

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
EDGARD, LOUISIANA**

Annual Financial Statements

December 31, 2021



Contents

Independent Auditor's Report	1 - 3
-------------------------------------	-------

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements	
Governmental Funds	
Balance Sheet	8
Statement of Revenues, Expenditures, and Changes in Fund Balances	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Fiduciary Fund	
Statement of Fiduciary Net Position	11
Statement of Changes in Fiduciary Net Position	12
Notes to Financial Statements	13 - 21

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Governmental Funds	23
---	----

Other Supplementary Information

Schedules of Compensation, Benefits, and Other Payments to Agency Heads	25 - 27
Schedules as Required by Act 87 of the 2020 Regular Legislative Session	
Justice System Funding Schedule - Receiving Entity - Judicial Expense Fund - Cash Basis Presentation	28
Justice System Funding Schedule - Collecting/Disbursing Entity - Judicial Expense Fund - Cash Basis Presentation	29
Justice System Funding Schedule - Collecting/Disbursing Entity - Adult Court Drug Fund - Cash Basis Presentation	30

Contents (Continued)

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>	31 - 32
--	---------

Schedule of Findings and Responses	33
---	----

Summary Schedule of Prior Audit Findings	34
---	----

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the governmental activities and each major fund of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Court as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS 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 Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The schedules of compensation, benefits, and other payments to agency heads and justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation, benefits, and other payments to agency heads and justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022 on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Covington, LA
June 29, 2022

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Statement of Net Position
December 31, 2021**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 405,749
Receivables	74,541
Investment in Certificates of Deposit	260,298
Capital Assets (Net of Accumulated Depreciation)	<u>7,260</u>
Total Assets	<u>747,848</u>
Liabilities	
Unearned Revenue	73,058
Accounts Payable	8,131
Accrued Expenses	<u>4,672</u>
Total Liabilities	<u>85,861</u>
Net Position	
Net Investment in Capital Assets	7,260
Restricted	321,846
Unrestricted	<u>332,881</u>
Total Net Position	<u>\$ 661,987</u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Statement of Activities
For the Year Ended December 31, 2021**

	Governmental Activities
Program Expenses	
Public Safety - Court System	
Salaries and Related Benefits	\$ 285,132
Contractual Services	90,530
Materials and Supplies	42,653
Lodging and Registration Fees	14,810
Depreciation	2,558
Miscellaneous Expense	538
	<hr/>
Total Program Expenses	436,221
	<hr/>
Program Revenues	
Operating Grants and Contributions	225,751
Charges for Services - Court Revenues	70,650
	<hr/>
Total Program Revenues	296,401
	<hr/>
Net Program Expense	(139,820)
	<hr/>
General Revenues	
Supreme Court Reimbursements	91,786
Interest Income	1,799
Judicial Probation Fees	4,610
	<hr/>
Total General Revenues	98,195
	<hr/>
Change in Net Position	(41,625)
	<hr/>
Net Position, Beginning of Year	703,612
	<hr/>
Net Position, End of Year	\$ 661,987
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Balance Sheet
Governmental Funds
December 31, 2021**

	General Fund	Special Revenue Funds			Total Governmental Funds
	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Literacy Clinic Fund	
Assets					
Cash and Cash Equivalents	\$ 69,317	\$ 259,200	\$ 4,172	\$ 73,060	\$ 405,749
Receivables	6,562	67,979	-	-	74,541
Due from Other Funds	150	-	-	-	150
Investments in Certificates of Deposit	260,298	-	-	-	260,298
Total Assets	\$ 336,327	\$ 327,179	\$ 4,172	\$ 73,060	\$ 740,738
Liabilities					
Unearned Revenue	\$ -	\$ -	\$ -	\$ 73,058	\$ 73,058
Accounts Payable	3,446	4,685	-	-	8,131
Accrued Expenses	-	4,672	-	-	4,672
Due to Other Funds	-	-	150	-	150
Total Liabilities	3,446	9,357	150	73,058	86,011
Fund Balances					
Restricted	-	317,822	4,022	2	321,846
Unassigned	332,881	-	-	-	332,881
Total Fund Balances	332,881	317,822	4,022	2	654,727
Total Liabilities and Fund Balances	\$ 336,327	\$ 327,179	\$ 4,172	\$ 73,060	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

7,260

Net Position of Governmental Activities

\$ 661,987

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021**

	General Fund	Special Revenue Funds			Total Governmental Funds
	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Literacy Clinic Fund	
Revenues					
Grants	\$ -	\$ 175,268	\$ 48,540	\$ 1,943	\$ 225,751
Supreme Court Reimbursements	27,721	63,865	200	-	91,786
Criminal Fees	51,189	-	-	-	51,189
Civil Fees	19,461	-	-	-	19,461
Interest and Miscellaneous	1,795	-	1	3	1,799
Judicial Probation Fees	-	4,610	-	-	4,610
Total Revenues	100,166	243,743	48,741	1,946	394,596
Expenditures					
Current					
Administrative Service	-	218,982	-	-	218,982
Salary Reimbursement	500	-	48,540	-	49,040
Library	29,583	-	-	-	29,583
Office Supplies	20,151	6,169	-	1,919	28,239
Professional Fees	19,524	3,800	400	-	23,724
Payroll Taxes	-	17,110	-	-	17,110
Office Rent/Lease	-	16,159	-	-	16,159
Testing and Laboratory	330	11,833	-	-	12,163
Utilities	2,658	5,757	-	-	8,415
Conferences and Dues	7,416	-	-	-	7,416
Travel Expenses	7,394	-	-	-	7,394
Other Rent/Lease	4,486	-	-	-	4,486
Repairs and Maintenance	-	4,275	-	-	4,275
General Insurance	-	3,175	-	-	3,175
Jury and Court Lunches	2,124	128	-	-	2,252
Advertising and Public Relations	713	-	-	-	713
Other Operating Expenses	405	-	108	25	538
Capital Outlay	3,459	158	-	-	3,617
Total Expenditures	98,743	287,546	49,048	1,944	437,281
Net Change in Fund Balances	1,423	(43,803)	(307)	2	(42,685)
Fund Balances					
Beginning of Year	331,458	361,625	4,329	-	697,412
End of Year	\$ 332,881	\$ 317,822	\$ 4,022	\$ 2	\$ 654,727

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2021**

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

Net Change in Fund Balances - Total Governmental Funds \$ (42,685)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

1,060

Change in Net Position of Governmental Activities \$ (41,625)

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021**

	Custodial Fund
<hr/>	
Assets	
Cash and Cash Equivalents	<u>\$ 1,983</u>
Total Assets	<u><u>\$ 1,983</u></u>
Liabilities	
Due to Others	<u>\$ 1,983</u>
Total Liabilities	<u><u>\$ 1,983</u></u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2021**

	Custodial Fund
Deductions	
Community Support	\$ 392
Total Deductions	<u>392</u>
Change in Net Position	(392)
Net Position, Beginning of Year	<u>2,375</u>
Net Position, End of Year	<u><u>\$ 1,983</u></u>

The accompanying notes are an integral part of these financial statements.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 1. Description

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

Note 2. Summary of Significant Accounting Policies

Reporting Entity

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

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The government-wide financial statements use the following practices in recording revenues:

Program Revenues - Program revenues reduce the cost of the function to be financed from the general revenues. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by the program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as general revenues.

Fund Financial Statements

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Court or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least ten percent of the corresponding total for all governmental funds.

The amounts reflected in the governmental fund financial statements are based on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within sixty days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is 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.

The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements presented are reported in conformity with GASB 84, *Fiduciary Activities*.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues - Grants, court fines and fees, and interest are recorded when earned and measurable.

Expenditures - The major expenditures are recorded when the related liability is incurred.

The Court reports the following funds:

Governmental Fund Type

Judicial Expense Fund (General Fund)

The Judicial Expense Fund was created by the State of Louisiana Act No. 52, House Bill No. 39 of the 1984 Regular Legislative Session. It authorized collection from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum not to exceed fifteen dollars. In all criminal cases, there shall be collected an amount not to exceed seven dollars and fifty cents from every defendant who is convicted after a trial or other plea of guilty or who forfeits his bond. These costs are to be in addition to all other fines, costs, or forfeitures imposed by law. Act 834, Section 571.11 of the 1993 Regular Legislative Session authorizes all judgments of bond forfeitures resulting from the posting of surety bonds in criminal proceedings in the State of Louisiana shall be collected by the district attorney. The district attorney shall distribute ten percent of all funds collected to the court fund of the parish where the bond was posted. In general, the funds may be used for any purpose or purposes connected with the incidental services or related to proper administration or function of the offices of the individual judges.

Adult Drug Court Fund

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

Families in Need of Services Fund (FINS)

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

Fiduciary Fund Type

Custodial Fund

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

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Investments

Under state law, the Court may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, repurchase agreements, or certificates and time deposits of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

The Court defines cash and cash equivalents to include cash on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less when purchased.

Receivables

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

Capital Assets

All capital assets of the Court are recorded at historical cost and are reported on the government-wide financial statements. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. All capital assets, other than land, are depreciated using the straight-line method over five to seven years.

Equity Classifications

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Court's policy is to apply restricted net position first.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Equity Classifications (Continued)

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

1. *Restricted Fund Balance* - Consists of amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - Consists of all other amounts not included in other spendable classifications.

The Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unassigned resources are available.

Interfund Transactions

Permanent re-allocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

Budget Policies

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

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Pronouncements - Not Yet Adopted

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of GASB 87 to reporting periods beginning after June 15, 2021.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Note 3. Cash and Cash Equivalents

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be recovered. The Court does not have a deposit policy for custodial credit risk. As of December 31, 2021, Division A of the Court had a bank balance of \$22,003 exposed to custodial credit risk. As of December 31, 2021, the balance exposed to custodial credit risk was fully collateralized.

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

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 4. Receivables

The receivables at December 31, 2021 are summarized below:

Class of Receivable	Judicial Expense Fund	Adult Drug Court Fund	FINS Fund	Literacy Clinic Fund	Total
Intergovernmental					
Grants	\$ -	\$ 67,979	\$ -	\$ -	\$ 67,979
Court Costs and Fees	6,562	-	-	-	6,562
Total	\$ 6,562	\$ 67,979	\$ -	\$ -	\$ 74,541

Management considers all of the receivables outstanding at December 31, 2021 to be fully collectible. Accordingly, no provision for uncollectible accounts has been recorded.

Note 5. Capital Assets

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

Furniture and Equipment	Beginning Balance	Additions	Deletions	Ending Balance
Judicial Expense Fund				
Division A	\$ 75,131	\$ 1	\$ -	\$ 75,132
Division B	63,069	3,317	-	66,386
Division C	61,691	142	-	61,833
Juvenile Probation	4,363	-	-	4,363
Adult Drug Court Fund	31,121	158	-	31,279
FINS Fund	2,658	-	-	2,658
	<u>238,033</u>	<u>3,618</u>	<u>-</u>	<u>241,651</u>
Less: Accumulated Depreciation	<u>231,833</u>	<u>2,558</u>	<u>-</u>	<u>234,391</u>
Capital Assets, Net	\$ 6,200	\$ 1,060	\$ -	\$ 7,260

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 6. Compensated Absences

Vacation Leave

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

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

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

Sick Leave

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

At December 31, 2021, no liability has been recorded for compensated absences since management considers the balance to be immaterial.

Note 7. Risk Management

The Court is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to the public; and natural disasters. To protect against these risks, the Court has purchased commercial or other insurance for the losses to which it is exposed.

Note 8. Pension Plan

The employees of the Court belong to the Parochial Employees' Retirement System of Louisiana (the Plan). The Plan is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Contributions to the Plan are made by St. John the Baptist Parish Government. The Court reimburses the Parish for amounts in excess of what it is required to pay.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH**

Notes to Financial Statements

Note 9. Operating Lease

The Court leases copier equipment for each division. These leases have been classified as operating leases and, as such, rental payments have been recorded as operating expenditures. The Division C copier and the office space for the Adult Drug Court in LaPlace, Louisiana, are rented on a monthly basis without definitive lease terms; therefore, they are not included in the long-term lease schedule below.

Total rent expense for the year ended December 31, 2021 was \$20,645. Future minimum lease payments are as follows:

Year Ending December 31,	Amount
2022	\$ 1,854
2023	1,678
2024	1,678
2025	1,678
2026	<u>1,119</u>
Total	<u><u>\$ 8,007</u></u>

Note 10. Excess Expenditures Over Appropriations

During the year ended December 31, 2021 the Court's actual expenditures of \$437,281 exceeded the budgeted expenditures of \$426,155 resulting in an unfavorable variance of \$11,126.

REQUIRED SUPPLEMENTARY INFORMATION

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Governmental Funds
For the Year Ended December 31, 2021**

	<u>Budgetary Amounts</u>		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Grants	\$ 231,250	\$ 261,165	\$ 225,751	\$ (35,414)
Supreme Court Reimbursements	49,540	49,040	91,786	42,746
Criminal Fees	65,000	55,000	51,189	(3,811)
Civil Fees	20,000	18,000	19,461	1,461
Interest and Miscellaneous	25,100	25,050	1,799	(23,251)
Judicial Probation Fees	1,000	3,000	4,610	1,610
Total Revenues	391,890	411,255	394,596	(16,659)
Expenditures				
Current				
Administrative Service	200,000	208,000	218,982	(10,982)
Salary Reimbursement	55,000	48,540	49,040	(500)
Library	52,000	17,000	29,583	(12,583)
Office Supplies	21,000	21,000	28,239	(7,239)
Professional Fees	31,000	31,000	23,724	7,276
Payroll Taxes	17,700	17,700	17,110	590
Office Rent/Lease	16,500	16,500	16,159	341
Testing and Laboratory	19,200	14,200	12,163	2,037
Utilities	8,000	8,000	8,415	(415)
Conferences and Dues	7,000	6,000	7,416	(1,416)
Travel Expenses	4,000	4,000	7,394	(3,394)
Other Rent/Lease	4,000	4,000	4,486	(486)
Repairs and Maintenance	5,000	5,000	4,275	725
General Insurance	2,500	7,000	3,175	3,825
Jury and Court Lunches	3,000	2,000	2,252	(252)
Advertising and Public Relations	500	500	713	(213)
Other Operating Expenses	3,050	715	538	177
Supplemental Pay	2,400	1,000	-	1,000
Capital Outlay	14,000	14,000	3,617	10,383
Total Expenditures	465,850	426,155	437,281	(11,126)
Net Change in Fund Balance	\$ (73,960)	\$ (14,900)	(42,685)	\$ (27,785)
Fund Balance				
Beginning of Year			<u>697,412</u>	
End of Year			<u>\$ 654,727</u>	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads
For the Year Ended December 31, 2021**

Agency Head

Honorable Madeline Jasmine, Judge, Division A

Purpose	Amount Paid by the Court*
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$1,995
Conference Travel	\$2,363
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

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

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2021**

Agency Head
Various Interim Judges, Division B

Purpose	Amount Paid by the Court*
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$3,115
Conference Travel	\$3,168
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

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

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Schedules of Compensation, Benefits, and Other Payments
to Agency Heads (Continued)
For the Year Ended December 31, 2021**

Agency Head

Honorable J. Sterling Snowdy, Judge, Division C

Purpose	Amount Paid by the Court*
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$2,306
Conference Travel	\$1,863
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

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

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Judicial Expense Fund
Cash Basis Presentation
For the Six-Month Periods Ended June 30, 2021 and December 31, 2021**

	First Six- Month Period Ended 6/30/2021	Second Six- Month Period Ended 12/31/2021
Receipts from:		
Parish of St. John the Baptist, Criminal Court Cost, Fines, Other	\$ 30,599	\$ 21,086
Parish of St. John the Baptist, Civil Fees	10,380	9,020
	<u>40,979</u>	<u>30,106</u>
Subtotal Receipts	\$ 40,979	\$ 30,106
Ending Balance of Amounts Assessed but not Received	\$ -	\$ -

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Judicial Expense Fund
Cash Basis Presentation
For the Six-Month Periods Ended June 30, 2021 and December 31, 2021**

	First Six- Month Period Ended 6/30/2021	Second Six- Month Period Ended 12/31/2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Probation/Parole/Supervision Fees	575	-
Subtotal Collections	575	-
Less: Amounts Retained by Collecting Agency		
Amounts "Self Disbursed" to Collecting Agency Probation/Parole/Supervision Fees	575	-
Less: Disbursements to Individuals/Third-Party Collection or Processing Agencies	-	-
Subtotal Disbursements/Retainage	575	-
Ending Balance of Amounts Collected but not Disbursed/Retained	\$ -	\$ -
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Adult Drug Court Fund
Cash Basis Presentation
For the Six-Month Periods Ended June 30, 2021 and December 31, 2021**

	First Six- Month Period Ended 6/30/2021	Second Six- Month Period Ended 12/31/2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Probation/Parole/Supervision Fees	2,750	1,860
Subtotal Collections	<u>2,750</u>	<u>1,860</u>
Less: Amounts Retained by Collecting Agency		
Amounts "Self Disbursed" to Collecting Agency		
Probation/Parole/Supervision Fees	2,750	1,860
Less: Disbursements to Individuals/Third-Party Collection or Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>2,750</u>	<u>1,860</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ -</u>	<u>\$ -</u>
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

**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**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fortieth Judicial District Court (the Court), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Fortieth Judicial District Court's basic financial statements, and have issued our report thereon dated June 29, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fortieth Judicial District Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Court'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 Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
June 29, 2022

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Schedule of Findings and Responses
For the Year Ended December 31, 2021**

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? None

Significant deficiency(ies) identified? None

Noncompliance material to financial statements noted? None

Federal Awards

Not Applicable

Section II. Financial Statement Findings

None.

Section III. Federal Awards Findings and Questioned Costs

Not applicable.

**FORTIETH JUDICIAL DISTRICT COURT
ST. JOHN THE BAPTIST PARISH
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2021**

Financial Statement Findings

None.

Federal Awards Findings and Questioned Costs

Not applicable.

AGREED-UPON PROCEDURES REPORT

Fortieth Judicial District Court

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2021 - December 31, 2021

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2021 through December 31, 2021. The Fortieth Judicial District Court's (the Court) management is responsible for those C/C areas identified in the SAUPs.

The Fortieth Judicial District Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Results: The Court did not have written policies and procedures over any of the categories except for Credit Cards, Travel and Expense Reimbursement, and Sexual Harassment.

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 that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: The Judges met En Banc twice during the year. No budget to actual comparisons were reviewed. Procedure C is not applicable.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: The external accountant reconciled bank statements within 2 months of the closing date, but no review was documented.

Collections (excluding electronic funds transfers)

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (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 that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions noted except for items a and b above.

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

Results: The Judges do not carry such a policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: Exceptions noted for all deposits selected for items a, b, and d.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payments or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: Exception regarding item d. Although the external accountant enters the data into the accounting software, the secretaries are responsible for keeping track of all disbursements and helping process payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results: No exceptions noted besides those listed regarding segregation of duties in procedure #9 above.

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.

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 that 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.

Results: No exceptions noted.

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 that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: Four of the seven selected transactions had no written documentation of public purpose. One of the seven selected transactions (the only meal) had no documentation of the individuals participating in the meal. No other exceptions noted.

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

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

Results: For all items selected, the Judges approved their own reimbursements. No other 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:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: 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.

Results: 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 that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: There are no cumulative leave records. No other 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 2 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.

Results: This procedure is not applicable as there were no termination payments during 2021.

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.

Results: No exceptions noted.

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

Results: For one of the Court's five employees, there was no documentation of their completion of ethics training during the fiscal period. Procedure b is not applicable as the Court does not have an ethics policy.

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 that 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).

Results: This procedure is not applicable as the Court did not have debt during 2021.

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 Court attorney of the parish in which the entity is domiciled.

Results: This procedure is not applicable as there were no misappropriations in 2021.

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

Results: No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup 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.

Results: We performed the procedure 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 that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Results: No employees completed sexual harassment training during the calendar year.

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

Results: Sexual harassment policy and complaint procedures were not posted on the entity's premises or on its website.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that 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.

Results: Annual sexual harassment report was not completed for the fiscal period.

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

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

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

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
June 29, 2022



40th Judicial District Court

STATE OF LOUISIANA • PARISH OF ST. JOHN THE BAPTIST

J. STERLING SNOWDY

JUDGE, DIVISION C

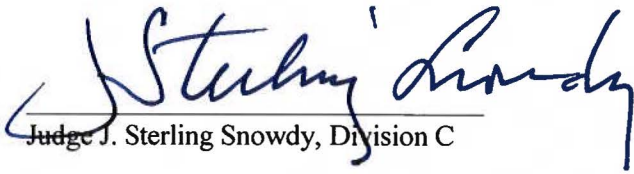
Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd St.
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-upon Procedures

The management of the 40th Judicial District wishes to provide the following responses relative to the results of the 2021 statewide agreed-upon procedures engagement:

1. **Policies and Procedures:** The Court will prepare and adopt written policies and procedures for budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, ethics and information technology disaster recovery.
2. **Board or Finance Committee:** The judges of the Court will review budget to actual comparisons at their en banc meetings.
3. **Bank Reconciliations:** The Court will institute procedures for the review and signature of bank reconciliations.
4. **Collections:** The Court will purchase a insurance policy for theft and will use prenumbered receipts for collections. Collections will be deposited within one business day.
5. **Non-Payroll Disbursements:** The Court will implement procedures to segregate the duties over processing non-payroll disbursements.
6. **Credit Cards:** The Court will document business/public purpose and document attendees for future credit card transactions.
7. **Travel and Expense Reimbursements:** The Court will institute procedures so that judges do not approve their own travel reimbursements.
8. **Ethics:** The Court will require all employees to complete the annual ethics training in the future.
9. **Sexual Harassment:** The Court will prepare the annual report by February 1st of each future year and will ensure that all employees/officials complete the required sexual harassment training annually.

Sincerely,


Judge J. Sterling Snowdy, Division C