

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

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2021**

**TWENTY-SIXTH JUDICIAL DISTRICT –  
 JUDICIAL EXPENSE FUND  
 Bossier and Webster Parishes  
 State of Louisiana  
 Annual Financial Report  
 Year Ended December 31, 2021**

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, 2021**

**TABLE OF CONTENTS**

	<u>Schedules</u>	<u>Page</u>
Justice System Funding Schedule – Receiving Entity	3	35
<b>OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS</b>		
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>		38
<b>SCHEDULES FOR LOUISIANA LEGISLATIVE AUDITOR</b>		
Schedule of Current Year Audit Findings		41
Schedule of Prior Year Audit Findings		42

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**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, 2021, 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, 2021, 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 30, 2022, 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.

*Wise Martin & Cole LLC*

Minden, Louisiana  
June 30, 2022

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

# TWENTY-SIXTH JUDICIAL DISTRICT COURT

BOSSIER AND WEBSTER PARISHES

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## 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, 2021, in an easily readable analysis.

### FINANCIAL HIGHLIGHTS

- The government-wide assets of the JEF exceeded its liabilities at the close of 2021 by \$2,106,212.
- The General fund's total fund revenues were \$239,478 in 2021, a decrease of 21% over last year's revenues of \$303,627.
- The Child Support fund's (CSF) total fund revenues were \$522,288 in 2021, a decrease of 1% of last year's revenues of \$527,354.
- During the year ended December 31, 2021, the governmental funds, JEF and CSF had total expenses of \$416,785 and \$352,119, 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, increasing from \$2,092,729 to \$2,106,212. 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>2021</u>	<u>2020</u>
Current and other assets	\$1,977,010	\$ 1,991,563
Capital assets	<u>177,446</u>	<u>158,324</u>
Total assets	<u>2,154,456</u>	<u>2,149,887</u>
Current liabilities	<u>48,244</u>	<u>57,158</u>
Total liabilities	<u>48,244</u>	<u>57,158</u>
Net position:		
Invested in capital assets	177,446	158,324
Unrestricted	<u>1,928,766</u>	<u>1,934,405</u>
Total net position	<u>\$ 2,106,212</u>	<u>\$ 2,092,729</u>

Net position of the JEF's governmental activities increased overall by \$13,483. 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 – decreased by \$5,639.

**Table 2 - Changes in Net Position**

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 653,170	\$ 652,285
Operating grants/contributions	34,116	41,787
Capital grants/contributions	57,713	110,273
General revenues		
Interest earned	<u>16,767</u>	<u>26,636</u>
Total revenues	<u>761,766</u>	<u>830,981</u>
Expenses:		
Judicial expense	391,829	386,925
Child support	<u>356,454</u>	<u>413,638</u>
Total expenses	<u>748,283</u>	<u>800,563</u>
Increase (decrease) in net position	13,483	30,418
Net position, beginning	<u>2,092,729</u>	<u>2,062,311</u>
Net position, ending	<u>\$ 2,106,212</u>	<u>\$ 2,092,729</u>

Investment earnings and JEF operating grants/contributions were lower compared to last year. Capital grants/contributions of \$57,713 were received this year to cover 90% of the cost of court's case management software.

Overall, expenses of operating the court covered with the Judicial Expense and Child Support funds was approximately \$52,300 less than last year, mainly due to approximately:

- \$31,400 increase in personal costs due to the language access coordinator, Webster Parish support staff, and FINS Director's salary and fringe benefits.
- \$7,800 decrease in travel, seminars, and conferences
- \$67,800 decrease in computer repairs and maintenance
- \$18,700 decrease in books and publications
- \$20,600 increase in depreciation
- \$10,200 decrease in other operating services

### **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 \$64,000 lower than last year's revenues. Collections of grants and investment earnings were down by approximately \$60,000 and \$10,000 respectively, while fees and fines were \$6,000 higher.

Court expenditures covered by the JEF for this year were approximately \$86,000 lower than last year's expenditures. A majority of the decrease in expenditures was due to \$33,900 less in repairs and

maintenance, \$9,300 less in books and publications, and \$11,600 less in capital outlay. The JEF covered \$64,125 of the cost of case management software.

As mentioned earlier, the Child Support Fund (CSF) reported approximately \$5,000 less collections of fees assessed against persons owing child support compared to prior year. Overall expenditures for court operations covered by the CSF were approximately \$68,500 less this year. A majority of the decrease in expenditures was due to \$33,900 less in repairs and maintenance, \$9,300 less in books and publications, and \$11,600 less in capital outlay.

### 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, 2021. 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 grant revenues to be received from the Louisiana Supreme Court, to decrease projected expenditures, and to decrease transfers projected to come from the CSF. The amendment made to the CSF was made to decrease projected expenditures and to decrease 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, 2021, the JEF had invested \$177,446 in capital assets.

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

	Governmental activities	
	2021	2020
Furniture and fixtures	\$ 3,001	\$ -
Equipment and software	315,740	251,615
Total capital assets	318,741	251,615
Less: accumulated depreciation	(141,295)	(93,291)
Net capital assets	\$ 177,446	\$ 158,324

During the year, capital assets acquired for a total of \$67,126. \$64,125, made up of case management software and \$3,001 made up of furniture. Depreciation for the year ended December 31, 2021, totaled \$48,004. More detailed information about the capital assets is presented in Note 5 to the financial statements.

#### DEBT

At December 31, 2021, 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, 2022 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 2022 fiscal budget was set for total projected revenues of \$176,000 and \$515,000 for JEF and Support Enforcement, respectively. Total projected expenditures of \$476,600 for the JEF program will be covered by bonds and fees and transfers from the Child Support Fund of \$78,000.

## **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, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 402,169
Investments	1,442,579
Receivable from other governments	75,051
Advance to other government	45,000
Prepaid items	12,211
Capital assets, net of depreciation	<u>177,446</u>
<b>TOTAL ASSETS</b>	<u><u>2,154,456</u></u>
 <b>LIABILITIES</b>	
Accounts payable	<u>48,244</u>
<b>TOTAL LIABILITIES</b>	<u><u>48,244</u></u>
 <b>NET POSITION</b>	
Net investment in capital assets	177,446
Unrestricted	<u>1,928,766</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,106,212</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 Activities  
For the Year Ended December 31, 2021

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program revenues</u>			<u>Governmental activities</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Net (expenses)/ revenue</u>
Governmental activities					
General government:					
Judicial expense fund	\$ 391,829	\$ 130,882	\$ 34,116	\$ 57,713	\$ (169,118)
Child support fund	356,454	522,288	-	-	165,834
Total governmental activities	<u>\$ 748,283</u>	<u>\$ 653,170</u>	<u>\$ 34,116</u>	<u>\$ 57,713</u>	<u>(3,284)</u>
General revenues:					
Interest					<u>16,767</u>
Total general revenues					<u>16,767</u>
Change in net position					13,483
Net position-beginning					<u>2,092,729</u>
Net position-ending					<u><u>\$ 2,106,212</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

Balance Sheet - Governmental Funds  
December 31, 2021

	Judicial Expense Fund	Child Support Fund	Totals Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 346,460	\$ 55,709	\$ 402,169
Investments	1,442,579	-	1,442,579
Receivable from other governments	<u>27,727</u>	<u>47,324</u>	<u>75,051</u>
TOTAL ASSETS	<u>\$ 1,816,766</u>	<u>\$ 103,033</u>	<u>\$ 1,919,799</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 23,361	\$ 24,883	\$ 48,244
TOTAL LIABILITIES	<u>23,361</u>	<u>24,883</u>	<u>48,244</u>
<b>FUND BALANCES</b>			
Assigned	-	78,150	78,150
Unassigned	<u>1,793,405</u>	<u>-</u>	<u>1,793,405</u>
TOTAL FUND BALANCES	<u>1,793,405</u>	<u>78,150</u>	<u>1,871,555</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,816,766</u>	<u>\$ 103,033</u>	<u>\$ 1,919,799</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, 2021

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

Fund Balances, Total Governmental Funds (Statement C)	\$ 1,871,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	177,446
Prepayments of some expenses are reported on the Statement of Net Position, however, prepayments are recognized as expenditures in the governmental funds	12,211
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>45,000</u>
Net Position of Governmental Activities (Statement A)	<u><u>\$ 2,106,212</u></u>

The accompanying notes are an integral part of this statement.

## STATEMENT E

## 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, 2021

	Judicial expense fund	Child support fund	Total governmental funds
REVENUES			
Fees and fines	\$ 130,882	\$ 522,288	\$ 653,170
Intergovernmental grants	91,829	-	91,829
Investment earnings	16,767	-	16,767
TOTAL REVENUES	<u>239,478</u>	<u>522,288</u>	<u>761,766</u>
EXPENDITURES			
Current:			
General government			
Personnel service & benefits	227,548	221,266	448,814
Travel, seminars, & conferences	2,753	7,520	10,273
Operating services	99,774	100,750	200,524
Professional services	4,638	4,638	9,276
Books & publications	16,446	16,445	32,891
Capital outlay	65,626	1,500	67,126
TOTAL EXPENDITURES	<u>416,785</u>	<u>352,119</u>	<u>768,904</u>
Excess (deficiency) of revenues over expenditures	(177,307)	170,169	(7,138)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	160,781	-	160,781
Operating transfers out	-	(160,781)	(160,781)
TOTAL OTHER FINANCING SOURCES (USES)	<u>160,781</u>	<u>(160,781)</u>	<u>-</u>
Net change in fund balances	(16,526)	9,388	(7,138)
Fund balances - beginning	<u>1,809,934</u>	<u>68,759</u>	<u>1,878,693</u>
Fund balances - ending	<u>\$ 1,793,408</u>	<u>\$ 78,147</u>	<u>\$ 1,871,555</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, 2021

## **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, 2021

**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, 2021

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, 2021

*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, 2021

For the year ended December 31, 2021, 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:

	<b>Judicial expense fund</b>	<b>Child support fund</b>
Net change in fund balances, GAAP basis	\$ (16,526)	\$ 9,388
To adjust for receivables	(17,769)	(5,548)
To adjust for payables	<u>(5,098)</u>	<u>(3,629)</u>
Excess (deficiency) of revenues and other sources over expenditures, Budget – Cash basis	\$ <u>(39,393)</u>	\$ <u>211</u>

**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 not formally adopted deposit and investment policies that limit the government's allowable deposits and investments and address 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, 2021

**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. Receivables are included in the fund financial statements if they are both measurable and available.

**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

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

Notes to the Financial Statements  
December 31, 2021

as an outflow of resources (expenses/expenditure) until then. The Court has no items that qualify for reporting in this category.

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, 2021

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, 2021, the Twenty-Sixth Judicial District – Judicial Expense Fund had cash and cash equivalents (book balances) of \$402,169.

At December 31, 2021, the Twenty-Sixth Judicial District – Judicial Expense Fund reported \$1,442,579 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, 2021, the Twenty-Sixth Judicial District – Judicial Expense Fund has \$1,847,028 in bank balances. These deposits are secured from risk by \$1,522,736 of federal deposit insurance and \$1,416,656 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

Notes to the Financial Statements  
December 31, 2021

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 – 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, 2021 is as follows:

LA Department of Social Services	\$ 47,324
LA Supreme Court	19,238
Bossier Parish Clerk of Court	1,108
Bossier Parish Sheriff’s Department	2,533
Webster Parish Clerk of Court	285
Webster Parish Sheriff’s Department	<u>4,563</u>
Totals	<u>\$ 75,051</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 26<sup>th</sup> 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 \$45,000 is included as an advance to other governments on the Statement of Net Position and Balance Sheet - Governmental Funds as of December 31, 2021. In the event the Drug Court program is discontinued, the \$45,000 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, 2021

**5. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$ 251,615	\$ 64,125	\$ -	\$ 315,740
Furniture and fixtures	-	3,001	-	3,001
Totals	<u>251,615</u>	<u>67,126</u>	<u>-</u>	<u>318,741</u>
Accumulated depreciation				
Equipment	93,291	47,838	-	141,129
Furniture and fixtures	-	166	-	166
Totals	<u>93,291</u>	<u>48,004</u>	<u>-</u>	<u>141,295</u>
Capital assets, net	<u>\$ 158,324</u>	<u>\$ 19,122</u>	<u>\$ -</u>	<u>\$ 177,446</u>

Depreciation expense was charged to governmental activities as follows:

Judicial Expense	\$ 41,525
Child Support	<u>6,479</u>
Total	<u>\$ 48,004</u>

**6. LONG-TERM DEBT**

As of December 31, 2021, 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, 2021

**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 capital leases or operating leases as of December 31, 2021.

**10. LITIGATION**

At December 31, 2021, 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 26<sup>th</sup> Judicial District Drug Court to provide bookkeeping services to the Drug Court for a monthly fee of \$1,700.

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

Notes to the Financial Statements  
December 31, 2021

**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, 2021, \$160,781 was recognized as a transfer to the Judicial Expense fund.

**14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 30, 2022, 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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Cash Basis)	Favorable (Unfavorable)
<b>REVENUES (inflows)</b>				
Fees and fines:				
Bossier Clerk of Court	\$ 14,000	\$ 14,000	\$ 14,315	\$ 315
Webster Clerk of Court	5,000	4,300	4,345	45
Bossier Parish Sheriff	50,000	41,000	41,334	334
Webster Parish Sheriff	20,000	10,000	10,453	453
Webster Parish Sheriff - bond fee	15,000	40,000	39,356	(644)
26th Judicial District Drug Court	20,400	20,400	20,400	-
Intergovernmental:				
FINS grant	34,100	34,100	34,116	16
Louisiana Supreme Court grant	-	19,000	38,475	19,475
Webster Parish Police Jury	-	2,100	2,150	50
Interest	20,000	13,500	16,767	3,267
Reimbursed judges travel	2,500	-	-	-
Other income	-	19,000	-	(19,000)
<b>Total revenues</b>	<u>181,000</u>	<u>217,400</u>	<u>221,711</u>	<u>4,311</u>
<b>EXPENDITURES (outflows)</b>				
General government				
Judicial expenditures	427,600	388,695	387,612	1,083
FINS expenditures	38,000	34,000	34,273	(273)
<b>Total expenditures</b>	<u>465,600</u>	<u>422,695</u>	<u>421,885</u>	<u>810</u>
Excess (deficiency) of revenues over (under) expenditures	(284,600)	(205,295)	(200,174)	5,121
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from Child Support fund	59,000	160,000	160,781	781
Excess (deficiency) of revenues and other sources over (under) expenditures	(225,600)	(45,295)	(39,393)	5,902
Fund balance at beginning of year	<u>1,749,410</u>	<u>1,828,434</u>	<u>1,828,434</u>	-
Fund balance at end of year	<u>\$ 1,523,810</u>	<u>\$ 1,783,139</u>	<u>\$ 1,789,041</u>	<u>\$ 5,902</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, 2021

	Budgeted Amounts		Actual Amounts (Cash Basis)	Variance Favorable (Unfavorable)
	Original	Final		
<b>REVENUES (inflows)</b>				
Fees and fines:				
5% Support Enforcement fee	\$ 515,000	\$ 516,000	\$ 516,739	\$ 739
Total revenues	<u>515,000</u>	<u>516,000</u>	<u>516,739</u>	<u>739</u>
<b>EXPENDITURES (outflows)</b>				
General government				
FINS expenditures	33,000	20,000	19,496	504
Child Support expenditures	<u>423,000</u>	<u>336,000</u>	<u>336,251</u>	<u>(251)</u>
Total expenditures	<u>456,000</u>	<u>356,000</u>	<u>355,747</u>	<u>253</u>
Excess (deficiency) of revenues over (under) expenditures	59,000	160,000	160,992	992
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Judicial Expense fund	<u>(59,000)</u>	<u>(160,000)</u>	<u>(160,781)</u>	<u>(781)</u>
Excess (deficiency) of revenues over (under) expenditures and other uses	-	-	211	211
Fund balance at beginning of year	<u>-</u>	<u>51,545</u>	<u>51,545</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 51,545</u>	<u>\$ 51,756</u>	<u>\$ 211</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, 2021

**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, 2021

	Judge Parker Self	Judge Mike Nerren	Judge Lane Pittard	Judge Mike Craig	Judge Charles Jacobs**	Judge Charles Smith	Judge John Robinson*
Purpose:							
Cellphone	\$ 963	\$ 2,250	\$ -	\$ 1,950	\$ -	\$ -	\$ -
Travel/conference registration	250	690	-	695	-	475	-
Dues	480	530	245	245	155	45	-
Professional liability	3,270	3,270	3,270	3,925	-	3,270	-
Meals	150	150	150	150	50	150	-
Other/Reimbursements	27	-	-	-	-	-	-
Total	<u>\$ 5,140</u>	<u>\$ 6,890</u>	<u>\$ 3,665</u>	<u>\$ 6,965</u>	<u>\$ 205</u>	<u>\$ 3,940</u>	<u>\$ -</u>

\*\* Judge Charles Jacobs resigned in July 2021.

\* Judge John Robinson was appointed Judge pro tem by the Supreme Court to replace Judge Jacobs.

**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, 2021

	<b>First Six Month Period Ended 06/30/2021</b>	<b>Second Six Month Period Ended 12/31/2021</b>
<b>Cash Basis Presentation</b>		
<b>Receipts From:</b>		
<i>Webster Parish Clerk of Court, Civil Fees</i>	\$ 2,300	\$ 2,045
<i>Bossier Parish Clerk of Court, Civil Fees</i>	7,183	7,132
<i>Bossier Parish Sheriff, Criminal Court Costs/Fees</i>	22,251	19,083
<i>Webster Parish Sheriff, Criminal Court Costs/Fees</i>	22,987	26,822
<b>Subtotal Receipts</b>	<b>\$ 54,721</b>	<b>\$ 55,082</b>
<b>Ending Balance of Amounts Assessed but Not Received</b>	<b>\$ -</b>	<b>\$ -</b>

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

Justice System Funding Schedule - Receiving Entity  
For the Year Ended December 31, 2021

<b>Cash Basis Presentation</b>	<b>First Six Month Period Ended 06/30/2021</b>	<b>Second Six Month Period Ended 12/31/2021</b>
<b>Receipts From:</b>		
<i>Louisiana Department of Social Services, Criminal Court Costs/Fees</i>	\$ 255,742	\$ 260,997
<b>Subtotal Receipts</b>	<u>\$ 255,742</u>	<u>\$ 260,997</u>
<b>Ending Balance of Amounts Assessed but Not Received</b>	\$ -	\$ -

OTHER REPORT

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

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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, 2021, 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 30, 2022.

**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.

*Wise Martin & Cole LLC*

Minden, Louisiana

June 30, 2022

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, 2021

**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, 2021, 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, 2021

There were no findings required to be reported during the December 31, 2020 year end.

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**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, 2021 through December 31, 2021. 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, 2021 through December 31, 2021. 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).

*Exception: Written policy and procedures were obtained and address all functions above except recording of deposits in accounting software.*

- 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.

*Exception: Written policy and procedures were obtained and address all the functions except (2) standard terms and conditions.*

- 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).

*This procedure does not apply since the District does not have credit cards, debit cards, fuel cards, or P-cards.*

- 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.

*Exception: Written policy and procedures were obtained and address all the functions above, except for the requirement by LSA RS 42:342 B (7). Policy should include statement apprising public servants of applicable federal and state law on sexual harassment, including the right of the complainant to pursue a claim under state or federal law, regardless of the outcome of the investigation .*

**Management response to written policy and procedures exceptions:**

Receipts/Collections: The Policy has been amended to include the requirement that deposits be recording in the accounting software.

Contracting: The Policy has been amended to include standard terms and conditions.

Sexual Harassment: The Policy has been amended to include a statement apprising public servants of applicable federal and state law on sexual harassment, including the right of complainant to pursue a claim under state or federal law, regardless of the outcome of the investigation.

***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.

*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***

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- 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)***

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- 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.*

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.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

---

11. 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.*

12. 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.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3)

documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*None of the above procedures do not 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)**

14. 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](http://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**

15. 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***

---

16. 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.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

*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.*

- 18. 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 12/31/2021 year end.*

- 19. 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***

---

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

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

*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.*

### ***Debt Service***

---

21. 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.
22. 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***

---

23. 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 12/31/2021 year end.*

24. 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. Management asserts that District Court website is currently inactive. Confirmed no website service available, but able to observe Bossier Parish site which included information on the District Court and included the fight fraud link to the Louisiana Legislative Auditor website.*

### ***Information Technology Disaster Recovery/Business Continuity***

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25. 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 occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - 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.*

### ***Sexual Harassment***

---

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*No exceptions noted.*

27. 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 in a conspicuous location on the District's premises.*

28. 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 30, 2022