY
As Required by Act 87 of the 2020 Regular Legislative Session**

Year Ended December 31, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/2022	Second Six Month Period Ended 12/31/2022
1 Beginning Balance of Amounts Collected	<u>\$367,329</u>	<u>\$347,325</u>
2 Add: Collections		
a Probation / Parole / Supervision Fees	327,102	87,353
b Restitution	22,672	21,579
c Interest Earned on Collected Balances	197	162
d Subtotal Collections	<u>349,971</u>	<u>109,094</u>
3 Less: Disbursements to Governments & Nonprofits		
a 12th Judicial District Court Services	82,803	86,356
b Avoyelles Parish Sheriff - Fines	247,788	189,648
4 Less: Amounts to Collecting Agency	0	0
5 Less: Disbursements to Individuals		
a Restitution Payments	<u>22,672</u>	<u>21,579</u>
6 Subtotal Disbursements/Retainage	<u>353,263</u>	<u>297,583</u>
7 Total Ending Balance of Amounts Collected but Not Disbursed	<u>\$364,037</u>	<u>\$158,836</u>
8 Ending Balance of "Partial Payments" Collected but not Disbursed	<u>\$364,037</u>	<u>\$352,320</u>
9 Other Information:		
a Ending Balance of Total Amounts Assessed, Not Yet Collected	<u>\$0</u>	<u>\$0</u>
b Total Waivers During the Fiscal Period	<u>\$0</u>	<u>\$0</u>

See independent auditors' report.

SUPPLEMENTARY INFORMATION

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

The Honorable William Bennett
The Honorable Kerry Spruill
Twelfth Judicial District Court
Marksville, 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 the Judicial Expense Fund of the Twelfth Judicial District Court (the Fund) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court's basic financial statements, and have issued our report thereon dated June 17, 2023.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Judicial Expense Fund of the Twelfth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is for the information and use of the management of the governing body and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Ducote & Company

Marksville, Louisiana
June 17, 2023

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
SUMMARY OF FINDINGS AND RESPONSES
Year Ended December 31, 2022**

Section I – Summary of Auditors’ Results

A. Financial Statement Audit

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | No |
| c. Noncompliance material to the financial statements noted? | No |
| 3. Management letter comment provided? | None |

Federal Awards

Not Applicable

Section II – Financial Statement Findings

None

Section III – Federal Award Findings

Not Applicable

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

The Honorable William Bennett
The Honorable Kerry Spruill
Twelfth Judicial District Court
Marksville, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Judicial Expense Fund of the Twelfth Judicial District Court (the Fund)'s management is responsible for those C/C areas identified in the SAUPs.

The Judicial Expense Fund of the Twelfth Judicial District Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of the resolving audit finding(s), according to the management's corrective action plan at each meeting until the findings are considered fully resolved..

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding electronic funds transfers)

- 4. 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).
- 5. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - 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.
 - 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.
 - 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/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe 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 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

- 8. 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).
- 9. For each location selected under #8 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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- 10. For each location selected under #8 above, 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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure 3 above, randomly select 5 non-payroll related electronic disbursements (or electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials. documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170

Debt Service

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
26. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network; and (c) was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19 above. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
1. Number and percentage of public servants in the agency who have completed the training requirements;
 2. Number of sexual harassment complaints received by the agency;
 3. Number of complaints which resulted in a finding that sexual harassment occurred;
 4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 5. Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of applying procedures listed above except:

Written Policies:

The 12th Judicial District Judicial Expense Fund's written policies do not include the following:

Prevention of Sexual Harassment

Agency responsibilities and prohibitions in relation to RS 42:342-344 requirements

The 12th Judicial District Judicial Expense Fund does not have written policies for the following:

- Purchasing
- Disbursements
- Receipts/Collections
- Travel and Expense Reimbursement
- Ethics
- Debt Service
- Information Technology Disaster Recover/Business Continuity

Collections:

Employees who have access to cash are not covered by a bond or insurance policy for theft.

Deposits are not sequentially numbered but are made daily.

Non-Payroll Disbursements:

Observation of disbursement documentation did not include any evidence that there was a segregation of duties.

Travel and Expense Reimbursement:

Supporting documentation for meal charges did not include the names of all individuals participating in the meal.

Payroll and Personnel:

The Fund does not maintain an employee's authorized salary/pay rate within the individual personnel files.

Fraud Notice:

There is no applicable poster on its premises or the posting of the "fight fraud" notification on its website.

Disaster Recovery Business Continuity:

We performed the procedures and discussed the results with management.

Prevention of Sexual Harassment

The Fund does not have a copy of its sexual harassment policy and compliant procedure posted on its website.

The Fund did not prepare an annual sexual harassment report.

Management's Response:

The management of the Judicial Expense Fund of the Twelfth Judicial District Court concurs with the exceptions and is working to address the matters identified.

We were engaged by Judicial Expense Fund of the Twelfth Judicial District Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of Judicial Expense Fund of the Twelfth Judicial District Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

Ducote & Company

Marksville, Louisiana
June 17, 2023