JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

Component Unit of the
Avoyelles Parish Police Jury
Marksville, Louisiana

Financial Statements

December 31, 2025

DUCOTE & COMPANY
Certified Public Accountants
P. O. Box 309
219 North Washington St.
Marksville, LA 71351

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

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Ducote & Company
Certified Public Accountants

Aloysia C. Ducote, CPA, PC
Joan S. Ducote, CPA, PC
Hope J. Gagnard, CPA, PC

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana (the Fund), a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's basic financial statements, as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of December 31, 2025, and the respective changes in financial position and the budgetary comparison for the special revenue fund 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

The Schedule of Required Elements – Misappropriation of Public Funds is presented as required by the Louisiana Legislative Auditor and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2026, on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and compliance.

Ducote & Company
Marksville, Louisiana
September 15, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF NET POSITION
December 31, 2025

ASSETS		
Cash and cash equivalents	$	518,029
Accounts receivable		16,639
Machinery and equipment, (net of accum depr)		11,065
TOTAL ASSETS		545,733
LIABILITIES:		
Payroll liabilities		4,776
Fines payable		188,749
TOTAL LIABILITIES		193,525
NET POSITION		
Net investment in capital assets		11,065
Restricted:		
Court services		341,143
TOTAL NET POSITION	$	352,208

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

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

		Program Revenues		
	Expenses	Fees, Fines and Charges For Services	Program Operating Grants	Net Revenues (Expenses)
Activities				
General Government	$ 534,154	$ 231,050	$ 327,904	$ 24,800
TOTAL GOVERNMENTAL ACTIVITIES	$ 534,154	$ 231,050	$ 327,904	24,800
General Revenues:				
Interest				5,962
Changes in net assets				30,762
Net position - beginning of year				321,446
Net position - end of year				$ 352,208

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

FUND FINANCIAL STATEMENTS

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT
BALANCE SHEET - GOVERNMENTAL FUND
December 31, 2025

	Special Revenue Fund
ASSETS	
Cash and cash equivalents	$ 518,029
Accounts receivable	16,639
TOTAL ASSETS	$ 534,668
LIABILITIES AND FUND BALANCE	
Liabilities:	
Payroll liabilities	$ 4,776
Fines payable	188,749
Total Liabilities	193,525
Fund Balance:	
Restricted	341,143
TOTAL LIABILITIES AND FUND BALANCE	$ 534,668

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

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2025

Total fund balances for governmental funds as of December 31, 2025		$ 341,143
Total net position reported for governmental activities in the statement of net position is difference because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. These assets consist of:		
Equipment	$ 71,670	
Accumulated depreciation	(60,605)	11,065
Total net position of governmental activities at December 31, 2025		$ 352,208

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

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND - BUDGET (GAAP) AND ACTUAL

Year Ended December 31, 2025

	SPECIAL REVENUE FUND		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment fees	$ 225,000	$ 231,050	$ 6,050
Intergovernmental grants	176,500	182,276	5,776
Federal grants	150,000	145,628	(4,372)
Interest	4,000	5,962	1,962
TOTAL REVENUES	555,500	564,916	9,416
EXPENDITURES			
General Government			
Salaries	324,520	317,593	6,927
Payroll taxes and insurance	46,855	43,542	3,313
Contract labor	3,500	380	3,120
Education and travel	15,550	11,534	4,016
Professional fees	16,200	15,250	950
Rent	15,690	12,590	3,100
Other expenses	106,875	128,849	(21,974)
TOTAL EXPENDITURES	529,190	529,738	(548)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	26,310	35,178	$ 8,868
FUND BALANCE, BEGINNING OF YEAR	305,965	305,965	
FUND BALANCE, END OF YEAR	$ 332,275	$ 341,143	

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

JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Total net changes in fund balances for the year ended December 31, 2025 per the statement of revenues, expenditures, and changes in fund balance	$	35,178
The change in net position reported for the governmental activities in the statement of activities differs because:		
Capital outlays are reported as expenditures in the governmental funds. However, in the statement of activities, the cost of the capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:		
Depreciation expense		(4,416)
Change in net position of governmental activities for the year ended December 31, 2025	$	30,762

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

NOTES TO THE FINANCIAL STATEMENTS

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The following is a summary of the more significant policies:

FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended (GASB Codification Section 2100), establishes criteria for determining which organizations are included in a primary government's financial reporting entity. A legally separate organization is a component unit of a primary government if the primary government is financially accountable for it, or if the organization is fiscally dependent on the primary government. An organization may also be included if the nature and significance of its relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

GOVERNMENT- WIDE FINANCIAL STATEMENTS

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fines and assessments charged for various violations and operating grants restricted to the operations of the Fund's programs.

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

FUND FINANCIAL STATEMENTS

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

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

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND

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

Special Revenue Fund

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

BUDGETARY PRACTICES

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

CASH AND CASH EQUIVALENTS

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Capital assets are recorded as expenditures in the governmental fund at the time they are purchased or constructed and are capitalized (reported) in the government-wide statement of net position. Capital assets are valued at historical cost, or estimated historical cost if historical cost is not available. Capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

Machinery and equipment	5-7 years

RESTRICTED NET POSITION

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

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

Restricted net position – consists of funds with constraints placed on the use either externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other assets and liabilities that do not meet the definition of "restricted" or "net investment in capital assets."

GOVERNMENTAL FUND BALANCES

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

Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND BALANCES (continued)

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

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

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

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

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

REVENUES

The Fund considers revenue to be susceptible to accrual in the governmental fund as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Fund generally defines the availability period for revenue recognition as received within 60 days of the year end. The Fund's major revenue sources are fees, fines and governmental grants.

EXPENDITURES/EXPENSES

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character. In the fund financial statements, governmental funds report expenditures of financial resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

Employees of the Fund earn leave in accordance with the Fund's personnel policies. In accordance with GASB Statement No. 101, Compensated Absences, a liability is recognized for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined that the Fund's liability for compensated absences at December 31, 2025, measured in accordance with GASB Statement No. 101, is not material to the financial statements. Accordingly, no liability for compensated absences has been recorded.

USE OF ESTIMATES

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

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2025, the Judicial Expense Fund for the Twelfth Judicial District Court has cash and cash equivalents (book balances) totaling $518,029. *Custodial Credit Risk* is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk.

At December 31, 2025, the Judicial Expense Fund for the Twelfth Judicial District Court has $517,080 in deposits (collected bank balances). Of the bank balance, $483,017 was covered by federal depository insurance, and $34,063 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Fund's name, as follows:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depository Account	Bank Balance
Insured (FDIC)	$ 483,017
Collateralized:	
Collateral held by pledging bank's trust department or agent, not in the Fund's name	34,063
Uninsured and uncollateralized	-
Total deposits	**$ 517,080**

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advance funds to satisfy the depositor's claim in the event of the failure of the fiscal agent bank within 10 days of being notified of the failure.

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in the capital assets and depreciation activity for the year ended December 31, 2025:

	Balance 12/31/2024	Additions	Retirements	Balance 12/31/2025
Machinery and equipment	$ 71,670	$ -	$ -	$ 71,670
Less: accumulated depreciation	(56,189)	(4,416)	-	(60,605)
Net capital assets	$ 15,481	$ (4,416)	$ -	$ 11,065

Depreciation expense of $4,416 was charged to the general government function.

NOTE 4 – RECEIVABLES

The receivables of $16,639, as of December 31, 2025, are as follows:

Intergovernmental:	
Local fees	$ 16,639
	$ 16,639

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2025

NOTE 5 – PAYABLES

The payables of $193,525 at December 31, 2025, are as follows:

Payroll liabilities	$ 4,776
Fines payable	188,749
	$ 193,525

NOTE 6 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The statutes which created the Judicial Expense Fund for the Twelfth Judicial District place certain limitations and restrictions on the collections and disbursements of the Fund. The Fund is in compliance with all significant limitations and restrictions for 2025.

NOTE 7 – FUND BALANCES

Fund balances for the Fund consisted of the following as of December 31, 2025:

Restricted fund balance – The restricted fund balance of $341,143 consists of the resources of the special revenue fund, which are restricted by La. R.S. 13:996.33 to purposes connected with the administration and function of the Twelfth Judicial District Court.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

At December 31, 2025, the Judicial Expense Fund for the Twelfth Judicial District Court was not involved in any litigation that would materially affect the financial statements.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued)
December 31, 2025

NOTE 9 – MISAPPROPRIATION OF PUBLIC FUNDS

In late May 2025, Fund management developed reasonable cause to believe that a former employee, the Drug Court Fiscal Administrator, had failed to deposit client cash fees collected from Drug Court program participants between January 1, 2022 and May 31, 2025. The matter was not detected through the Fund's internal controls; it came to light incidentally following a public records request. Chief Judge Kerry L. Spruill notified the Louisiana Legislative Auditor and the Avoyelles Parish District Attorney in writing on June 18, 2025, with a follow-up notification on September 29, 2025, in accordance with Louisiana Revised Statute 24:523. The employee resigned effective June 16, 2025. Approximately $6,615.00 was initially believed to have been misappropriated. Restitution of $5,800.00 was received by the Avoyelles Parish District Attorney's Office and delivered to the Drug Court; the $815.00 difference was attributed by the Drug Court Administrator to a calculation error in the original estimate. The District Attorney's Office confirmed by letter dated September 29, 2025 that restitution was received and that its investigation was concluded. No formal criminal charges were filed. The amount involved is not material to the basic financial statements taken as a whole.

Following this matter, the Fund implemented new procedures to prevent recurrence: the Drug Court no longer accepts cash payments from clients; payments are now accepted only by money order, online payment through CourtMoney, or credit/debit card.

This matter is further described in Finding 2025-01 in the accompanying Schedule of Findings and Responses, and in the Schedule of Required Elements – Misappropriation of Public Funds included in Other Supplementary Information.

NOTE 10– SUBSEQUENT EVENTS

Subsequent events were evaluated through September 15, 2026, which is the date the financial statements were available to be issued. The following subsequent event is noted:

On June 25, 2026, the Governor of Louisiana signed House Bill 1252 (Act 972), which provides for structural changes to the city court system within Avoyelles Parish, Louisiana that directly impact the caseload and concurrent jurisdiction of the 12th Judicial District Court. Effective January 1, 2027, Act 972 expands the geographical jurisdiction of the Marksville and Bunkie city courts. The law grants both city courts concurrent jurisdiction with the 12th Judicial District Court for all criminal misdemeanor cases, juvenile matters, and civil disputes under $50,000. These jurisdictional modifications apply strictly to matters filed on or after the effective date. The financial impact on the 12th Judicial District Judicial Expense Fund has not been evaluated as of September 15, 2026.

OTHER SUPPLEMENTARY INFORMATION

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

December 31, 2025

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

Purpose		Amount
Salary	*	$ 0
Benefits – insurance	*	0
Benefits – retirement	*	0
Cell phone		453
Conference travel		401
Continuing professional education fees		425
Professional dues		650
Total		**$ 1,929**

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

See independent auditors' report.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY

As Required by Act 87 of the 2020 Regular Legislative Session

Year Ended December 31, 2025

	First Six Month Period Ended June 30, 2025	Second Six Month Period Ended December 31, 2025
Cash Basis Presentation		
Receipts From:		
Avoyelles Parish District Attorney / Pretrial Diversion Fees	$ -	$ -
Avoyelles Parish Sheriff / Other - Juvenile Holdover Fees	-	3,114
Avoyelles Parish Sheriff / Other - Secretary Fund	45,600	53,200
Avoyelles Parish Sheriff / Bail Bonds	18,708	16,643
Avoyelles Parish Sheriff / Court Costs/Fees	6,770	14,355
Avoyelles Parish Clerk of Court / Drug Court Services	4,250	4,205
Avoyelles Parish Clerk of Court / Court Filing Fees	8,490	23,815
Total Receipts	$ 83,818	$ 115,332

See independent auditors' report

JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRCIT COURT

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by ACT 87 of the 2020 Regular Legislative Session
Cash Basis Presentation
For the Year Ended December 31, 2025

	First Six Month Period Ended 6/30/2025	Second Six Month Period Ended 12/31/2025
1 Beginning Balance of Amounts Collected (i e. cash on hand)	$ 207,550	$ 198,648
2 Collections		
a. Civil Fees	-	-
b. Bonds Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines - Contempt	-	-
h. Criminal Fines - Other/Non-Contempt	-	-
i. Restitution	17,204	26,603
j. Probabtion/Parole/Supervision Fees	154,306	195,248
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earning on Collected Balance	1,098	1,212
n. Others	-	-
Total Collected	172,608	223,063
3 Deductions: Collections Retained by the 12th Judicial District Judicial Expense Fund		
I. Collection Fee for Collecting/Disbursing to Others based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others based on Fixed Amount	60,236	82,551
III. Other Amounts "Self-Disbursed"	-	
a. Civil Fees	-	-
b. Bonds Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines - Contempt	-	-
h. Criminal Fines - Other/Non-Contempt	-	-
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	-	-
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earning on Collected Balance	-	-
n. Others	-	-
Total Collections Retained by the Village of Hessmer	60,236	82,551
4 Deductions; Amounts Disbursed to Individuals and Entities/ Excluding Governments and Nonprofits		
a. Collecting/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	-	-
c. Bond Refunds	-	-
d. Restituion Disbursements to Individuals and Entities/Excluding Governments and Nonprofits	17,204	26,603
e. Other Disbursements to Individuals and Entities/Excluding Governments and Nonprofits	-	-
Total Amounts Disbursed to Individuals and Entities, Exluding Governments and Nonprofits	17,204	26,603
5 Deductions: Total Disbursements to Other Governments & Nonprofits	104,070	102,493
6 Total Amounts Disbursed/Retained	181,510	211,647
7 Ending Cash Balance	$ 198,648	$ 210,064
8 Ending Balance of "Partial Payments" Collected but not Disbursed	-	$ 210,064
9 Other Information:		
I. Ending Balance of Amounts Assessed by Not Yet Collected	-	-
II. Total Waivers During the Fiscal Period	-	-

See accompanying independent auditors' report

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

SCHEDULE OF REQUIRED ELEMENTS – MISAPPROPRIATION OF PUBLIC FUNDS

As Required by the Louisiana Legislative Auditor

Year Ended December 31, 2025

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	A Drug Court Fiscal Administrator failed to deposit client cash fees collected by the Drug Court program of the Judicial Expense Fund for the Twelfth Judicial District Court, resulting in a misappropriation of public funds.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Client cash fees collected from Drug Court program participants (e.g., program/service fees paid in cash).
3	The amount of funds or approximate value of assets involved.	Approximately $6,615.00 was initially believed to have been misappropriated. Restitution of $5,800.00 was ultimately collected; the $815.00 difference was attributed by the Drug Court Administrator to a calculation error in the original estimate.
4	The department or office in which the fraud or misappropriation occurred.	The Drug Court office of the Judicial Expense Fund for the Twelfth Judicial District Court, a component unit of the Avoyelles Parish Police Jury.
5	The period of time over which the fraud or misappropriation occurred.	January 1, 2022 through May 31, 2025.
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Drug Court Fiscal Administrator, Judicial Expense Fund for the Twelfth Judicial District Court.
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Not applicable – no formal charges have been brought against the individual and the matter has not been adjudicated; it was resolved through negotiated restitution with the District Attorney's Office.
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	No. The individual resigned effective June 16, 2025.
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	Not applicable – the individual believed to have committed the act is no longer employed by the agency.
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Yes. The matter was referred to and handled by the Avoyelles Parish District Attorney's Office (Charles A. Riddle III), which initially requested the underlying bank records and subsequently negotiated and accepted restitution.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	As of September 15, 2026 (date of this report), the matter has been resolved. The District Attorney's Office confirmed by letter dated September 29, 2025 that restitution of $5,800.00 was received and that its investigation of potential criminal activity was concluded.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	No formal criminal charges were filed. The District Attorney's Office resolved the matter through negotiated restitution rather than prosecution.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	Not applicable – no formal charges were filed and no court adjudication occurred.
14	Has restitution been made or has an insurance claim been filed?	Yes. Restitution of $5,800.00 was received by the District Attorney's Office via money order and delivered to the Drug Court, per correspondence dated September 29, 2025. No insurance claim was filed; employees with access to cash were not covered by a bond or theft insurance policy (see Finding 2025-03).

#	ELEMENT OF FINDING	RESPONSE
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)?	Yes. Chief Judge Kerry L. Spruill notified the Legislative Auditor in writing on June 18, 2025, with a follow-up notification on September 29, 2025. The Avoyelles Parish District Attorney was copied on both notifications, consistent with La. R.S. 24:523.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No. The shortage spanned more than three years (January 2022 – May 2025) and was not detected through the agency's own monitoring; it came to light incidentally, following a public records request tied to an unrelated employee's arrest.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	Cash receipts collected by the Drug Court were not subject to adequate segregation of duties or independent reconciliation – no reconciliation of cash funds received was performed by a person other than the individual making deposits and performing bank reconciliations, and comprehensive written policies and procedures had not been adopted. These material weaknesses are reported as current-year Findings 2025-03 and 2025-02 (repeats of prior-year Findings 2024-02 and 2024-01) and as Finding 2025-01.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future.	The Drug Court has discontinued acceptance of cash. Going forward, only money orders, online payments through CourtMoney, and credit/debit cards are accepted, eliminating the cash-handling exposure that allowed this matter to occur. See management's corrective action for Findings 2025-01 through 2025-03.

See independent auditors' report.

OTHER REPORTS

Ducote & Company
Certified Public Accountants

Aloysia C. Ducote, CPA, PC
Joan S. Ducote, CPA, PC
Hope J. Gagnard, CPA, PC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Judicial Expense Fund of the Twelfth Judicial District Court (the Fund) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Judicial Expense Fund of the Twelfth Judicial District Court's basic financial statements, and have issued our report thereon dated September 15, 2026.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2025-01, 2025-02, and 2025-03 that we consider to be material weaknesses.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twelfth Judicial District Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2025-01 and 2025-04.

Judicial Expense Fund of the Twelfth Judicial District Court's Response to Findings

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

Purpose of this Report

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

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

Ducote & Company

Marksville, Louisiana
September 15, 2026

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT
SUMMARY OF FINDINGS AND RESPONSES
Year Ended December 31, 2025

Section I – Summary of Auditors' Results

A. Financial Statement Audit

Financial Statements

1. Type of auditor's report issued: Unmodified

2. Internal control over financial reporting and compliance and other matters:
   a. Material weaknesses identified? Yes
   b. Significant deficiencies identified? No
   c. Noncompliance material to the financial statements noted? No

3. Management letter comment provided? No

Federal Awards

Not Applicable

Section II – Financial Statement Findings

See accompanying Schedule of Findings and Responses, Findings 2025-01 through 2025-04

Section III – Federal Award Findings

Not Applicable

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

Schedule of Findings and Responses
Year Ended December 31, 2025

Part I - Current Year Findings:

A. Internal Control over Financial Reporting

2025-01 Misappropriation of Public Funds

CONDITION: A former employee, the 12th Judicial Distrct Court Fiscal Administrator, failed to deposit client cash fees collected at the Avoyelles Parish Drug Court between January 1, 2022 and May 31, 2025. The matter was discovered in late May 2025 and reported to the Louisiana Legislative Auditor and the Avoyelles Parish District Attorney on June 18, 2025, in accordance with R.S. 24:523. See the Schedule of Required Elements – Misappropriation of Public Funds in Other Supplementary Information for further detail.

CRITERIA: Management is responsible for establishing and maintaining internal controls that provide reasonable assurance that all public funds collected are receipted, recorded, and deposited intact, and that assets are safeguarded against loss or misappropriation. In addition, R.S. 24:523 requires an agency head who has actual knowledge of, or reasonable cause to believe that there has been, a misappropriation of public funds or assets to immediately notify, in writing, the Legislative Auditor and the district attorney of the parish in which the agency is domiciled.

CAUSE: Inadequate segregation of duties and reconciliation controls over cash receipts at the Drug Court cash-collection location, as further described in Finding 2025-03, allowed the shortage to continue undetected over an extended period.

EFFECT: Client cash fees of approximately $6,615.00 were not deposited. Restitution of $5,800.00 was collected, and the District Attorney's Office confirmed by letter dated September 29, 2025 that the matter was concluded. The $815.00 difference was attributed by the Drug Court Administrator to a calculation error in the original estimate. No formal criminal charges were filed.

RECOMMENDATION: We recommend the Fund continue to strengthen segregation of duties and reconciliation procedures over cash receipts, consistent with Finding 2025-03.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION: Management concurs with the finding. The Drug Court no longer accepts cash payments from clients; payments are now accepted only by money order, online payment through CourtMoney, or credit/debit card.

2025-02 Policies and Procedures (Repeat of Finding 2024-01)

CONDITION: The Twelfth Judicial District Judicial Expense Fund has adopted written policies and procedures addressing several key financial areas, including budgeting, payroll and personnel, and credit and debit cards. However, as of December 31, 2025, the policies still do not fully address all areas required by the Louisiana Legislative Auditor (LLA), as tested under the Statewide Agreed-Upon Procedures (SAUPs), including purchasing, disbursements, receipts/collections, contracting, travel and expense reimbursement, ethics, debt service, information technology disaster recovery/business continuity, and prevention of sexual harassment.

CRITERIA: Written policies and procedures are necessary to provide a clear understanding of day-to-day operations and promote accountability, consistency, and compliance in local government operations.

CAUSE: While the Fund has made progress in formalizing written policies and procedures, not all areas required by guidance have been addressed as of the current fiscal year end.

EFFECT: The absence of comprehensive written policies and procedures increases the risk of inconsistent practices, operational inefficiencies, and noncompliance with state-mandated expectations.

RECOMMENDATION: Management should review the most current Statewide Agreed-Upon Procedures guidance issued by the LLA and ensure that written policies and procedures are adopted for all required areas.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION: Management concurs with the finding and will continue to develop written policies and procedures.

2025-03 Inadequate Controls over Cash Receipts (Repeat of Finding 2024-02)

CONDITION: There are multiple departments responsible for receiving cash payments. Job duties are not properly segregated at each collection location, employees responsible for preparing/making deposits are also responsible for performing monthly bank reconciliations, receipts are not sequentially prenumbered at most accounts, and employees with access to cash are not covered by a bond or insurance policy for theft. This condition continued to exist as of December 31, 2025, and contributed to the matter described in Finding 2025-01.

CRITERIA: Effective internal control systems over revenue collection require segregation of duties of collecting payments, recording receipts, and preparing deposits. Effective internal control also includes monitoring activities and controls designed to safeguard assets from loss or misuse.

CAUSE: There are no written policies or oversight mechanisms in place to monitor cash receipts, deposits, and bank reconciliations.

EFFECT: There is a heightened risk of errors or misappropriation of funds occurring and not being detected in a timely manner, as evidenced by the matter described in Finding 2025-01.

RECOMMENDATION: Management should revisit its policies, procedures, and controls over cash receipts and train employees on the policies and use of internal controls, and review regularly that controls are in place and working, including ensuring receipts are sequentially prenumbered and that all employees with access to cash are covered by a bond or insurance policy for theft.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION: Management concurs with the finding and will continue to develop, implement, and review controls over cash receipts. As noted in Finding 2025-01, the Drug Court no longer accepts cash payments.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT
Schedule of Findings and Responses (Continued)
Year Ended December 31, 2025

B. Compliance

2025-04 Failure to Remit Outstanding Checks to Unclaimed Property (Repeat of Finding 2024-03)

CONDITION: The Twelfth Judicial District Judicial Expense Fund has not remitted outstanding checks to the Louisiana Department of the Treasury in accordance with unclaimed property laws. Several checks remain uncashed without being reported or turned over as required as of December 31, 2025.

CRITERIA: The Louisiana Uniform Unclaimed Property Act (R.S. 9:151 et seq.) requires that outstanding checks and similar items that remain unclaimed for a statutory period (generally three years) be reported and remitted to the Louisiana Unclaimed Property Division.

CAUSE: The Fund does not have adequate procedures in place to identify and report unclaimed checks in compliance with state requirements.

EFFECT: Failure to remit unclaimed property may result in noncompliance with state law and potential penalties. It also reduces transparency and accountability in handling public funds.

RECOMMENDATION: We recommend the Fund review outstanding checks on an annual basis, determine those eligible for escheatment, and timely report and remit unclaimed property to the Louisiana Department of the Treasury in accordance with applicable law.

MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION: Management agrees with the finding and will implement procedures to review outstanding checks annually and identify those that meet the criteria for unclaimed property reporting. A listing of outstanding old checks will be compiled and submitted to the Louisiana Department of the Treasury by the required deadline.

Part II - Prior Year Findings:

2024-01 Policies and Procedures – Unresolved. See current year Finding 2025-02.

2024-02 Inadequate Controls over Cash Receipts – Unresolved. See current year Finding 2025-03; this deficiency contributed to the matter described in current year Finding 2025-01.

2024-03 Failure to Remit Outstanding Checks to Unclaimed Property – Unresolved. See current year Finding 2025-04.

Ducote & Company
Certified Public Accountants

Aloysia C. Ducote, CPA, PC
Joan S. Ducote, CPA, PC
Hope J. Gagnard, CPA, PC

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. The Judicial Expense Fund of the Twelfth Judicial District Court (the Fund)'s management is responsible for those C/C areas identified in the SAUPs.

The Judicial Expense Fund of the Twelfth Judicial District Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. 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:

1) Written Policies and Procedures

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

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

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

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

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

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

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

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

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

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

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

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

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

Results:

Exception: The Fund's written policies and procedures did not address the following categories and subcategories:

Purchasing – subcategories (1) through (5);

Disbursements;

Receipts/Collections;

Payroll/Personnel – subcategory (1), payroll processing;

Contracting – subcategories (1) through (5);

Travel and Expense Reimbursement – subcategories (1) through (4);

Credit Cards – subcategories (1), (4), and (5);

Ethics – subcategories (1) through (4);

Information Technology Disaster Recovery/Business Continuity – subcategories (1) through (6); and

Prevention of Sexual Harassment – subcategories (2) and (3).

2) Board or Finance Committee

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

   i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

   iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

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

Results:

Not applicable. The Fund is administered by the judges of the Twelfth Judicial District Court and does not have a board or finance committee.

3) Bank Reconciliations

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

   ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

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

Results:

Exception (procedure 3A(iii)): For one of one bank reconciliation that included reconciling items outstanding more than 12 months, management did not have documentation reflecting that it had researched those reconciling items.

No exceptions were found as a result of procedures 3A(i) and 3A(ii).

4) Collections (excluding electronic funds transfers)

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

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

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

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

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

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

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

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

   i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

Results:

Exceptions:

Procedure 4B: Job duties were not properly segregated at the collection location. Employees responsible for collecting cash and preparing/making deposits are also responsible for performing the monthly bank reconciliations, and no other employee/official reconciles collection documentation to the deposit.

Procedure 4C: Employees who have access to cash are not covered by a bond or insurance policy for theft.

Procedure 4D(i): Receipts were not sequentially pre-numbered for all accounts except the Avoyelles Parish Drug Court account.

Procedure 4D(iv): Three of ten deposits tested did not show evidence of being deposited within one business day of receipt.

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

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

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

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

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

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

   iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

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

   [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

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

   ii. Observe whether the disbursement documentation included evidence (e.g., initial/date,

electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

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

Results:

Exceptions:

Procedure 5B(i): Only one employee is involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase for all bank accounts except the Avoyelles Parish Drug Court account.

Procedure 5B(ii): Only one employee is involved in processing and approving payments to vendors for all bank accounts except the Avoyelles Parish Drug Court account.

Procedure 5B(iii): The employee responsible for processing payments is not prohibited from adding/modifying vendor files, and no other employee periodically reviews changes to vendor files.

Procedure 5C(i): One of five disbursements tested was not supported by an original itemized invoice and documentation that the deliverables were received.

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

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

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

   i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

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

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for

meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Results:

Exceptions:

Procedure 6B(ii): Finance charges and late fees were assessed on the selected statements.

Procedure 6C: One transactions tested were not supported by an original itemized receipt, written documentation of the business/public purpose, and/or documentation of the individuals participating in meals.

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

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

   i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana (doa.la.gov/doa/ost/ppm-49-travel-guide/) or the U.S. General Services Administration (www.gsa.gov);

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

   iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Results:

Exception (procedures 7A(ii) and 7A(iii)): Two of five reimbursements tested were not supported by an original itemized receipt and documentation of the business/public purpose.

8) Contracts

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

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

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

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

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

Results:

No exceptions were found as a result of these procedures.

9) Payroll and Personnel

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

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

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

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

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

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

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

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

Results:

Exceptions:

Procedures 9A and 9B(iv): Authorized salaries/pay rates for the selected employees were not documented in their personnel files; therefore, paid salaries and rates paid could not be agreed to authorized salaries/pay rates.

Procedure 9B(i): Three of five employees selected did not document their daily attendance and leave. For one of the employees who provided documentation, the documentation was not available at the time payroll was processed.

Procedure 9B(ii): Four of five employees selected did not have supervisor approval of their attendance and leave.

10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

   i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Results:

No exceptions were found as a result of these procedures.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

Not applicable. The Fund had no debt issued or outstanding during the fiscal period.

12) Fraud Notice

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

required by R.S. 24:523.

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

Results:

No exceptions were found as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":

A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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 procedure and discussed the results with management.

D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

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

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

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

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

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

Results:

Exceptions:

Procedure 14A: Two of five employees tested could not provide documentation of completing one hour of sexual harassment training during the calendar year.

Procedure 14B: The entity has not posted its sexual harassment policy and complaint procedure on its website or in a conspicuous location on its premises.

Management's Response:

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

We were engaged by Judicial Expense Fund of the Twelfth Judicial District Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Ducote & Company

Marksville, Louisiana
September 15, 2026