
FORTIETH JUDICIAL DISTRICT COURT
EDGARD, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

RICHARD  CPAS

FORTIETH JUDICIAL DISTRICT COURT
EDGARD, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

FORTIETH JUDICIAL DISTRICT COURT

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Chief Judge and Judges
of the Fortieth Judicial District Court
St. John the Baptist Parish
Edgard, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Court, 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 Court'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 Responsibilities 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 and *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 for 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 audit 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 Court'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court'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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9 and budgetary comparison schedule on page 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The Schedules of Compensation, Benefits, and Other Payments to Agency Heads on pages 30-32 and Justice System Funding Schedules on pages 33-35, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation, benefits, and other payments to agency heads and justice system funding schedules 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 September 29, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
September 29, 2023

FORTIETH JUDICIAL DISTRICT COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

As financial management of the Fortieth Judicial District Court (the Court), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Court for the fiscal year ending December 31, 2022. This discussion and analysis is designed to assist the reader with focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements taken as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the Court exceeded its liabilities at the close of the most recent fiscal year by \$615,879 (net position). Of this amount, \$317,806 is unrestricted net position, which may be used to meet the Court's ongoing obligations to citizens and creditors.
- The Court's net position decreased by \$46,108 during the year ended December 31, 2022.
- As of the close of the current fiscal year, the Court's governmental funds reported combined ending fund balance of \$609,797.
- The Court created the Literacy Clinic-Murphy fund during the year ended December 31, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the Court's basic financial statements. The Court's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Court's finances, in a manner similar to a private sector business.

The statement of net position presents financial information on all of the Court's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.

The statement of activities and changes in net position presents information showing how the Court's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal periods (e.g., earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities and Changes in Net Position, the Court separates activities as follows: governmental activities-most of the Court's basic services are reported in this category, including the Judicial Expense Fund, Adult Drug Court Fund, Families in Need of Services (FINS) Fund, Literacy Clinic Fund, and Literacy Clinic-Murphy Fund. Parish appropriations, Supreme Court reimbursements, court costs, interest income, and state and federal grants finance these activities.

FORTIETH JUDICIAL DISTRICT COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Court can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund activities focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation between governmental funds and governmental activities.

The Court maintains five individual governmental funds. Each of the governmental funds are considered to be major funds.

The Court adopts one annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided to demonstrate compliance with this budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Court's own programs. The Court maintains one fiduciary fund. The fund reports resources held by the Court in a custodial capacity for individuals and other governments.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Court's budgetary comparison schedule for the governmental funds.

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position.

Net Position

The most significant component of the Court's net position is the unrestricted balance of \$317,806 and this may be used to meet the government's ongoing obligations to its citizens and creditors. The remaining net position is \$291,991 of restricted balance and net investment in capital assets which totaled \$6,082 as of December 31, 2022.

Fortieth Judicial District Court
Statements of Net Position
December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>%</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 438,696	\$ 405,749	\$ 32,947	8%
Receivables	40,160	74,541	(34,381)	-46%
Certificates of deposit	245,618	260,298	(14,680)	-6%
Capital assets (net of accumulated depreciation)	6,082	7,260	(1,178)	-16%
Total assets	<u>730,556</u>	<u>747,848</u>	<u>(17,292)</u>	<u>-2%</u>
<u>Liabilities</u>				
Unearned revenue	100,375	73,058	27,317	37%
Accounts payable	9,045	8,131	914	11%
Accrued expenses	5,257	4,672	585	13%
Total liabilities	<u>114,677</u>	<u>85,861</u>	<u>28,816</u>	<u>34%</u>
<u>Net position</u>				
Net investment in capital assets	6,082	7,260	(1,179)	-16%
Restricted	291,991	321,846	(29,855)	-9%
Unrestricted	317,806	332,881	(15,075)	-5%
Total net position	<u>\$ 615,879</u>	<u>\$ 661,987</u>	<u>\$ (46,108)</u>	<u>-7%</u>

The cash and cash equivalents balance as of December 31, 2022, is \$438,696 which represents an increase of \$32,947. This increase is primarily related to the timing of the use of cash for reimbursement requests. Certificates of deposit totaled \$245,618 as of December 31, 2022, which represents a \$14,680 decrease from the previous year. Receivables totaled \$40,160 which is related to grant reimbursements outstanding as of December 31, 2022. The decrease in receivables of \$34,381 is due primarily to the Adult Drug Court grant. Unearned revenue totaled \$100,375, which represents a \$27,317 increase from the previous year. The increase in unearned revenue is due primarily to funds received for the new Literacy Clinic-Murphy fund in the current year.

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

The analysis below will focus on key elements of the Court's financial activities for the years ended December 31, 2022, and 2021.

Governmental Activities

During the current fiscal year, net position for governmental activities decreased by \$46,108 or 7%. Unrestricted net position decreased by \$15,075 or 5% for the year ended December 31, 2022, primarily due to operating expenses in excess of operating revenues.

Operating grants and contributions decreased by \$29,370 from \$1,258,812 in 2021 to \$1,229,442 in 2022. The decrease in the operating grants and contributions was due primarily to a decrease in the terminated employees in the current year affecting the on-behalf payments. General revenues decreased by \$7,363 from \$98,195 in 2021 to \$90,832 in 2022. The decrease in general revenues was due primarily to a decrease in supreme court reimbursements. The Literacy Clinic fund expenses increased by \$58,898 from \$1,944 in 2021 to \$60,842 in 2022. The increase is due to professional fees and travel expenses. The Literacy Clinic-Murphy is a new fund in the current year.

Fortieth Judicial District Court
Statements of Activities and Changes in Net Position
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>Variance</u>	<u>%</u>
Program revenues				
Charges for services	\$ 68,628	\$ 70,650	\$ (2,022)	-3%
Operating grants and contributions	1,229,442	1,258,812	(29,370)	-2%
General revenues	<u>90,832</u>	<u>98,195</u>	<u>(7,363)</u>	<u>-7%</u>
Total revenues	<u>1,388,902</u>	<u>1,427,657</u>	<u>(38,755)</u>	<u>-3%</u>
Expenses				
Judicial Expense	952,042	1,069,828	(117,786)	-11%
Drug Court Program	292,322	287,388	4,934	2%
FINS Assistance Program	109,735	110,122	(387)	0%
Literacy Clinic Program	60,842	1,944	58,898	3030%
Literacy Clinic-Murphy Program	<u>20,069</u>	<u>-</u>	<u>20,069</u>	<u>100%</u>
Total expenses	<u>1,435,010</u>	<u>1,469,282</u>	<u>(34,272)</u>	<u>-2%</u>
Change in net position	(46,108)	(41,625)	(4,483)	11%
Net position, beginning of year	<u>661,987</u>	<u>703,612</u>	<u>(41,625)</u>	<u>-6%</u>
Net position, end of year	<u>\$ 615,879</u>	<u>\$ 661,987</u>	<u>\$ (46,108)</u>	<u>-7%</u>

FORTIETH JUDICIAL DISTRICT COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Judicial Expense Fund - Total revenues decreased by \$136,364 or 13% from 2021 to 2022. The decrease is due to a decrease in the supreme court reimbursements in the amount of \$14,350 and a decrease in the on-behalf payments due to the termination of employees in the current year. Total expenses decreased by \$119,866 or 11% from 2021 to 2022 as a result of a decrease in salary reimbursements.

Adult Drug Court Fund – Total revenues increased by \$8,320 or 3% from 2021 to 2022 as a result of an increase in judicial probation fees. Total expenses increased by \$4,776 or 2% from 2021 to 2022.

FINS Fund - Total revenues increased by \$605 or 1% from 2021 to 2022. Total expenses decreased by \$387 or 0% from 2021 to 2022.

Literacy Clinic Fund - Total revenues increased by \$68,372 or 3513% from 2021 to 2022 as a result of a \$58,900 increase in grants and \$9,340 in salary reimbursements. Total expenses increased by \$58,898 or 3030% from 2021 to 2022.

Literacy Clinic-Murphy Fund – The Court established this fund during the year ended December 31, 2022. Total revenues were \$20,312 and total expenses were \$20,069 in 2022.

BUDGETARY HIGHLIGHTS

The original budget adopted by the governmental funds was amended during the fiscal year for changes in various operating and administrative expenditures necessary for the operation of the Court. The budgeted revenues and other financing sources were less than the final actual revenues and other financing sources by \$20,413 primarily due to the criminal fee. The budgeted expenses and other financing uses were consistent with the actual expenses and other financing uses for the year ended December 31, 2022.

CAPITAL ASSETS

The Court's investment in capital assets, net of accumulated depreciation, amounts to \$6,082 as of December 31, 2022. Capital assets include building improvements, equipment, and furniture.

FORTIETH JUDICIAL DISTRICT COURT
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

ECONOMIC OUTLOOK, FY 2023 BUDGETS, AND FUNDING ISSUES

The Court prepared the proposed budget for the year ended December 31, 2023, and expects the level of activity for 2023 to be consistent with the activity for the year ended December 31, 2022. The Court is not aware of any increase or change in the rates for the criminal fees or the civil fees. The Court continues to identify additional grant funding opportunities for future years.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Court’s finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Honorable Sterling Snowdy, Division C’s Judge, Fortieth Judicial District Court, 2393 Highway 18, Edgard, Louisiana 70049.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 438,696
Certificates of deposit	245,618
Receivables	40,160
Capital assets (net of accumulated depreciation)	6,082
Total assets	<u>\$ 730,556</u>
<u>LIABILITIES:</u>	
Unearned revenue	\$ 100,375
Accounts payable	9,045
Accrued expenses	5,257
Total liabilities	<u>\$ 114,677</u>
<u>NET POSITION:</u>	
Net investment in capital assets	\$ 6,082
Restricted	291,991
Unrestricted	317,806
Total net position	<u>\$ 615,879</u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:					
Judicial Expense	\$ 952,042	\$ 68,628	\$ 853,176	\$ (30,238)	\$ (30,238)
Drug Court Program	292,322	-	184,962	(107,360)	(107,360)
FINS Assistance Program	109,735	-	110,392	657	657
Literacy Clinic Program	60,842	-	60,843	1	1
Literacy Clinic-Murphy Program	20,069	-	20,069	-	-
Total governmental activities	<u>1,435,010</u>	<u>68,628</u>	<u>1,229,442</u>	<u>(136,940)</u>	<u>(136,940)</u>
General revenues:					
Supreme Court Reimbursements				85,711	85,711
Interest Income				1,020	1,020
Judicial Probation Fees				4,101	4,101
Total general revenues				<u>90,832</u>	<u>90,832</u>
Change in net position				(46,108)	(46,108)
Net position-beginning				<u>661,987</u>	<u>661,987</u>
Net position-ending				<u>\$ 615,879</u>	<u>\$ 615,879</u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
BALANCE SHEET-GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Literacy Clinic Fund	Literacy Clinic-Murphy Fund	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 65,828	\$ 266,157	\$ 4,857	\$ 13,250	\$ 88,604	\$ 438,696
Receivables	11,311	19,509	-	9,340	-	40,160
Due from other funds	150	-	-	-	-	150
Certificates of deposit	245,618	-	-	-	-	245,618
Total assets	<u>\$ 322,907</u>	<u>\$ 285,666</u>	<u>\$ 4,857</u>	<u>\$ 22,590</u>	<u>\$ 88,604</u>	<u>\$ 724,624</u>
<u>LIABILITIES</u>						
Unearned revenue	\$ -	\$ -	\$ -	\$ 12,214	\$ 88,161	\$ 100,375
Accounts payable	5,101	2,846	-	898	200	9,045
Accrued expenses	-	5,257	-	-	-	5,257
Due to other funds	-	-	150	-	-	150
Total liabilities	<u>\$ 5,101</u>	<u>\$ 8,103</u>	<u>\$ 150</u>	<u>\$ 13,112</u>	<u>\$ 88,361</u>	<u>\$ 114,827</u>
<u>FUND BALANCES</u>						
Restricted	\$ -	\$ 277,563	\$ 4,707	\$ 9,478	\$ 243	\$ 291,991
Unassigned	317,806	-	-	-	-	317,806
Total fund balances	<u>\$ 317,806</u>	<u>\$ 277,563</u>	<u>\$ 4,707</u>	<u>\$ 9,478</u>	<u>\$ 243</u>	<u>\$ 609,797</u>
Total liabilities and fund balances	<u>\$ 322,907</u>	<u>\$ 285,666</u>	<u>\$ 4,857</u>	<u>\$ 9,478</u>	<u>\$ 243</u>	<u>\$ 724,624</u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total governmental fund balances	\$ 609,797
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets are not reported in the fund financial statements because they are not current financial resources, but they are reported in the statement of net position	<u>6,082</u>
Net position of governmental activities	<u>\$ 615,879</u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Judicial Expense Fund	Adult Drug Court Fund	FINS Assistance Center Fund	Literacy Clinic Fund	Literacy Clinic-Murphy Fund	Total Governmental Funds
REVENUES						
Inkind Contributions - St. John Parish	\$ 853,176	\$ -	\$ 61,102	\$ -	\$ -	\$ 914,278
Grants	-	184,962	49,290	60,843	20,069	315,164
Supreme Court Reimbursements	13,371	63,000	-	9,340	-	85,711
Criminal Fees	43,383	-	-	-	-	43,383
Civil Fees	25,245	-	-	-	-	25,245
Judicial Probation Fees	-	4,101	-	-	-	4,101
Interest and Miscellaneous	614	-	28	135	243	1,020
Total Revenues	<u>935,789</u>	<u>252,063</u>	<u>110,420</u>	<u>70,318</u>	<u>20,312</u>	<u>1,388,902</u>
EXPENDITURES						
Current						
Salary and Benefits - Inkind	853,176	-	61,102	-	-	914,278
Administrative Service	-	213,183	-	-	-	213,183
Professional Fees	29,400	5,700	-	46,770	17,150	99,020
Salary Reimbursement	-	-	48,540	-	-	48,540
Office Supplies	17,317	6,533	-	10,365	2,875	37,090
Library	26,222	-	-	-	-	26,222
Testing and Laboratory	220	17,377	-	-	-	17,597
Office Rent/Lease	-	17,586	-	-	-	17,586
Payroll Taxes	-	16,546	-	-	-	16,546
Utilities	3,259	6,279	-	-	-	9,538
Travel Expenses	5,294	586	-	2,127	-	8,007
Conferences and Dues	6,204	1,795	-	-	-	7,999
Repairs and Maintenance	-	4,982	-	-	-	4,982
Other Rent/Lease	4,513	-	-	-	-	4,513
Jury and Court Lunches	3,011	95	-	130	-	3,236
Advertising and Public Relations	429	-	-	1,272	-	1,701
General Insurance	-	1,660	-	-	-	1,660
Other Operating Expenses	542	-	93	178	44	857
Capital Outlay	799	-	-	-	-	799
Juvenile Training	453	-	-	-	-	453
Treatment Services	25	-	-	-	-	25
Total Expenditures	<u>950,864</u>	<u>292,322</u>	<u>109,735</u>	<u>60,842</u>	<u>20,069</u>	<u>1,433,832</u>
Net Change in Fund Balances	(15,075)	(40,259)	685	9,476	243	(44,930)
Fund balance-beginning of year	332,881	317,822	4,022	2	-	654,727
Fund balance-end of year	<u>\$ 317,806</u>	<u>\$ 277,563</u>	<u>\$ 4,707</u>	<u>\$ 9,478</u>	<u>\$ 243</u>	<u>\$ 609,797</u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ (44,930)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(1,178)
Change in net position of governmental activities	\$ (46,108)

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Custodial Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,591
Total assets	<u>\$ 1,591</u>
<u>LIABILITIES</u>	
Due to Others	\$ 1,591
Total liabilities	<u>\$ 1,591</u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Custodial Fund</u>
<u>Deductions</u>	
Community Support	\$ 392
Total Deductions	<u>392</u>
 Change in Net Position	 (392)
 Net Position, Beginning of Year	 1,983
 Net Position, End of Year	 <u><u>\$ 1,591</u></u>

See accompanying notes to the financial statements.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies

Organization

The Fortieth Judicial District Court (the Court) was created by Act No. 52 of the 1984 Regular Legislative Session as a level of the judicial branch of government and is charged with trying all classes that involve the government and with the administration of justice within its jurisdiction, which encompasses all of St. John the Baptist Parish (the Parish). The Fortieth Judicial District Court is comprised of three (3) independently elected judges with six-year terms.

Reporting Entity

The Fortieth Judicial District Court judges are independently elected officials. However, the Court is fiscally dependent on St. John the Baptist Parish Government for office space, courtrooms, and related utility costs, as well as partial funding of salaries.

The accompanying financial statements present information only on the funds maintained by the Court and do not present information on St. John the Baptist Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Basis of Presentation

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

Basic Financial Statements – Government-Wide Financial Statements (GWFS)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies

Basic Financial Statements Fund Financial Statements (FFS)

The Court reports the following fund types:

Governmental Funds

Governmental funds account for most of the Court's operating activities. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than net income. The following is a description of the major governmental funds of the Court:

Judicial Expense Fund (General Fund)

The Judicial Expense Fund was created by the State of Louisiana Act No. 52, House Bill No. 39 of the 1984 Regular Legislative Session, which authorized collection from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum not to exceed fifteen dollars. In all criminal cases, there shall be collected an amount not to exceed seven dollars and fifty cents from every defendant who is convicted after a trial or other plea of guilty or who forfeits his bond. The district attorney shall distribute ten percent of all funds collected to the court fund of the parish where the bond was posted. In general, the funds may be used for any purpose or purposes connected with the incidental services or related to proper administration or function of the offices of the individual judges.

Adult Drug Court Fund

This special revenue fund receives revenue in the form of grants from the State of Louisiana, St. John the Baptist Parish, and the federal government through the Temporary Assistance for Needy Families (TANF) program.

Families in Need of Services Fund (FINS)

This special revenue fund receives revenue in the form of grants from the Louisiana Supreme Court through the Families in Need of Services Assistance program. The fund uses revenue to help provide early judicial intervention to prevent delinquency and child abuse.

Literacy Clinic

This special revenue fund receives revenue in the form of grants from the Louisiana Supreme Court through the Literacy Clinic program. The fund uses revenue to support literacy education for adults who are involved in the criminal justice system and families with children enrolled in resource-challenged public schools.

Literacy Clinic-Murphy

This special revenue fund receives revenue in the form of grants from the Murphy Institute through the Literacy Clinic-Murphy program. The fund uses revenue to support literacy education for adults who are involved in the criminal justice system and families with children enrolled in resource challenged public schools.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Basic Financial Statements Fund Financial Statements (FFS) (continued)

Fiduciary Funds

The *Custodial Fund* is used to account for assets held by the Court in a fiduciary capacity. The Court maintains this custodial fund to report the activities and the balance of a Cy Pres account, which is used for cash held by the Court for distribution to charitable causes.

Basis of Accounting

Accrual

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of the Court consist principally of fines and fees for services relating to court filings, grant revenues, interest income, and intergovernmental support from the Louisiana Supreme Court. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interest income is recorded when earned.

Modified Accrual

The modified accrual basis of accounting is used by all governmental fund types. 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.

The Court considers revenues to be available if they are collected within sixty days of the end of the fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Other Financing Sources (Uses)

Other financing sources (uses) consist of transfers between funds that are not expected to be repaid. These other financing sources (uses) are recognized at the time the underlying events occur. When both restricted and unrestricted resources are available for use, it is the Court’s policy to use restricted resources first, and then unrestricted resources as needed.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Budgets

The Court has adopted an annual budget for its governmental funds (which include the Judicial Expense Fund, Adult Drug Court Fund, and FINS Fund) on a basis consistent with generally accepted accounting principles for all governmental funds. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget prior to adoption. Any amendment involving increases in expenditure must be approved by the Court. Budgeted amounts in the accompanying financial statements include all amendments. The Court does not use encumbrance accounting. At the end of the fiscal year, unexpected appropriations of these funds automatically lapse.

Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, certificates of deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, certificates of deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments are stated at fair value. These are classified as investments if the original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Certificates of deposit are stated at cost, which approximates fair value.

Receivables

Receivables are recorded for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months. No allowance for uncollectible accounts has been established as all receivables are considered collectible.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements, and capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are recorded in the Statement of Net Position and depreciation is recorded in the Statement of Activities and Changes in Net Position. Since surplus assets are sold for an immaterial amount or scrapped when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over five to seven years.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Vacation Leave

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

One Year of Employment	–	One Week Vacation
Two Years of Employment	–	Two Weeks Vacation
Five Years of Employment	–	Three Weeks Vacation
Fifteen Years of Employment	–	Four Weeks Vacation

In general, unused vacation time cannot be carried over from one calendar year to the next, and employees are required to use vacation time in the year earned. Upon termination, unused vacation time in the year earned is paid to all employees in good standing with the Court.

Sick Leave

Employees are allocated up to eighteen days of sick leave each year based on length of employment and are allowed to carry forward a balance of unused sick leave days no greater than ninety days; however, accumulated sick time is not paid upon termination.

At December 31, 2022, no liability has been recorded for compensated absences since management considers the balance to be immaterial.

Unearned Revenue

Unearned revenue consists of grant revenues not yet expended.

Deferred Inflow of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2022, the Court recognized no deferred inflows of resources.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Fund Balance

In the governmental fund financial statements, 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 (such as prepaid expenses) or because they are legally or contractually required to be maintained intact. The Court had no non-spendable fund balance as of December 31, 2022.
2. Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The restricted fund balance in the Adult Drug Court fund consists of grant funds restricted for the adult drug court program. The restricted fund balance in the Family Preservation fund consists of grant funds restricted for the family preservation program. The restricted fund balance in the Literacy Clinic fund consists of grant funds restricted for the literacy clinic program. The restricted balance in the Literacy Clinic-Murphy consists of grant funds restricted for the Literacy Clinic-Murphy program.
3. Committed Fund Balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority by a vote of the Judges of the Court; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. The Court had no committed fund balance as of December 31, 2022.
4. Assigned Fund Balance – amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governmental body delegates the authority such as the Court and its management. The Court had no assigned fund balance as of December 31, 2022.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Court has provided otherwise in its commitment or assignment actions.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

Net Position

1. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.
2. Restricted net position is when there are limitations imposed on the use by external parties such as creditors, grantors, laws or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. Liabilities and deferred inflows related to restricted assets include liabilities and deferred inflows to be liquidated with restricted assets and arising from the same resource flow that results in restricted assets. When both restricted and unrestricted resources are available for use, it is the Court's policy to use restricted resources first, then unrestricted resources as they are needed.
3. Unrestricted net position is the balance of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Accounting Estimates

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

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements - Adopted

The Court adopted the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Under this Statement, lease contracts as defined, are financing of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, and a lessee recognizes a lease liability and intangible right-to-use asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. Lease receivables as well as lease liabilities are measured at the present value of lease payments over the term of each respective contract. Options to renew the lease are included in the lease term if reasonably certain to be exercised.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires not disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

The adoption of these standards has no material effect on the Court's financial statements. The beginning net position of the Court was not impacted as a result of these statement's implementation.

2. Cash and Cash Equivalents

At December 31, 2022, the Court has cash and cash equivalents as follows:

	<u>Governmental funds</u>	<u>Fiduciary funds</u>	<u>Total</u>
Demand deposits	\$ 438,271	\$ 1,591	\$ 439,862
Cash on hand	425	-	425
	<u>\$ 438,696</u>	<u>\$ 1,591</u>	<u>\$ 440,287</u>

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be recovered. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2022, Division A of the Court had a bank balance of \$84,059 exposed to custodial credit risk, which was fully collateralized.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

2. Cash and Cash Equivalents (continued)

Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal no less than the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The custodial bank must advertise and sell the pledged securities within ten days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

3. Receivables

The receivables as of December 31, 2022, consist of the following:

	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Literacy Clinic Fund	Literacy Clinic Murphy Fund	Total
Intergovernmental						
Grants	\$ -	\$ 19,509	\$ -	\$ 9,340	\$ -	\$ 28,849
Court Costs and Fees	11,311	-	-	-	-	11,311
Total	<u>\$ 11,311</u>	<u>\$ 19,509</u>	<u>\$ -</u>	<u>\$ 9,340</u>	<u>\$ -</u>	<u>\$ 40,160</u>

The Court considers all of the receivables outstanding at December 31, 2022 to be fully collectible. Accordingly, no provision for uncollectible accounts has been recorded.

4. Certificates of deposit

Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Court will be able to recover the value of its investments or collateral securities that are in the possession of an outside party investment. At December 31, 2022, the Court's certificates of deposit were not exposed to any custodial credit risk.

	Amount	Term	Interest rate
Certificates of deposit - Division A	\$ 58,754	12 months	.05%
Certificates of deposit - Division B	186,864	18 months	.30%
Total	<u>\$ 245,618</u>		

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

5. Capital Assets

The following is a summary of changes in capital assets of governmental activities during the year:

<u>Furniture and Equipment</u>	<u>Balance at January 1, 2022</u>	<u>Additions</u>	<u>Retirements / Reclassifications</u>	<u>Balance at December 31, 2022</u>
Division A	\$ 75,132	\$ 799	\$ -	\$ 75,931
Division B	66,386	-	-	66,386
Division C	61,833	-	(8,934)	52,899
Juvenile Probation	4,363	-	-	4,363
Adult Drug Court Fund	31,279	-	-	31,279
FINS Fund	2,658	-	-	2,658
Total	<u>241,651</u>	<u>799</u>	<u>(8,934)</u>	<u>233,516</u>
Accumulated depreciation	<u>(234,391)</u>	<u>(1,977)</u>	<u>8,934</u>	<u>(227,434)</u>
Capital assets, net	<u>\$ 7,260</u>	<u>\$ (1,178)</u>	<u>\$ -</u>	<u>\$ 6,082</u>

Depreciation expense for the year ending December 31, 2022, totaled \$1,977 and is charged to Judicial Expense function in the statement of activities.

6. Expenses of the Court Paid by Others

Salaries, wages, and related benefits of individuals working for the Court, along with insurance and miscellaneous expenditures, are paid by St. John the Baptist Parish. Payroll and related expenditures of \$914,278 were paid by St. John the Baptist Parish on behalf of the Court for the year ended December 31, 2022 and are included in the accompanying financial statements of the Judicial Expense Fund.

All eligible employees of St. John the Baptist Parish working for the Court are members of the Parochial Employees' Retirement System of Louisiana. All costs relating to pension contributions are paid by the St. John the Baptist Parish Council; unless they are for grant employees that the Court must cover. Therefore, some such costs are not included in the accompanying financial statements but are included in the financial statements of the St. John the Baptist Parish Council.

7. Economic Dependency

The Court receives the majority of its revenue from funds provided through the Parish of St. John the Baptist, the State of Louisiana, and the federal government. The grant amounts and funding are appropriated each year by the respective governmental agency. If significant budget cuts are made at the federal, state, or local level, the amount of funds the Court receives could be reduced significantly and have an adverse impact on its operations.

FORTIETH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

8. Contingency

The Court participates in a number of federal and state programs which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Court has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of December 31, 2022, might be impaired. In the Court's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds.

REQUIRED SUPPLEMENTARY INFORMATION

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - JUDICIAL EXPENSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Supreme Court Reimbursements	\$ -	\$ -	\$ 13,371	\$ 13,371
Criminal Fees	58,250	42,000	43,383	1,383
Civil Fees	18,000	20,000	25,245	5,245
Judicial Probation Fees	1,000	200	-	(200)
Interest and Miscellaneous	50	-	614	614
Total revenues	<u>77,300</u>	<u>62,200</u>	<u>82,613</u>	<u>20,413</u>
Expenditures				
Current				
Library	15,000	20,000	26,222	(6,222)
Office Supplies	23,000	24,000	17,317	6,683
Professional Fees	27,000	25,000	29,400	(4,400)
Testing and Laboratory	-	-	220	(220)
Utilities	8,000	4,100	3,259	841
Conferences and Dues	3,030	4,000	6,204	(2,204)
Travel Expenses	9,000	7,000	5,294	1,706
Other Rent/Lease	4,600	4,500	4,513	(13)
Repairs and Maintenance	3,000	3,500	-	3,500
Jury and Court Lunches	3,000	2,300	3,011	(711)
Advertising and Public Relations	275	275	429	(154)
Other Operating Expenses	750	850	542	308
Supplemental Pay	1,400	1,000	-	1,000
Capital Outlay	1,000	-	799	(799)
Juvenile Training	-	1,000	453	547
Treatment Services	-	-	25	(25)
Total expenditures	<u>99,055</u>	<u>97,525</u>	<u>97,688</u>	<u>(163)</u>
Net Change in Fund Balances	21,755	35,325	(15,075)	20,250
Fund balance, beginning of year			<u>332,881</u>	
Fund balance, end of year			<u>\$ 317,806</u>	

Note: The Actual on a Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that on-behalf payments for the court staff salaries \$914,278 are not reflected above in revenues and expenditures.

SCHEDULE 1

See accompanying independent auditors' report.

ADDITIONAL SUPPLEMENTARY INFORMATION

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE AGENCY HEAD - DIVISION A
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Honorable Vercell Fiffie, Judge, Division A

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Benefits - other	-
Car allowance	-
Membership dues	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	1,475
Conference travel	3,586
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Total	<u>\$ 5,061</u>

Amounts paid to the Judge by other entities such as the Louisiana Supreme Court are not required to be reported by the Court.

SCHEDULE 2

See accompanying independent auditors' report.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE AGENCY HEAD - DIVISION B
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Honorable Nghana Lewis, Judge, Division B

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Benefits - Other	-
Car allowance	-
Membership Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration fees	2,790
Conference travel	1,480
Continuing Professional Education Fees	-
Housing	-
Unvouchered expenses	-
Special Meals	-
Total	<u>\$ 4,270</u>

Amounts paid to the Judge by other entities such as the Louisiana Supreme Court are not required to be reported by the Court.

SCHEDULE 3

See accompanying independent auditors' report.

FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO THE AGENCY HEAD - DIVISION C
FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Honorable Sterling Snowdy, Judge, Division C

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - Insurance	-
Benefits - Retirement	-
Benefits - Other	-
Car allowance	-
Membership Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration fees	1,939
Conference travel	228
Continuing Professional Education Fees	-
Housing	-
Unvouchered expenses	-
Special Meals	-
Total	<u>\$ 2,167</u>

Amounts paid to the Judge by other entities such as the Louisiana Supreme Court are not required to be reported by the Court.

SCHEDULE 4

See accompanying independent auditors' report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Fortieth Judicial District Court	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	8934	
Date that reporting period ended (mm/dd/yyyy)	12/31/2022	
	First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	1,950	2,151
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	1,950	2,151
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one Example - City of Walker, Criminal Court Costs/Fees	-	-
Example - City of Walker, Criminal Fines - Other	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	1,950	2,151
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	1,950	2,151
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-

Ending Balance of "Partial Payments" Collected but not Disbursed (*only applies if collecting agency does not disburse partial payments until fully collected*) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.

-	-
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Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*)
Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or community service*)

-	-
-	-

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	Fortieth Judicial District Court
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	8934
Date that reporting period ended (mm/dd/yyyy)	12/31/2022

If legally separate court funds are required to be reported, a separate receiving schedule should be prepared for each fund.

Cash Basis Presentation

Receipts From: (Must include one agency name and one collection type - see below -

Parish of St. John the Baptist, Criminal Court Cost, Fines, Other

Parish of St. John the Baptist, Civil Fees

Parish of St. John the Baptist, Probation/Parole/Supervision Fees

Subtotal Receipts

First Six Month Period Ended 06/30/22	Second Six Month Period Ended 12/31/22
---	--

25,255 18,128

10,770 14,475

1,950 2,151

37,975 34,754

Ending Balance of Amounts Assessed but Not Received (only applies to those agencies that assess on behalf of themselves, such as courts)

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OTHER REPORT



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 Chief Judge and Judges
of the Fortieth Judicial District Court
St. John the Baptist Parish
Edgard, 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 Fortieth Judicial District Court (the Court) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements, and have issued our report thereon dated September 29, 2023.

Report on 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 and therefore material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-01 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-02 and 2022-03.

The Court's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Court's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Court's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Richard CPAS

Metairie, Louisiana
September 29, 2023

FORTIETH JUDICIAL DISTRICT COURT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

1. Summary of Independent Auditors' Results

Financial Statements

- (a) The type of report issued on the basic financial statements: **Unmodified**
- (b) Internal control over financial reporting:
- Material weakness(es) identified: **Yes.**
- Significant deficiency(ies) identified: **None reported.**
- (c) Noncompliance which is material to the basic financial statements: **None reported**
- (d) Other matters: **Yes**

2. Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

2022-01 Internal Control over Financial Reporting

Criteria: Adequate internal controls over the preparation of financial statements in accordance with the Governmental Accounting Standards Board (GASB) requirements includes the timely preparation of financial statements and the communication of the financial statements to the Judges of the Court.

Condition: The Court. has engaged a third-party accountant to reconcile the bank accounts and prepare quarterly compilation reports to provide to the Judges. The bank reconciliations and the quarterly compilation reports were not completed in a timely manner and provided to the Judges consistently throughout the year.

Cause: The Court's financial reporting process has historically been to not start the subsequent year accounting work, the compilation reports, and the reporting to the Judges until the prior year financial statement audit is issued and completed. This timeline has caused the Judges to not receive timely financial statements throughout the year.

Effect: The Judges of the Court were not provided with the Court's financial statements in a timely manner throughout the year.

Recommendation: The Court should ensure that the bank reconciliations are prepared in a timely manner and that the Court receives financial statements in a timely manner throughout the year.

Management response: The Court concurs with the observation and will implement procedures in 2023 as recommended.

FORTIETH JUDICIAL DISTRICT COURT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

2. **Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards (continued)***

2022-02 Non-Compliance with State Audit Law

Criteria: In accordance State of Louisiana R.S. 24:513, any local auditee that receives \$500,000 or more in revenues and other sources in any one fiscal year shall be audited annually. The due date of the audit report is six months after the entity's year end.

Condition: The Court. was required to have an annual audit completed and filed with the Louisiana Legislative Auditor by June 30, 2023 (six months after year end). The Court. requested a non-emergency extension from the Louisiana Legislative auditor and the extension request was acknowledged by the Legislative Audit Advisory Council (LAAC) on July 25, 2023, and therefore fully accepted.

Cause The Court requested a non-emergency extension for the financial statement audit of the Court.

Effect: The Court is not in compliance with State of Louisiana Audit Law R.S. 24:513.

Recommendation: The Court should ensure compliance with the State of Louisiana Audit Law R.S. 24:513.

Management response: The Court concurs with the observation and will implement procedures in 2023 as recommended.

FORTIETH JUDICIAL DISTRICT COURT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

2. **Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards (continued)***

2022-03 Non-Compliance with the Local Government Budget Act

Criteria: In accordance with the State of Louisiana R.S. 39:1301 – 1315, independently elected officials (Judges) are required to prepare an annual budget for the general fund (judicial expense fund). The budget should include a budget message, a statement for the judicial expense funds, the fund balance at the beginning of the year, and estimated fund balance at the end of the year, and a clearly presented side-by-side comparison of financial information for the current year actual receipts and expenditures, estimated receipts and expenditures through the end of the accounting year, and the percentage change for each item of information.

Condition: The Court prepared a budget for the Judicial Expense fund that did not include each of the required components of the Local Government Budget Act including a budget message, beginning and ending fund balance, estimates of receipts and expenditures through the end of the accounting year and the percentage change for each item of information.

Cause The Court was not aware of the detail requirements of the Local Government Budget Act.

Effect: The Court is not in compliance with the requirements of the Local Government Budget Act.

Recommendation: The Court should ensure compliance with the Local Government Budget Act.

Management response: The Court concurs with the observation and will implement procedures in 2023 as recommended.

FORTIETH JUDICIAL DISTRICT COURT
EDGARD, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2022

RICHARD  CPAS

FORTIETH JUDICIAL DISTRICT COURT
EDGARD, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2022

FORTIETH JUDICIAL DISTRICT COURT

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Judges of the Fortieth Judicial District Court and the Louisiana Legislative Auditor:

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 Fortieth Judicial District Court's management is responsible for those C/C areas identified in the SAUPs.

The Fortieth Judicial District Court (the 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, the 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Fortieth 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 the Fortieth 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.

Richard CPAS

Metairie, Louisiana
September 29, 2023

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. 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:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Exception noted. The Court does not have a written policy and procedure related to budgeting.

ii. ***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.

Exception noted. The Court does not have a written policy and procedure related to purchasing.

iii. ***Disbursements***, including processing, reviewing, and approving.

Exception noted. The Court does not have a written policy and procedure related to disbursements.

iv. ***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).

Exception noted. The Court does not have a written policy and procedure related to receipts/collections.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

- v. ***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 rates of pay or approval and maintenance of pay rate schedules.

Exception noted. The Court does not have a written policy and procedure related to payroll/personnel costs paid through the special revenue funds.

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Exception noted. The Court does not have a written policy and procedure related to contracting.

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).

No exceptions were found as a result of this procedure.

- ix. ***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.

Exception noted. The Court does not have a written policy and procedure related to ethics.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The above procedure is not applicable, as the Court does not have any debt.

- xi. ***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.

Exception noted. The Court does not have a written policy and procedure related to information technology disaster recovery/business continuity.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

- xii. ***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.

No exceptions were found as a result of this procedure.

2) Board or Finance Committee

- A. 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

- i. 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.

No exceptions were found as a result of this procedure.

- ii. 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 not-for-profit 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.*

Exception noted. RICHARD CPAS did not observe monthly budget to actual comparison on the general fund documented in the meeting minutes.

- iii. 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.

No exceptions were found as a result of this procedure.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

3) *Bank Reconciliations*

A. 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:

- i. 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);

Exception noted. RICHARD CPAS observed the bank reconciliations performed for February 2022 were not prepared within 2 months of the related statement closing date.

- ii. Bank reconciliations include written evidence that a member of management or a 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

Exception noted. RICHARD CPAS noted that the 5 bank reconciliations selected for testing did not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- iii. 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.

No exceptions were found as a result of this procedure.

4) *Collections (excluding electronic funds transfers)*

A. 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).

No exceptions were found as a result of this procedure.

B. 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 there are no written policies or procedures, then 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

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

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

Exception noted. RICHARD CPAS noted that the employees responsible for collecting cash are also responsible for preparing/making bank deposits.

- iii. Each employee responsible for collecting cash is not also 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; and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. 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 in force during the fiscal period.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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:

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

No exceptions were found as a result of this procedure.

- iv. 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).

Exception noted. RICHARD CPAS noted that the Court does not document the date of receipt therefore, RICHARD CPAS was not able to perform this procedure.

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

No exceptions were found as a result of this procedure.

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

- A. 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).

No exceptions were found as a result of this procedure.

- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

No exceptions were found as a result of this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

- iii. 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;

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

- iv. 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; and

Exception noted. RICHARD CPAS noted that the employees who are responsible for processing payments are also responsible for mailing payments.

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.

Exception noted. RICHARD CPAS noted that the electronic disbursements selected for testing were not approved by the officials authorized to sign checks.

- C. For each location selected under procedure #5A 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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all 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) per the entity's policy, 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.

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

6) *Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)*

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the person who maintained possession of the cards. Obtain management’s representation that the listing is complete.

No exceptions were found as a result of this procedure.

- B. 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

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

A. 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 and 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

- i. 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);

No exceptions were found as a result of this procedure.

- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions were found as a result of this procedure.

- iii. 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 Policies and Procedures procedure #1A(vii); and

No exceptions were found as a result of this procedure.

- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of this procedure.

8) *Contracts*

A. 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

- i. 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;

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

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FOR THE YEAR ENDED DECEMBER 31, 2022

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

No exceptions were found as a result of this procedure.

- iii. 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, the documented approval); and

No exceptions were found as a result of this procedure.

- iv. 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.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. 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.

No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions were found as a result of this procedure.

- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

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FOR THE YEAR ENDED DECEMBER 31, 2022

- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

The above procedure is not applicable, as there were no termination payments during the fiscal period.

- D. 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.

No exceptions were found as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

- ii. 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.

No exceptions were found as a result of this procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2022

11) Debt Service

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The above procedure is not applicable, as the Court does not have any debt.

- B. 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).

The above procedure is not applicable, as the Court does not have any debt.

12) Fraud Notice

- A. 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 themisappropriation(s) to the legislative auditor and the district attorney of the parish in which theentity is domiciled as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

- B. Observe that 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.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backingup 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.

We performed the procedure and discussed the results with management.

FORTIETH JUDICIAL DISTRICT COURT

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FOR THE YEAR ENDED DECEMBER 31, 2022

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is 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.

We performed the procedure and discussed the results with management.

- iii. 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.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. 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.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.

Exception noted. RICHARD CPAS did not observe the sexual harassment training documentation for 1 out of the 4 employees tested that is paid by the special revenue funds.

- B. 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).

Exception noted. RICHARD CPAS did not observe the sexual harassment policy and complaint procedure on its website.

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

No exceptions were found as a result of this procedure.

FORTIETH JUDICIAL DISTRICT COURT

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- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions were found as a result of this procedure.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

- v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.



40th Judicial District Court

STATE OF LOUISIANA • PARISH OF ST. JOHN THE BAPTIST

J. STERLING SNOWDY

JUDGE, DIVISION C

September 29, 2023

RICHARD CPAS
3421 N Causeway Blvd, Suite 403
Metairie, Louisiana 70002

Subject: Management's Response

The following are the 40th Judicial District Court's (the Court) responses to the findings observed in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2022.

1. Written Policies and Procedures: The Court concurs with the observation
2. Board or Finance Committee: The Court concurs with the observation
3. Bank Reconciliations: The Court concurs with the observation and will implement procedures to document the research on reconciling items outstanding for more than 12 months.
4. Collections: The Court (Drug Court) concurs with the observation and will adopt additional language to the policies prior to December 31, 2023.
5. Non-Payroll Disbursements: The Court concurs with the observation and has already implemented changes to the roles and responsibilities within the non-payroll disbursement process.
6. Credit Cards/Debit Cards/Fuel Cards/P-Cards: The Court concurs with the observation
7. Sexual Harassment: The Court concurs with the observation and will post the policy and complaint procedure posted on the website.

Please let us know if you need additional information.

Respectfully,

Judge J. Sterling Snowdy
40th Judicial District Court