

**TWENTY-SIXTH JUDICIAL DISTRICT –
JUDICIAL EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2022

**TWENTY-SIXTH JUDICIAL DISTRICT --
 JUDICIAL EXPENSE FUND**
 Bossier and Webster Parishes
 State of Louisiana
 Annual Financial Report
 Year Ended December 31, 2022

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1
REQUIRED SUPPLEMENTARY INFORMATION (PART I)		
Management's Discussion and Analysis		5
BASIC FINANCIAL STATEMENTS		
<i>Government-wide Financial Statements</i>		
Statement of Net Position	A	11
Statement of Activities	B	12
<i>Fund Financial Statements</i>		
Balance Sheet – Governmental Funds	C	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	E	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	16
Notes to the Financial Statements		17
	<u>Schedules</u>	
REQUIRED SUPPLEMENTARY INFORMATION (PART II)		
Budgetary Comparison Schedule – General Fund	1a	30
Budgetary Comparison Schedule – Special Revenue Fund	1b	31
Notes to Required Supplementary Information on Budgetary Accounting and Control		32
SUPPLEMENTARY INFORMATION		
Schedule of Compensation, Benefits and Other Payments to Agency Head	2	34

**TWENTY-SIXTH JUDICIAL DISTRICT –
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana
Annual Financial Report
Year Ended December 31, 2022

TABLE OF CONTENTS

	<u>Schedules</u>	<u>Page</u>
Justice System Funding Schedule – Receiving Entity	3	35
OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS		
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 <i>Government Auditing Standards</i>		37
SCHEDULES FOR LOUISIANA LEGISLATIVE AUDITOR		
Schedule of Current Year Audit Findings		40
Schedule of Prior Year Audit Findings		41

WISE, MARTIN & COLE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

601 Main Street P. O. Box 897
Minden, Louisiana 71058-0897
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA
KRISTINE H. COLE, CPA

KRISTIE K. MARTIN, CPA
HANNAH M. COLVIN, CPA
HALEA S. LIPINSKI, CPA

CARLOS E. MARTIN, CPA (2020)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Judges of the Twenty-Sixth Judicial District – Judicial Expense Fund
Bossier and Webster Parishes, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Sixth Judicial District – Judicial Expense Fund as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the fund'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 and each major fund of the Twenty-Sixth Judicial District – Judicial Expense Fund as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Twenty-Sixth Judicial District – Judicial Expense Fund 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 the 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 Twenty-Sixth Judicial District – Judicial Expense Fund'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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform 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 Twenty-Sixth Judicial District – Judicial Expense Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Twenty-Sixth Judicial District – Judicial Expense Fund'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 and budgetary comparison information on pages 5–9 and 30–31 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 an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Twenty-Sixth Judicial District – Judicial Expense Fund's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head and the justice system funding schedule, 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 schedule of compensation, benefits and other payments to agency head and the justice system funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the Twenty-Sixth Judicial District – Judicial Expense Fund'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 Twenty-Sixth Judicial District – Judicial Expense Fund'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 Twenty-Sixth Judicial District – Judicial Expense Fund's internal control over financial reporting and compliance.

W. L. Martin & Co. LLC

Minden, Louisiana
June 28, 2023

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

TWENTY-SIXTH JUDICIAL DISTRICT COURT
BOSSIER AND WEBSTER PARISHES

P.O. Box 310
BENTON, LOUISIANA 71006



(318) 965-2217
FAX (318) 965-3765

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Twenty-Sixth Judicial District – Judicial Expense Fund (JEF) provides an overview of the JEF's financial activities for the year ended December 31, 2022, in an easily readable analysis.

FINANCIAL HIGHLIGHTS

- The government-wide assets of the JEF exceeded its liabilities at the close of 2022 by \$2,085,476.
- The General fund's total fund revenues were \$186,921 in 2022, a decrease of 22% of last year's revenues of \$239,478.
- The Child Support fund's (CSF) total fund revenues were \$547,181 in 2022, an increase of 5% over last year's revenues of \$522,288.
- During the year ended December 31, 2022, the governmental funds, JEF and CSF had total expenses of \$361,138 and \$335,412, respectively.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 11 & 12) provide information about the activities of the JEF as a whole and present a longer-term view of the JEF's finances. Fund financial statements tell how governmental activities were financed in the short term as well as what remains for future spending. Fund financial statements also report the JEF's operations in more detail than the government-wide statements by also providing information about all of the JEF's governmental funds.

These financial statements consist of three sections: management's discussion and analysis, the basic financial statements (including the notes to the financial statements) and required supplementary information.

Reporting the Twenty-Sixth Judicial District – Judicial Expense Fund as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the JEF as a whole begins on page 11. One of the most important questions asked about the JEF's finances is, "Is the JEF as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the JEF as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting* which is similar to the format used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the JEF's *net position* and changes in them. One could think of the JEF's net position — the difference between assets, liabilities and deferred inflows/outflows — as one way to measure the JEF's financial health or *financial position*. Over time, *increases* and *decreases* in the JEF's

net position are one indicator of whether its *financial health* is improving or deteriorating. One needs to consider other non-financial factors, however, such as changes in the number of cases handled by the District Court as well as the number of judgeships approved by the State Legislature and the State's economic condition, to assess the overall health of the JEF.

Currently, the JEF has only governmental activities that provide for personnel, equipment, supplies, and other costs related to the proper administration of the District Court. Court costs, fines, and fees primarily finance these activities.

Reporting the Funds of the Twenty-Sixth Judicial District – Judicial Expense Fund

Fund Financial Statements

Our analysis of the major funds maintained by the JEF begins on page 13. The fund financial statements provide detailed information about the specific activities of the significant funds maintained by the JEF - not the JEF as a whole. In addition to the General fund, a separate fund may be established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The JEF's *governmental funds* use the following accounting approach:

Governmental funds — All of the JEF's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the *modified accrual* accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the JEF's general government operations, and the expenses paid from those funds. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the JEF's programs. We describe the relationship (or differences) between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in a reconciliation following the fund financial statements.

THE TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND AS A WHOLE

The JEF's total net position changed from prior year, decreasing from \$2,106,212 to \$2,085,476. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the JEF's governmental activities.

Table 1 - Net Position

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 2,006,148	\$ 1,977,010
Capital assets	<u>123,149</u>	<u>177,446</u>
Total assets	<u>2,129,297</u>	<u>2,154,456</u>
Current liabilities	<u>43,821</u>	<u>48,244</u>
Total liabilities	43,821	48,244
Net position		
Invested in capital assets	123,149	177,446
Unrestricted	<u>1,962,327</u>	<u>1,928,766</u>
Total net position	<u>\$ 2,085,476</u>	<u>\$ 2,106,212</u>

Net position of the JEF's governmental activities decreased overall by \$20,736. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by \$33,561.

Table 2 - Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues		
Charges for services	\$ 678,572	\$ 653,170
Operating grants/contributions	34,952	34,116
Capital grants/contributions	-	57,713
General revenues		
Interest earned	10,398	16,767
Other income	5,180	-
Total revenues	<u>729,102</u>	<u>761,766</u>
Expenses:		
Judicial expense	409,945	391,829
Child support	339,893	356,454
Total expenses	<u>749,838</u>	<u>748,283</u>
Increase (decrease) in net position	(20,736)	13,483
Net position, beginning	<u>2,106,212</u>	<u>2,092,729</u>
Net position, ending	<u>\$ 2,085,476</u>	<u>\$ 2,106,212</u>

JEF capital grants/contributions were lower compared to last year. Capital grants/contributions of \$57,713 were received in the previous year to cover 90% of the cost of court's case management software. There were no capital grants/contributions in the current year. There was also an increase in CSF child support enforcement revenue of \$24,893 compared to prior year.

Overall, expenses of operating the court covered with the Judicial Expense and Child Support funds was approximately \$1,500 more than last year, mainly due to approximately:

- Decrease in personnel costs due to the bookkeeper's leave, FINS Director's salary and fringe benefits, and law clerk salary and fringe benefits.
- Increase in travel, seminars, and conferences
- Decrease in books and publications

THE JEF's FUNDS

The focus of the District's governmental funds is to provide information on near-term inflow, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year.

Judicial Expense fund (JEF) revenues for this year were approximately \$53,000 lower than last year's revenues. Grants were down by approximately \$58,000 as mentioned above, and reimbursement from drug court increased \$5,000.

Court expenditures covered by the JEF for this year were approximately \$56,000 lower than last year's expenditures. The majority of the decrease in expenditures was due to a \$66,000 decrease in the cost of case management software. There was a \$10,000 increase in the cost of travel, seminars, and conferences.

As mentioned earlier, the Child Support Fund (CSF) reported approximately \$25,000 more collections of fees assessed against persons owing child support compared to prior year. Overall expenditures for court operations covered by the CSF were approximately \$17,000 less this year. The majority of the decrease in expenditures was due to \$19,000 less in personnel services and benefits.

General Fund Budgetary Highlights

The District Court adopted a budget for its General fund and its Special Revenue fund for the year ended December 31, 2022. During the year, one amendment was made to the General fund budget and one amendment was made to the Child Support Fund (CSF). The amendment to the General fund was made to increase fees and fines received, to decrease projected expenditures, and to increase transfers projected to come from the CSF. The amendment made to the CSF was made to increase support enforcement fees received, decrease projected expenditures and to increase transfers projected to go to the General fund. The budgetary comparison is presented as required supplementary information and shown on pages 30-31.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2022, the JEF had invested \$123,149 in capital assets.

Table 3
Capital Assets at Year End
(Net of Depreciation)

	Governmental activities	
	2022	2021
Furniture and fixtures	\$ 3,001	\$ 3,001
Equipment and software	238,983	315,740
Total capital assets	241,984	318,741
Less: accumulated depreciation	(118,835)	(141,295)
Net capital assets	\$ 123,149	\$ 177,446

During the year, no new capital assets were acquired, and \$76,757 worth of capital assets were disposed. Depreciation for the year ended December 31, 2022, totaled \$47,672. More detailed information about the capital assets is presented in Note 5 to the financial statements.

DEBT

At December 31, 2022, the JEF had no outstanding bonded debt. More detailed information about the long-term obligations of the JEF is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The JEF's management considered many factors when setting a fiscal year December 31, 2023, budget. Court operations are funded extensively by the Parishes of Bossier and Webster. The most important factors affecting the budget are projected revenue from court costs, fines and fees. The 2023 fiscal budget was set for total projected revenues of \$193,100 and \$525,000 for JEF and Support Enforcement, respectively. Total projected expenditures of \$478,100 for the JEF program will be covered by bonds and fees and transfers from the Child Support Fund of \$85,400 and \$199,600 from prior year fund balance.

CONTACTING THE TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens and taxpayers with a general overview of the JEF's finances for those funds maintained by the JEF and to show the JEF's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Melissa Fox, Court Administrator at P.O. Box 310, Benton, Louisiana 71006.

BASIC FINANCIAL STATEMENTS

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

Statement of Net Position

December 31, 2022

	Governmental Activities
	<u> </u>
ASSETS	
Cash	\$ 419,371
Investments	1,457,663
Receivable from other governments	75,894
Advance to other government	40,000
Prepaid items	13,220
Capital assets, net of depreciation	<u>123,149</u>
TOTAL ASSETS	<u>2,129,297</u>
LIABILITIES	
Accounts payable	<u>43,821</u>
TOTAL LIABILITIES	<u>43,821</u>
NET POSITION	
Net investment in capital assets	123,149
Unrestricted	<u>1,962,327</u>
TOTAL NET POSITION	<u>\$ 2,085,476</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

Statement of Activities

For the Year Ended December 31, 2022

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program revenues</u>		<u>Governmental</u>
		<u>Charges for</u>	<u>Operating</u>	<u>activities</u>
		<u>services</u>	<u>grants and</u>	<u>Net</u>
			<u>contributions</u>	<u>(expenses)/</u>
				<u>revenue</u>
Governmental activities				
General government:				
Judicial expense fund	\$ 409,945	\$ 131,391	\$ 34,952	\$ (243,602)
Child support fund	339,893	547,181	-	207,288
Total governmental activities	<u>\$ 749,838</u>	<u>\$ 678,572</u>	<u>\$ 34,952</u>	<u>(36,314)</u>
General revenues:				
Interest				10,398
Other income				5,180
Total general revenues				<u>15,578</u>
Change in net position				(20,736)
Net position-beginning				<u>2,106,212</u>
Net position-ending				<u>\$ 2,085,476</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes
State of Louisiana

Balance Sheet - Governmental Funds
December 31, 2022

	Judicial Expense Fund	Child Support Fund	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 363,635	\$ 55,736	\$ 419,371
Investments	1,457,663	-	1,457,663
Receivable from other governments	<u>29,678</u>	<u>46,216</u>	<u>75,894</u>
TOTAL ASSETS	<u><u>\$ 1,850,976</u></u>	<u><u>\$ 101,952</u></u>	<u><u>\$ 1,952,928</u></u>
LIABILITIES			
Accounts payable	<u>\$ 23,877</u>	<u>\$ 19,944</u>	<u>\$ 43,821</u>
TOTAL LIABILITIES	<u>23,877</u>	<u>19,944</u>	<u>43,821</u>
FUND BALANCES			
Assigned	-	82,008	82,008
Unassigned	<u>1,827,099</u>	<u>-</u>	<u>1,827,099</u>
TOTAL FUND BALANCES	<u>1,827,099</u>	<u>82,008</u>	<u>1,909,107</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,850,976</u></u>	<u><u>\$ 101,952</u></u>	<u><u>\$ 1,952,928</u></u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes
State of Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2022

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 1,909,107
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	123,149
Prepayments of some expenses are reported on the Statement of Net Position, however, prepayments are recognized as expenditures in the governmental funds.	13,220
Advance to the Twenty-sixth Judicial District - Drug Court is reported in governmental activities, however, is not a financial resource, and therefore, not reported in the governmental funds.	<u>40,000</u>
Net Position of Governmental Activities (Statement A)	<u><u>\$ 2,085,476</u></u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2022

	Judicial expense fund	Child support fund	Total governmental funds
REVENUES			
Fees and fines	\$ 131,391	\$ 547,181	\$ 678,572
Intergovernmental grants	34,952	-	34,952
Investment earnings	10,398	-	10,398
Other income	10,180	-	10,180
TOTAL REVENUES	<u>186,921</u>	<u>547,181</u>	<u>734,102</u>
EXPENDITURES			
Current:			
General government			
Personnel service & benefits	232,213	202,432	434,645
Travel, seminars, & conferences	13,156	18,094	31,250
Operating services	96,590	95,707	192,297
Professional services	6,750	6,750	13,500
Books & publications	12,429	12,429	24,858
TOTAL EXPENDITURES	<u>361,138</u>	<u>335,412</u>	<u>696,550</u>
Excess (deficiency) of revenues over expenditures	(174,217)	211,769	37,552
OTHER FINANCING SOURCES (USES)			
Operating transfers in	207,908	-	207,908
Operating transfers out	-	(207,908)	(207,908)
TOTAL OTHER FINANCING SOURCES (USES)	<u>207,908</u>	<u>(207,908)</u>	<u>-</u>
Net change in fund balances	33,691	3,861	37,552
Fund balances - beginning	<u>1,793,408</u>	<u>78,147</u>	<u>1,871,555</u>
Fund balances - ending	<u>\$ 1,827,099</u>	<u>\$ 82,008</u>	<u>\$ 1,909,107</u>

The accompanying notes are an integral part of this statement.

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
December 31, 2022

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

Net change in fund balances - total governmental funds (Statement E)	\$ 37,552
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.	(47,672)
The Statement of Activities reflects the effect of the disposition of capital assets during the year. The cost less the depreciation (net value) of the items disposed of during the year are not reflected in the governmental funds.	(6,625)
Collection of long-term receivable is a revenue in the governmental funds, but the collection reduces long-term receivables in the Statement of Net Position.	(5,000)
Expenses reported in the Statement of Activities that do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>1,009</u>
Change in net position of governmental activities (Statement B)	<u>\$ (20,736)</u>

The accompanying notes are an integral part of this statement.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

INTRODUCTION

The Twenty-Sixth Judicial District – Judicial Expense Fund was established under Louisiana Revised Statutes 13:996.50, which provides for a separate fund for the receipt and disbursement of designated court fines, costs or forfeitures imposed under the law. The Judicial Expense fund is administered by the judges, en banc, of the Twenty-Sixth Judicial District. The monies of the Twenty-Sixth Judicial District – Judicial Expense Fund may be expended for those expenditures deemed necessary for the proper operation of the court, including necessary personnel, law library costs, court equipment and supplies, and travel expenses and fees incurred by any judge or clerk to attend seminars or conferences. No salaries may be paid to any of the judges of the Twenty-sixth Judicial District from the Judicial Expense fund.

The accounting and reporting policies of the Twenty-Sixth Judicial District – Judicial Expense Fund conform to generally accepted accounting principles as applicable to governmental entities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Twenty-Sixth Judicial District – Judicial Expense Fund (JEF) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statements establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization’s relationship with the primary government.

Based on consideration of the foregoing criteria, the Twenty-sixth Judicial District Court is deemed to be a separate reporting entity. These financial statements include only information pertaining to the transactions of the Twenty-Sixth Judicial District – Judicial Expense Fund. Certain units of the local government over which the Court exercises no oversight responsibility, such as the Bossier and Webster Parish Police Juries, other independently elected officials, and municipalities within the parish are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Court.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

C. BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements – The JEF’s basic financial statements include both government-wide (reporting the funds maintained by the JEF as a whole) and fund financial statements (reporting the JEF’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the JEF’s activities are categorized as governmental activities. The JEF does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The JEF’s net position is reported in two parts - invested in capital assets, net of related debt and unrestricted net position.

Fiduciary funds are excluded from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Program revenues include 1) charges for services provided and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Program revenues reduce the costs of the function to be financed from the District’s general revenues. Charges for services are primarily derived from the fines and fees collected from government agencies. Operating grants and contributions consist of grants from various government agencies, and expense reimbursements from judges. Capital grants consist of grants from the Supreme Court to cover the cost of case management software. Interest income and other items not properly included among program revenues are reported instead as general revenues.

Allocation of indirect expense - Indirect expenses not allocated to functions are reported separately in the Statement of Activities. The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included as a direct expense of each function.

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

Fund Financial Statements – The financial transactions of the JEF are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows/outflows, reserves, fund equity, revenues

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Only the governmental fund type is used by the JEF. The focus of the governmental funds' measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financials resources) rather than upon net income. The funds of the JEF are described as follows:

- *General fund* – The General fund is the general operating fund and accounts for all activities of the JEF except those required to be accounted for in another fund.
- *Child Support fund* – This fund accounts for the fees assessed against persons owing child support to fund the administrative costs of the court system engaged in establishing or enforcing a support obligation.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus –

Government-wide financial statements - The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported.

Fund financial statements - All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

Basis of Accounting –

Government-wide financial statements - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Fund financial statements - In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when “measurable and available.” “Measurable” means that the amount of a transaction can be determined, and “available” means that an amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The JEF considers revenues to be available if they are collected within 30 days of the end of the year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Revenues - Revenues include fines, bonds forfeited, civil fees, probate fees, and adoption fees imposed by the District courts and are recorded in the year they are collected by the District courts within the judicial district. Child support fees represent a 5% surcharge on child support payments collected within the Twenty-Sixth Judicial District and are reported when the income is available.

Interest earned on investments is recorded when the investments have matured, and the income is available. Substantially all other revenues are recorded when received.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS AND BUDGETARY ACCOUNTING

Annually, the Judges prepare a budget for the JEF on the cash basis of accounting. The authority to amend the budget is reserved by the Judges. Formal budget integration (in the accounting records) is employed as a management control device during the year. Appropriations lapse at year-end. Encumbrance accounting is not used by the JEF.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana**

Notes to the Financial Statements
December 31, 2022

For the year ended December 31, 2022, the Judges adopted budgets for the JEF and Child Support Fund (CSF). The revenues and expenditures shown on page 15 are reconciled with the amounts reflected on the budget comparison on pages 30 & 31 as follows:

	Judicial expense fund	Child support fund
Net change in fund balances, GAAP basis	\$ 33,691	\$ 3,861
To adjust for receivables	(1,951)	1,108
To adjust for payables	547	(1,175)
Excess (deficiency) of revenues and other sources over expenditures, Budget – Cash basis	\$ 32,287	\$ 3,794

The following individual fund had an excess of expenditures over appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Child Support Fund	\$ 336,250	\$ 336,587	\$ (337)

F. CASH AND CASH EQUIVALENTS

Cash includes all demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal fair market value.

G. INVESTMENTS

Investments are limited by R.S. 33:2955. Investments consist of time deposits with original maturities of 90 days or more. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

The District Court has adopted deposit and investment policy that limits the government’s allowable deposits and investments and addresses the specific types of risk to which the government is exposed.

H. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.”

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

I. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. No allowance for uncollectible accounts receivable is established since all receivables are determined to be collectible. Major receivable balances for governmental activities include amounts due from the Parish Clerk of Courts and Sheriff Departments for collection of court costs, fines and other fees.

J. PREPAID ASSETS

Advance payments for software assurance licenses, dues, and insurance are expensed as the period on the contract or policy lapses. The balance in prepaid assets reflects costs applicable to future accounting periods and is recognized in the government-wide financial statements.

K. CAPITAL ASSETS

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost. If the asset was donated, it is recorded at its acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is calculated on a straight-line basis over the following estimated useful lives:

Equipment, including software	5-10 years
Furniture and fixtures	10-20 years
Office renovations	10-20 years

In the fund financial statements, fixed assets are accounted for as capital outlay expenditures upon acquisition. Capital assets reported herein include only those assets purchased by the JEF or donated to the JEF, and do not reflect assets used by the court that are owned by other agencies like the Police Jury.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Court has no items that qualify for reporting in this category.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Court has no items that qualify for reporting in this category.

M. FUND BALANCE

Governmental fund equity is called the fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly-defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Fund balance of the JEF has been classified into the following categories:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the Judges of the District, the highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Judges remove or change the specified use by taking the same type of action it employed to previously commit the funds.

Committed fund balance is established, modified or rescinded by either a policy of the District or motions passed at a District meeting formally committing the funds. The motions passed are usually the result of budget revisions.

Assigned - Amounts that are constrained for a specific purpose by the Judges but are not spendable until a budget ordinance is passed.

Unassigned: This classification is the residual fund balance for the General fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

When fund balance resources are available for a specific purpose, the Court would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Judges reduce restricted balances and then unrestricted balances when expenditure is incurred for which both restricted and unrestricted fund balance is available.

N. RESTRICTED NET POSITION

When both restricted and unrestricted resources are available for use, it is the Court's policy to use restricted resources first, then unrestricted resources when expenses are incurred for a purpose for which both restricted and unrestricted net position are available.

O. ELIMINATION AND RECLASSIFICATIONS

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At December 31, 2022, the Twenty-Sixth Judicial District – Judicial Expense Fund had cash and cash equivalents (book balances) of \$419,371.

At December 31, 2022, the Twenty-Sixth Judicial District – Judicial Expense Fund reported \$1,457,663 as investments. The investments are made up of certificates of deposit held with various banks.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

Custodial Credit Risk – Deposits: At December 31, 2022, the Twenty-Sixth Judicial District – Judicial Expense Fund has \$1,887,828 in bank balances. These deposits are secured from risk by \$1,508,266 of federal deposit insurance and \$1,861,037 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

Twenty-Sixth Judicial District – Judicial Expense Fund that the fiscal agent has failed to pay deposited funds upon demand. The District’s policy does not address custodial credit risk.

Interest Rate Risk – Deposits: The District’s policy does not address interest rate risk.

3. INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governmental units reported in the Statement of Net Position as of December 31, 2022 is as follows:

LA Department of Social Services	\$ 46,216
LA Supreme Court	19,238
Bossier Parish Clerk of Court	2,818
Bossier Parish Sheriff’s Department	2,953
Webster Parish Clerk of Court	765
Webster Parish Sheriff’s Department	3,874
Miscellaneous receivable	<u>30</u>
Totals	<u>\$ 75,894</u>

There is no allowance for doubtful accounts since all receivables are deemed collectible.

4. ADVANCE TO OTHER GOVERNMENT

In December 2010, the Twenty-sixth Judicial District Court advanced a total of \$45,000 from the JEF to the 26th Judicial District Drug Court to provide cash upfront to use to pay its bills while waiting for reimbursements from the Louisiana Supreme Court.

The Drug Court program operates on funding which is provided by the Louisiana Supreme Court on a reimbursement basis. The funds advanced to Drug Court allow the Drug Court program to meet its cash flow deficiency created by having to cover its monthly payroll expenses on a timely basis as requested by the Bossier Parish Police Jury before reimbursement is received from the Louisiana Supreme Court.

The amount of \$40,000 is included as an advance to other governments on the Statement of Net Position and Balance Sheet - Governmental Funds as of December 31, 2022. During 2022, the Drug Court began paying back the advancement. In the event the Drug Court program is discontinued, the \$40,000 advance will be paid immediately to the Judicial Expense fund.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$ 315,740	\$ -	\$ 76,757	\$ 238,983
Furniture and fixtures	3,001	-	-	3,001
Totals	<u>318,741</u>	<u>-</u>	<u>76,757</u>	<u>241,984</u>
Accumulated depreciation				
Equipment	141,129	47,472	70,132	118,469
Furniture and fixtures	166	200	-	366
Totals	<u>141,295</u>	<u>47,672</u>	<u>70,132</u>	<u>118,835</u>
Capital assets, net	\$ <u>177,446</u>	\$ <u>(47,672)</u>	\$ <u>6,625</u>	\$ <u>123,149</u>

Depreciation expense was charged to governmental activities as follows:

Judicial Expense	\$ 42,501
Child Support	5,171
Total	<u>\$ 47,672</u>

6. LONG-TERM DEBT

As of December 31, 2022, the JEF had no governmental long-term debt.

All of the employees of the Judicial Expense fund are considered employees of either the Bossier or Webster Parish Police Juries with the exception of the hearing officer who is part time, and a direct employee of the Judicial Expense fund. According to the Judges' office policy, there are no accumulated and vested benefits relating to annual and sick leave that requires disclosure or accrual to conform to generally accepted accounting principles.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to the Financial Statements
December 31, 2022

7. SALARY EXPENDITURES

Personnel assigned to the judiciary include the court administrator, bookkeeper, and law clerks. These personnel are paid by the two parishes of the Twenty-sixth Judicial District (Bossier and Webster parishes). The Parishes administer the payroll for all District Court employees excluding the judges and the hearing officer. The JEF reimburses Bossier Parish for the salaries and related fringe benefits of certain court employees, the Court Administrator and the Law Clerks in general.

8. PENSION PLAN

All of the JEF's full-time employees are considered employees of the Bossier and Webster Parish Police Juries and, accordingly, are enrolled by the respective Police Juries as members of Plan A of the Parochial Employees Retirement System of Louisiana ("System"), a multiple-employer (cost-sharing) public employee retirement system (PERS), controlled and administered by a separate board of trustees. The respective Police Juries and the Judicial Expense fund do not guarantee any of the benefits granted by the System.

9. LEASES

The JEF does not have any leases as of December 31, 2022.

10. LITIGATION

At December 31, 2022, the JEF was involved in a few matters involving litigation. It is the opinion of the legal advisor of the JEF that ultimate resolution of these lawsuits would not materially affect the financial statements.

11. ARRANGEMENTS WITH PARISH GOVERNMENTS

The district judges' office space, including utilities and certain office equipment and furniture, are furnished by the Bossier and Webster Parish Police Juries free of charge.

12. ARRANGEMENTS WITH OTHER GOVERNMENTS

Beginning in November 2011, the JEF entered into an agreement with the 26th Judicial District Drug Court to provide bookkeeping services to the Drug Court for a monthly fee of \$2,000.

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana**

Notes to the Financial Statements
December 31, 2022

13. CHILD SUPPORT ENFORCEMENT FUND

Louisiana Revised Statute 46:236.5 allows any court establishing or enforcing support obligations to implement an expedited process for the establishment or enforcement of support and provides that the judges of the appropriate court shall oversee the operations of the fund and shall appoint a hearing officer to hear support and support related matters. At the end of the reporting period all residual funds from the Child Support fund are to be transferred to the general operating account of the Judicial Expense fund. At December 31, 2022, \$207,908 was recognized as a transfer to the Judicial Expense fund.

14. NEW ACCOUNTING PRINCIPLE

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases, which increased the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The District implemented the Statement in the current year, with no changes to the prior net position as a result of this implementation.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2023, the date at which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

Budgetary Comparison Schedule - General Fund

Judicial Expense Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Cash Basis)	Favorable (Unfavorable)
REVENUES				
Fees and fines:				
Bossier Clerk of Court	\$ 14,500	\$ 16,500	\$ 16,530	\$ 30
Webster Clerk of Court	4,500	4,500	4,628	128
Bossier Parish Sheriff	43,500	45,500	43,232	(2,268)
Webster Parish Sheriff	12,000	8,000	5,798	(2,202)
Webster Parish Sheriff - bond fee	30,000	32,500	37,083	4,583
26th Judicial District Drug Court	20,400	22,200	22,200	-
Intergovernmental:				
FINS grant	34,100	35,000	34,952	(48)
Interest	14,500	13,150	10,398	(2,752)
Reimbursed judges travel	2,500	5,000	5,023	23
Other income	-	-	5,157	5,157
Total revenues	<u>176,000</u>	<u>182,350</u>	<u>185,001</u>	<u>2,651</u>
EXPENDITURES				
General government				
Judicial expenditures	438,600	326,150	325,670	480
FINS expenditures	<u>38,000</u>	<u>35,000</u>	<u>34,952</u>	<u>48</u>
Total expenditures	<u>476,600</u>	<u>361,150</u>	<u>360,622</u>	<u>528</u>
Excess (deficiency) of revenues over (under) expenditures	(300,600)	(178,800)	(175,621)	3,179
OTHER FINANCING SOURCES				
Transfer from Child Support fund	<u>78,000</u>	<u>211,750</u>	<u>207,908</u>	<u>(3,842)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures	(222,600)	32,950	32,287	(663)
Fund balance at beginning of year	<u>1,828,434</u>	<u>1,789,041</u>	<u>1,789,041</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,605,834</u>	<u>\$ 1,821,991</u>	<u>\$ 1,821,328</u>	<u>\$ (663)</u>

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

Budgetary Comparison Schedule - Special Revenue Fund

Child Support Fund

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts (Cash Basis)	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Fees and fines:				
5% Support Enforcement fee	\$ 515,000	\$ 548,000	\$ 548,289	\$ 289
Total revenues	<u>515,000</u>	<u>548,000</u>	<u>548,289</u>	<u>289</u>
EXPENDITURES				
General government				
FINS expenditures	4,000	350	358	(8)
Child Support expenditures	<u>433,000</u>	<u>335,900</u>	<u>336,229</u>	<u>(329)</u>
Total expenditures	<u>437,000</u>	<u>336,250</u>	<u>336,587</u>	<u>(337)</u>
Excess (deficiency) of revenues over (under) expenditures	78,000	211,750	211,702	(48)
OTHER FINANCING SOURCES (USES)				
Transfer to Judicial Expense fund	<u>(78,000)</u>	<u>(211,750)</u>	<u>(207,908)</u>	<u>3,842</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	3,794	3,794
Fund balance at beginning of year	<u>-</u>	<u>51,756</u>	<u>51,756</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 51,756</u>	<u>\$ 55,550</u>	<u>\$ 3,794</u>

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Notes to Required Supplementary Information
on Budgetary Accounting and Control
December 31, 2022

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The JEF prepares its annual operating budget under the provisions of the Louisiana Municipal Budget Act. In accordance with those provisions, the following procedures are used in adopting the annual budgets for the General fund:

1. An operating budget is prepared for the General fund at least fifteen days prior to the commencement of the budgetary fiscal year. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. The budget is available for public inspection at least fifteen days prior to the beginning of the fiscal year.
3. The budget is adopted after consideration of public comment, if any, and authorized for implementation on the first day of the fiscal year.
4. The General fund's budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by character (personnel services, group benefits, supplies, contractual services, and capital outlay, etc.) Total expenditures constitute the legal level of control. Expenditures may not exceed the sum of appropriations plus the unreserved prior year fund balance. The budget may be revised during the year as estimates regarding revenues and expenditures change.
5. Appropriations lapse at the end of each fiscal year.

The budget for the Child Support fund is prepared and submitted in conjunction with the budget for the Judicial Expense fund.

The annual operating budgets are prepared and presented on the cash basis of accounting.

SUPPLEMENTARY INFORMATION

**TWENTY-SIXTH JUDICIAL DISTRICT COURT -
JUDICIAL EXPENSE FUND**
Bossier and Webster Parishes
State of Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
December 31, 2022

	Judge Parker Self	Judge Mike Nerren	Judge Lane Pittard	Judge Mike Craig	Judge Doug Stinson	Judge Charles Smith
Purpose:						
Cellphone	\$ 1,136	\$ 1,650	\$ -	\$ 1,800	\$ -	\$ -
Travel/conference registration	2,486	3,389	1,958	1,594	3,421	425
Dues	505	330	330	330	150	330
Professional liability	3,270	3,270	3,270	3,925	3,270	3,270
Meals	163	208	150	163	163	163
Other/Reimbursements	14	-	-	585	1,104	920
<i>Less:</i>						
Reimbursement from Judges	<u>-</u>	<u>(2,812)</u>	<u>(1,428)</u>	<u>(783)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,574</u>	<u>\$ 6,035</u>	<u>\$ 4,280</u>	<u>\$ 7,614</u>	<u>\$ 8,108</u>	<u>\$ 5,108</u>

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND
JUDICIAL EXPENSE FUND
 Bossier and Webster Parishes
 State of Louisiana

Justice System Funding Schedule - Receiving Entity
 For the Year Ended December 31, 2022

Cash Basis Presentation	First Six Month Period Ended 06/30/2022	Second Six Month Period Ended 12/31/2022
Receipts From:		
<i>Webster Parish Clerk of Court, Civil Fees</i>	\$ 2,073	\$ 2,555
<i>Bossier Parish Clerk of Court, Civil Fees</i>	7,230	9,300
<i>Bossier Parish Sheriff, Criminal Court Costs/Fees</i>	20,991	22,241
<i>Webster Parish Sheriff, Criminal Court Costs/Fees</i>	3,025	2,773
<i>Webster Parish Sheriff, Bond Fees</i>	18,007	19,076
<i>Louisiana Department of Social Services, Criminal Court Costs/Fees</i>	270,788	277,501
Subtotal Receipts	\$ 322,114	\$ 333,446
Ending Balance of Amounts Assessed but Not Received	\$ -	\$ -

OTHER REPORTS

WISE, MARTIN & COLE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

601 Main Street P. O. Box 897
Minden, Louisiana 71058-0897
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA
KRISTINE H. COLE, CPA

KRISTIE K. MARTIN, CPA
HANNAH M. GOLVIN, CPA
HALEA S. LIPINSKI, CPA

CARLOS E. MARTIN, CPA (2020)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Judges of the Twenty-Sixth Judicial District – Judicial Expense Fund
Bossier and Webster Parishes, 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 and each major fund of the Twenty-Sixth Judicial District – Judicial Expense Fund, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Twenty-Sixth Judicial District – Judicial Expense Fund's basic financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Twenty-Sixth Judicial District – Judicial Expense Fund's internal control over financial reporting (internal control) as a basis for designing 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 Twenty-Sixth Judicial District – Judicial Expense Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Twenty-Sixth Judicial District – Judicial Expense Fund's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Twenty-Sixth Judicial District – Judicial Expense Fund’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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Wesley Martin & Cole LLC

Minden, Louisiana
June 28, 2023

SCHEDULES FOR LOUISIANA
LEGISLATIVE AUDITOR

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND
Bossier and Webster Parishes
State of Louisiana

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
December 31, 2022

Section I – Internal Control and Compliance Material to the Financial Statements

The results of our auditing procedures of the basic financial statements as of and for the year ended December 31, 2022, of the Twenty-Sixth Judicial District – Judicial Expense Fund disclosed no items that are required to be reported in accordance with *Government Auditing Standards*.

TWENTY-SIXTH JUDICIAL DISTRICT - JUDICIAL EXPENSE FUND

Bossier and Webster Parishes

State of Louisiana

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

December 31, 2022

There were no findings required to be reported during the December 31, 2021 year end.

WISE, MARTIN & COLE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

601 Main Street P. O. Box 897
Minden, Louisiana 71058-0897
(318) 377-3171 Fax (318) 377-3177

MICHAEL W. WISE, CPA
KRISTINE H. COLE, CPA

KRISTIE K. MARTIN, CPA
HANNAH M. COLVIN, CPA
HALEA S. LIPINSKI, CPA

CARLOS E. MARTIN, CPA (2020)

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Twenty-sixth Judicial District – Judicial Expense Fund
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 Twenty-sixth Judicial District – Judicial Expense Fund's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

Written policy and procedures were obtained and address all the functions above.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Written policy and procedures were obtained and address functions (2), (4), and (5). Function (1) and (3) does not apply since the District does not use a purchase order system.

- c) **Disbursements**, including processing, reviewing, and approving.

Written policy and procedures were obtained and address all functions above.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policy and procedures were obtained and address all functions above.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policy and procedures were obtained and address all the functions above.

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

Written policy and procedures were obtained and address all the functions above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Written policy and procedures were obtained and address all the functions above.

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

Written policy and procedures were obtained and address all the functions above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policy and procedures were obtained and address all the functions above.

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

The District does not have debt; therefore, no policy or procedures were provided.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policy and procedures were obtained and address all the functions above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policy and procedures were obtained and address all the functions above.

Board or Finance Committee

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

These above procedures related to board or finance committee do not apply. Judges of the JEF are not required to hold open meetings and minutes of judiciary meetings are not public.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all

accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Management provided us with a list of bank accounts, identifying the main operating account and a representation that the list is complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged).

The bank reconciliations were prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

The bank reconciliations were reviewed by a member of management/board member.

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

This procedure does not apply. No reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections (excluding electronic funds transfers)

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

Management provided us with the required list and representation that the listing is complete.

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

- a) Employees responsible for cash collections do not share cash drawers/registers.

Observed that the above job duties are properly segregated.

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

Observed that the above job duties are properly segregated.

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

Observed that the above job duties are properly segregated.

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

Observed that the above job duties are properly segregated.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Observed bond policy for theft covering all employees who have access to cash and enforcement of policy during the fiscal period.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Sequentially numbered receipts are not used by the District.

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

No exceptions noted.

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

No exceptions noted.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions noted.

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

No exceptions noted.

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

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

Management provided us with the required list and representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

This procedure does not apply, District does not have a purchase order system.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearing house (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Management provided us with the required list and representation that the listing is complete.

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions noted.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

No exceptions noted.

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

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

Management represented that they do not have credit cards, bank debit cards, fuel cards, and P-cards.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a

compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

None of the above procedures apply since the District does not have credit cards, debit cards, fuel cards, or P-cards.

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

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

Management provided us with the required list and representation that the listing is complete.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

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

No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

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

No exceptions noted.

Contracts

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

Management provided us with the required list and representation that the listing is complete.

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

This procedure does not apply since none of the agreements are required to be bid in accordance with Louisiana Public Bid Law.

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

This procedure does not apply since the Court Administrator is given authority to approve contracts. We observed Court Administrator approval on all contracts listed above.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

This procedure does not apply since all of the provided contracts were original contracts and were not amended during the fiscal period.

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

No exceptions noted.

Payroll and Personnel

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

Management provided us with the required list and representation that the listing is complete. No exceptions noted.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours, and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

This procedure does not apply since no employees were terminated during the 12/31/2022 year end.

- 20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Management provided us with the required representation.

Ethics

- 21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions noted.

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

No exceptions noted.

Debt Service

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

The above procedures do not apply since the District does not have debt.

Fraud Notice

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management provided us with the required list and representation that the listing is complete. This procedure does not apply since the District does not have any misappropriations of public funds and assets during the 12/31/2022 year end.

26. Observe the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Observed the notice required by R.S. 24:523.1 posted on the premises and on the Twenty-sixth Judicial District Court website.

Information Technology Disaster Recovery/Business Continuity

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

software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures above related to information technology disaster recovery/business continuity and discussed the results with management.

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

No exceptions noted.

Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exceptions noted.

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

Observed sexual harassment policy and complaint procedure on the District's website.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements.
- b) Number of sexual harassment complaints received by the agency.
- c) Number of complaints which resulted in a finding that sexual harassment occurred.
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Reported date before February 1. Observed that report includes all applicable requirements.

We were engaged by Twenty-sixth Judicial District – Judicial Expense Fund 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 Twenty-sixth Judicial District – Judicial Expense Fund 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.

Wise Martin & Cole, LLC

Minden, LA
June 28, 2023