THE SECOND JUDICIAL DISTRICT COURT
PARISHES OF BIENVILLE, CLAIBORNE AND JACKSON, LOUISIANA

ANNUAL FINANCIAL REPORT
JUNE 30, 2026

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Annual Financial Report
June 30, 2026

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INDEPENDENT AUDITORS' REPORT

To the Honorable Glenn Fallin, Chief Judge
The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Second Judicial District Court (District Court) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District Court's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District Court as of June 30, 2026, 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 and the *Louisiana Governmental Audit Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 District 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 District Court's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions as listed in the table of contents 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.

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Court's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to District Court Heads and Justice System Funding Schedule - Receiving Entity 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 District Court Heads and Justice System Funding Schedule - Receiving Entity 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 October 14, 2026, on our consideration of the District 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 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 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 District Court's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated October 14, 2026, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

October 14, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

The Second Judicial District Court
Statement of Net Position
June 30, 2026

		Governmental Activities
ASSETS:		
Current Assets:		
Cash & Cash Equivalents	$	1,391,559
Revenue Receivable		35,118
Prepaid Expense		1,200
Total Current Assets	$	1,427,877
Non-current Assets:		
Capital Assets (net)		27,811
Total Assets	$	1,455,688
DEFERRED OUTFLOWS OF RESOURCES	$	125,877
LIABILITIES:		
Current Liabilities:		
Accounts Payable	$	14,409
Accrued Expenses		9,565
Total Current Liabilities	$	23,974
Long-Term Liabilities:		
Net Pension Liability		590,788
Total Liabilities	$	614,762
DEFERRED INFLOWS OF RESOURCES	$	110,285
NET POSITION:		
Net Investment in Capital Assets	$	27,811
Unrestricted		828,707
Total Net Position	$	856,518

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Statement of Activities
For the Year Ended June 30, 2026

Activities	Expenses	Program Revenues: Fees, Fines & Charges for Services	Program Revenues: Operating Grants & Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Judicial	$ 795,698	$ 647,196	$ 257,717	$ 109,215
General Revenues:				
Miscellaneous				41,436
Change in Net Position				$ 150,651
Net Position at Beginning of Year				705,867
Net Position at End of Year				$ 856,518

See accompanying notes and independent auditor's report.

FUND FINANCIAL STATEMENTS

The Second Judicial District Court
Balance Sheet - Governmental Funds
June 30, 2026

	Major Funds			Non-Major Funds		
	General	Probation	IV-D Collection	Drug Court	FINS	Total Governmental Funds
ASSETS:						
Cash & Cash Equivalents	$ 314,738	$ 553,299	$ 480,987	$ -	$ 42,535	$ 1,391,559
Revenue Receivable	16,711	-	15,025	3,382	-	35,118
Prepaid Expense	-	1,200	-	-	-	1,200
Total Assets	$ 331,449	$ 554,499	$ 496,012	$ 3,382	$ 42,535	$ 1,427,877
LIABILITIES:						
Accounts Payable	$ 2,945	$ 101	$ 4,499	$ 6,497	$ 367	$ 14,409
Accrued Expenses	9,565	-	-	-	-	9,565
Total Liabilities	$ 12,510	$ 101	$ 4,499	$ 6,497	$ 367	$ 23,974
FUND BALANCE:						
Nonspendable	$ -	$ 1,200	$ -	$ -	$ -	$ 1,200
Restricted	-	553,198	491,513	-	42,168	1,086,879
Unassigned	318,939	-	-	(3,115)	-	315,824
Total Fund Balance	$ 318,939	$ 554,398	$ 491,513	$ (3,115)	$ 42,168	$ 1,403,903
Total Liabilities and Fund Balance	$ 331,449	$ 554,499	$ 496,012	$ 3,382	$ 42,535	$ 1,427,877

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2026

Total Fund Balance for the Governmental Funds at June 30, 2026	$	1,403,903
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The following used in Governmental Activities are not current financial resources; and, therefore, are not reported in the Governmental Funds Balance Sheet-		
Capital Assets (Net)		27,811
Deferred Outflows		125,877
The following are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet-		
Deferred Inflows		(110,285)
Net Pension Liability		(590,788)
Total Net Position of Governmental Activities at June 30, 2026	$	856,518

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2026

	Major Funds			Non-Major Funds		
	General	Probation	IV-D Collection	Drug Court	FINS	Total Governmental Funds
REVENUES:						
Intergovernmental	$ 172,740	$ -	$ -	$ 45,719	$ 39,258	$ 257,717
Fees, Fines & Charges for Services	343,470	138,070	165,656	-	-	647,196
Miscellaneous	11,358	17,674	11,953	-	451	41,436
Total Revenues	$ 527,568	$ 155,744	$ 177,609	$ 45,719	$ 39,709	$ 946,349
EXPENDITURES:						
Current-						
Judicial	$ 718,869	$ 82,940	$ 40,499	$ 48,598	$ 34,821	$ 925,727
Capital Outlay	-	-	-	-	-	-
Total Expenditures	$ 718,869	$ 82,940	$ 40,499	$ 48,598	$ 34,821	$ 925,727
Excess (Deficiency) of Revenues over Expenditures	$ (191,301)	$ 72,804	$ 137,110	$ (2,879)	$ 4,888	$ 20,622
OTHER FINANCING SOURCES (USES):						
Transfers In	$ 217,752	$ 25,628	$ -	$ 24,228	$ -	$ 267,608
Transfers Out	(25,392)	(70,168)	(140,417)	(24,464)	(7,167)	(267,608)
Total Other Financing	$ 192,360	$ (44,540)	$ (140,417)	$ (236)	$ (7,167)	$ -
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 1,059	$ 28,264	$ (3,307)	$ (3,115)	$ (2,279)	$ 20,622
Fund Balance-Beginning of Year	317,880	526,134	494,820	-	44,447	1,383,281
Fund Balance-End of Year	$ 318,939	$ 554,398	$ 491,513	$ (3,115)	$ 42,168	$ 1,403,903

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
June 30, 2026

Net change in fund balance-governmental funds	$	20,622
Amounts reported for Governmental Activities in the Statement of Activities are different because Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense and amortization. The current year amounts for these items were-		
Capital Expenditures		-
Depreciation Expense		(6,953)
Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. These timing differences are summarized below:		
Pension Expense		136,982
Change in net position per statement of activities for the year ended June 30, 2026	$	150,651

See accompanying notes and independent auditor's report.

NOTES TO FINANCIAL STATEMENTS

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

Introduction:

The Second Judicial District Court (District Court) of Louisiana is comprised of the parishes of Bienville, Claiborne and Jackson located in north Louisiana. The District Court includes three judges with one judge being designated as the chief judge. The District Court may collect fees on civil suits and criminal cases to aid in the administering of the District Court and of the offices of the individual judges; these fees cannot be used for salaries to the judges. The judges are elected by the qualified electors of the judicial district for a term of six years.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

The District Court is a separate legal entity established under Louisiana law. GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, 61, 80, and 90, establishes criteria for determining the governmental reporting entity. Under these criteria, the District Court's financial statements include all funds for which it is financially accountable. A primary government is financially accountable for a legally separate organization when it either (1) appoints a voting majority of the organization's governing body and can impose its will on that organization, or has a potential financial benefit or burden relationship with it; or (2) the organization is fiscally dependent on the primary government. Based on these criteria, the District Court has no component units. The parish police juries, parish school boards, other independently elected officials, and municipalities within the three parishes are separate reporting entities and are excluded from the accompanying financial statements.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District Court’s governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

C. Fund Accounting-

The accounts of the District Court are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District Court maintains five funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or if its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds of that category or type. The District Court may report any other governmental fund as major if management believes it is particularly important to financial statement users.

The major funds of the District Court are described below:

Governmental Funds-

General Fund

The General Fund is the general operating fund of the District Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds-

Probation Fund

Code of Criminal Procedure Article 894 A(1) states that as of 1989, the Department of Probation and Parole would not supervise probation in misdemeanor cases. Article 894 A(1) authorized the court to place the defendant on probation with a “probation office” designated by the court upon such conditions as the court may fix. Additionally, Article 895.1(C) of the Code of Criminal Procedure provides for a monthly probation fee to be paid to the District Court providing supervision. The Probation Fund was established as the designated “probation office”. The Probation Fund accounts for the collection of the monthly probation fees and expenditures of maintaining the probation offices.

IV-D Collection Fund

The IV-D Collection Fund accounts for the collection of a five percent fee assessed on child support payments as provided by Louisiana Revised Statute 46:236.5 and the expenditures related to the establishment, modification, and enforcement of support obligations.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District Court as a whole. Both of these statements have been prepared 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. Nonexchange revenues, including fees, fines, and court costs imposed under state law and intergovernmental grants, are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are 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 District Court considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims and judgments and compensated absences, if any, are recorded as expenditures when the liability has matured (i.e., when it is due for payment).

E. Assets, Liabilities, and Equity-

Cash and Cash Equivalents-

Cash and cash equivalents include all demand accounts, savings accounts, and certificates of deposit of the District Court with original maturities of three months or less.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Court maintains a threshold level of $500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of useful lives by type of asset is as follows:

Fixtures & Equipment	5-7 years

Pensions-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

Equity Classifications-

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

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

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of $318,939. If applicable, the District Court would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the District Court adopts a budget for the General Fund and each Special Revenue Fund for the next fiscal year. The budgets are open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budgets are prepared on the modified accrual basis of accounting.

G. Unusual or Infrequent Items-

Transactions and other events that are unusual in nature, infrequent in occurrence, or both, are reported separately in the financial statements, and the program, function, or identifiable activity to which each item is related is disclosed. There were no unusual or infrequent items for the year ended June 30, 2026.

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The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

H. 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 and disclosure of contingent 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.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the District Court are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District Court will not be able to recover its deposits. Under state law, these 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 or exceed 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. 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 District Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the District Court's name.

At June 30, 2026, the District Court had cash and cash equivalents with a carrying balance of $1,391,559 and bank balances of $1,409,901. Cash and cash equivalents are stated at cost, which approximates market. Of the bank balances, $877,736 was secured by federal deposit insurance and $532,165 was secured by pledged securities held by the custodial bank in the name of the fiscal agent bank. Accordingly, the District Court's deposits were fully secured at June 30, 2026.

3. Capital Assets:

Capital Asset balances and activity for the year ended June 30, 2026, are as follows:

Activities	Balance 07-01-25	Additions	Deletions	Balance 06-30-26
Capital Assets Depreciated:				
Office Furniture, Fixtures & Equipment	$393,842	$ 0	$0	$393,842
Less, Accumulated Depreciation:				
Office Furniture, Fixtures & Equipment	359,078	6,953	0	366,031
Net Capital Assets	$ 34,764	$(6,953)	$0	$ 27,811

Depreciation expense of $6,953 was charged to the Judicial function.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

4. Compensated Absences:

Employees of the District Court earn vacation and sick leave in accordance with the District Court's personnel policy. Leave is generally used within the leave year in which it is earned, does not carry forward from year to year, and is not paid upon termination. Accordingly, no liability for compensated absences has been recorded.

5. Pension Plan:

Plan Description

The District Court contributes to Louisiana State Employees' Retirement System (LASERS) which is a cost-sharing multiple employer defined benefit pension plan. All full-time administrative employees are required to participate in the System. Excluded by law are independent contractors and certain other non-employee relationships. Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which can be obtained at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

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June 30, 2026

Contributions

The employer contribution rate is established annually under R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2025 were as follows:

Plan	Plan Status	Employer Contribution Rate
Appellate Law Clerks	Closed	34.74%
Appellate Law Clerks hired on or after 7/1/06	Closed	34.74%
Alcohol Tobacco Control	Closed	35.77%
Bridge Police	Closed	33.68%
Bridge Police hired on or after 7/1/06	Closed	33.68%
Corrections Primary	Closed	32.35%
Corrections Secondary	Closed	37.91%
Harbor Police	Closed	40.39%
Hazardous Duty	Open	40.41%
Judges hired before 1/1/2011	Closed	40.17%
Judges hired after 12/31/2010	Closed	38.31%
Judges hired on or after 7/1/15	Open	38.31%
Legislators	Closed	30.67%
Optional Retirement Plan (ORP)		
Hired before 7/1/06	Closed	32.39%
Hired on or after 7/1/06	Closed	32.39%
Peace Officers	Closed	35.58%
Regular Employees		
Hired before 7/1/06	Closed	34.74%
Hired on or after 7/1/06	Closed	34.74%
Hired on or after 1/1/2011	Closed	34.74%
Hired on or after 7/1/15	Open	34.74%
Special Legislative Employees	Closed	32.67%
Wildlife Agents	Closed	46.38%
Aggregate Rate		**35.42%**

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The District Court's contractually required composite contribution rate for the year ended June 30, 2026 was 33.15% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the District Court were $116,787 for the year ended June 30, 2026.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2026 and 2025, the District Court reported a liability of $590,788 and $728,994, respectively for its proportionate share of the Net Pension Liabilities. The Net Pension Liability was measured as of June 30, 2025 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District Court's proportion of the Net Pension Liability was based on a projection of the District Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2025, the District Court's proportion was .01310%, which was a decrease of .00031% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the District Court recognized a pension benefit of $20,196. This consists of its proportionate share of the plan's pension expense of $569, net of employer-specific amortization of changes in proportion and of differences between employer contributions and the proportionate share of contributions, which totaled $(20,765).

At June 30, 2026, the District Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,207	$ 0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	101,175
Changes in employer's proportion of beginning net pension liability	0	9,110
Differences between employer contributions and proportionate share of employer contributions	883	0
Subsequent Measurement Contributions	116,787	0
Total	$125,877	$110,285

The deferred outflows of resources related to pensions resulting from the District Court contributions subsequent to the measurement date in the amount of $116,787, will be recognized as a reduction of the Net Pension Liabilities in the year ending June 30, 2027. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2027	$ 4,651
2028	(50,032)
2029	(38,532)
2030	(17,282)
Total	$(101,195)

The Second Judicial District Court
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Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

Valuation Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years.
Investment Rate of Return	7.25% per annum.
Inflation Rate	2.40% per annum.
Mortality	Non-disabled members - Mortality rates based on the PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.30% for 2025. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Expected Long Term Real Rates of Return	
Asset Class	**2025**
Cash	0.85%
Domestic Equity	4.42%
International Equity	5.22%
Domestic Fixed Income	2.53%
International Fixed Income	5.37%
Alternative Investments	7.43%
Total Fund	5.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District Court's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the District Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
Employer's proportionate share of net pension liability	$899,314	$590,788	$385,360

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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2025 Annual Comprehensive Financial Report at www.lasersonline.org.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of $4,238, which is the legally required contribution due at June 30, 2026. This amount is recorded in accrued expenses.

6. Expenditures of the Judicial District Not Included in the Accompanying Financial Statements:

The accompanying financial statements do not include the salaries of the judges, which are paid directly by the State of Louisiana, or certain salaries and administrative expenditures of the District Court paid directly by the Bienville, Claiborne, and Jackson Parish Police Juries.

7. Litigation:

Management has advised that there is no litigation pending against the Second Judicial District Court at June 30, 2026.

8. Interfund Transfers:

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

The following is a summary of interfund transfers:

	Transfers In	Transfers Out
General Fund	$217,752	$ 25,392
Special Revenue Funds-		
Probation	25,628	70,168
FINS	0	7,167
IV-D Collection	0	140,417
Drug Court	24,228	24,464
Totals	$267,608	$267,608

Transfers are used to (1) move excess revenues from the Probation, IV-D Collection, and FINS Funds to the General Fund to support court operations, and (2) move resources among the General, Probation, and Drug Court Funds to properly account for Drug Court Program activity.

9. Subsequent Events:

Management has evaluated events through October 14, 2026, the date on which the financial statements were issued. No recognized or nonrecognized subsequent events were identified that required recognition or disclosure in the financial statements.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Financial Statements
June 30, 2026

10. Change in Accounting Principle

For the year ended June 30, 2026, the District Court implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, and early implemented GASB Statement No. 105, *Subsequent Events*.

GASB Statement No. 103 improves the effectiveness of financial reporting by establishing requirements for management's discussion and analysis, the definition of operating and nonoperating revenues and expenses in proprietary funds, the separate presentation of unusual or infrequent items, and the presentation of budgetary comparison information. As a result, the District Court added the variance between original and final budget amounts to the General Fund, Probation Fund and IV-D Collection Fund budgetary comparison schedules, which are presented as required supplementary information with explanations of significant variances in the accompanying notes. The implementation had no effect on beginning net position or fund balance.

GASB Statement No. 104 enhances the usefulness of capital asset reporting in governmental financial statements. This statement had no effect on the District Court's financial statements.

GASB Statement No. 105 improves the financial reporting requirements for subsequent events. This statement had no effect on the District Court's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

The Second Judicial District Court
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budget		Variance with Original Budget - over (under)	Actual Amounts Budgetary (and	Variance with Final Budget - over (under)
	Original	Final	Final Budget	GAAP) Basis	Actual Amounts
REVENUES:					
Intergovernmental	$ 171,000	$ 171,000	$ -	$ 172,740	$ 1,740
Fees, Fines & Charges for Services	270,000	270,000	-	343,470	73,470
Miscellaneous	19,600	19,600	-	11,358	(8,242)
Total Revenues	$ 460,600	$ 460,600	$ -	$ 527,568	$ 66,968
EXPENDITURES:					
Current-					
Judicial	$ 750,435	$ 750,435	$ -	$ 718,869	$ 31,566
Capital Outlay	-	-	-	-	-
Total Expenditures	$ 750,435	$ 750,435	$ -	$ 718,869	$ 31,566
Excess (Deficiency) of Revenues over Expenditures	$ (289,835)	$ (289,835)	$ -	$ (191,301)	$ 98,534
OTHER FINANCING SOURCES (USES):					
Transfers In	$ 183,500	$ 226,500	$ 43,000	$ 217,752	$ (8,748)
Transfers Out	(1,000)	(1,000)	-	(25,392)	(24,392)
Total Other Financing	$ 182,500	$ 225,500	$ 43,000	$ 192,360	$ (33,140)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (107,335)	$ (64,335)	$ 43,000	$ 1,059	$ 65,394
Fund Balance-Beginning of Year	317,880	317,880	-	317,880	-
Fund Balance-End of Year	$ 210,545	$ 253,545	$ 43,000	$ 318,939	$ 65,394

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Probation Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budget		Variance with Original Budget - over (under)	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget - over (under)
	Original	Final	Final Budget		Actual Amounts
REVENUES:					
Fees, Fines & Charges for Services	$ 110,000	$ 110,000	$ -	$ 138,070	$ 28,070
Miscellaneous	10,000	10,000	-	17,674	7,674
Total Revenues	$ 120,000	$ 120,000	$ -	$ 155,744	$ 35,744
EXPENDITURES:					
Current-					
Judicial	$ 96,850	$ 96,850	$ -	$ 82,940	$ 13,910
Capital Outlay	4,500	4,500	-	-	4,500
Total Expenditures	$ 101,350	$ 101,350	$ -	$ 82,940	$ 18,410
Excess (Deficiency) of Revenues over Expenditures	$ 18,650	$ 18,650	$ -	$ 72,804	$ 54,154
OTHER FINANCING SOURCES (USES):					
Transfers In	$ 1,000	$ 1,000	$ -	$ 25,628	$ 24,628
Transfers Out	(40,000)	(75,000)	(35,000)	(70,168)	4,832
Total Other Financing	$ (39,000)	$ (74,000)	$ (35,000)	$ (44,540)	$ 29,460
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (20,350)	$ (55,350)	$ (35,000)	$ 28,264	$ 83,614
Fund Balance-Beginning of Year	526,134	526,134	-	526,134	-
Fund Balance-End of Year	$ 505,784	$ 470,784	$ (35,000)	$ 554,398	$ 83,614

See accompanying notes and independent auditor's report.

The Second Judicial District Court
IV-D Collection
Budgetary Comparison Schedule
For the Year Ended June 30, 2026

	Budget		Variance with Original Budget - over (under)	Actual Amounts Budgetary (and	Variance with Final Budget - over (under)
	Original	Final	Final Budget	GAAP) Basis	Actual Amounts
REVENUES:					
Fees, Fines & Charges for Services	$ 150,000	$ 150,000	$ -	$ 165,656	$ 15,656
Miscellaneous	10,000	13,000	3,000	11,953	(1,047)
Total Revenues	$ 160,000	$ 163,000	$ 3,000	$ 177,609	$ 14,609
EXPENDITURES:					
Current-					
Judicial	$ 57,100	$ 57,100	$ -	$ 40,499	$ 16,601
Capital Outlay	5,000	5,000	-	-	5,000
Total Expenditures	$ 62,100	$ 62,100	$ -	$ 40,499	$ 21,601
Excess (Deficiency) of Revenues over Expenditures	$ 97,900	$ 100,900	$ 3,000	$ 137,110	$ 36,210
OTHER FINANCING SOURCES (USES):					
Transfers In	$ -	$ -	$ -	$ -	$ -
Transfers Out	(135,000)	(143,000)	(8,000)	(140,417)	2,583
Total Other Financing	$ (135,000)	$ (143,000)	$ (8,000)	$ (140,417)	$ 2,583
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (37,100)	$ (42,100)	$ (5,000)	$ (3,307)	$ 38,793
Fund Balance-Beginning of Year	494,820	494,820	-	494,820	-
Fund Balance-End of Year	$ 457,720	$ 452,720	$ (5,000)	$ 491,513	$ 38,793

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2026

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability
LA State Employees' Retirement System					
2017	0.01537%	$ 1,207,094	$ 287,020	420.6%	57.7%
2018	0.01272%	$ 895,550	$ 241,087	371.5%	62.5%
2019	0.00978%	$ 666,715	$ 201,200	331.4%	64.3%
2020	0.00951%	$ 689,136	$ 189,200	364.2%	62.9%
2021	0.00902%	$ 746,097	$ 189,200	394.3%	58.0%
2022	0.01308%	$ 719,975	$ 244,550	294.4%	72.8%
2023	0.01386%	$ 1,047,704	$ 288,800	362.8%	63.7%
2024	0.01375%	$ 920,159	$ 299,517	307.2%	68.4%
2025	0.01341%	$ 728,994	$ 316,600	230.3%	74.6%
2026	0.01310%	$ 590,788	$ 329,300	179.4%	79.3%

*The amounts presented have a measurement date of the previous fiscal year end.

See accompanying notes and independent auditor's report.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Schedule of Employer's Contributions
For the Year Ended June 30, 2026

Fiscal Year*	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
LA State Employees' Retirement System					
2017	$ 85,196	$ 85,196	$ -	$ 229,020	37.2%
2018	$ 76,255	$ 76,255	$ -	$ 201,200	37.9%
2019	$ 71,707	$ 71,707	$ -	$ 189,200	37.9%
2020	$ 77,004	$ 77,004	$ -	$ 189,200	40.7%
2021	$ 98,065	$ 98,065	$ -	$ 244,550	40.1%
2022	$ 114,076	$ 114,076	$ -	$ 288,800	39.5%
2023	$ 121,005	$ 121,005	$ -	$ 299,517	40.4%
2024	$ 130,756	$ 130,756	$ -	$ 316,600	41.3%
2025	$ 114,399	$ 114,399	$ -	$ 329,300	34.7%
2026	$ 116,787	$ 116,787	$ -	$ 352,300	33.1%

*The amounts presented were determined as of the end of the fiscal year.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Required Supplementary Information
Year Ended June 30, 2026

Note 1 - Budgetary Information

Budget process. Annual budgets are adopted by the judges for the General Fund and each special revenue fund on the modified accrual basis of accounting; accordingly, no reconciliation of budgetary to GAAP amounts is required. Unexpended appropriations lapse at year-end. The budget process is described in Note 1.F to the financial statements.

Basis of budgeting. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America. The Louisiana Local Government Budget Act provides that "the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year". The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year. Budgetary comparison schedules are presented as required supplementary information for the General Fund and each major special revenue fund with a legally adopted annual budget, as required by GASB Statement No. 103.

Amendments. The original budget column reflects the budget as first adopted. The final budget column reflects all amendments and supplemental appropriations approved during the year. All changes in the budget must be approved by the judges. During fiscal year 2026, the judges approved one amendment that increased General Fund transfers in by $43,000, while increasing Probation Fund transfers out by $35,000 and IV-D Collection transfers out by $8,000. See Note 2 for significant changes.

Budget results. Actual revenues and other sources were over budgeted revenues and other sources by $58,220 (8%) for the General Fund, $60,372 (50%) for the Probation Fund, and $14,609 (9%) for the IV-D Collection Fund. Actual expenditures and other uses were less than budgeted expenditures and other uses by $7,174 (1%) for the General Fund, $23,242 (13%) for the Probation Fund, and $24,184 (12%) for the IV-D Collection Fund. The District Court is in compliance with the Louisiana Local Government Budget Act.

Note 2 - Explanation of Significant Variances

The District Court considers a variance significant when it exceeds both 10% and $15,000 of the related budget line at the judicial level, or when it is otherwise important to understanding the District Court's budgetary performance.

Variances between the original and final budget

Line Item	Original Budget	Final Budget	Variance	Explanation
General Fund - Transfers In	$ 183,500	$ 226,500	$ 43,000	The budget was amended to reflect additional transfers from the Probation and IV-D Collection Funds to fund General Fund operations.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Required Supplementary Information
Year Ended June 30, 2026

Probation Fund - Transfers Out	$ (40,000)	$ (75,000)	$ (35,000)	The budget was amended to increase transfers of excess probation fees to the General Fund.

There were no significant variances between the original and final budget in the IV-D Collection Fund.

Variances between the final budget and actual amounts

Line Item	Final Budget	Actual	Variance	Explanation
General Fund - Fees, Fines & Charges for Services	$ 270,000	$ 343,470	$ 73,470	Criminal court fees and bond fees collected exceeded expectations.
General Fund - Transfers Out	$ (1,000)	$ (25,392)	$ (24,392)	Drug Court Program activity was initially recorded in the incorrect funds. Transfers were required to move the activity to the proper fund, and the budget did not anticipate them.
Probation Fund - Fees, Fines & Charges for Services	$ 110,000	$ 138,070	$ 28,070	Probation Fees collected exceeded expectations.
Probation Fund - Transfers In	$ 1,000	$ 25,628	$ 24,628	Drug Court Program activity was initially recorded in the incorrect funds. Transfers were required to move the activity to the proper fund, and the budget did not anticipate them.
IV-D Collection Fund - Judicial	$ 57,100	$ 40,499	$ 16,601	The IV-D Collection Fund did not incur the travel expenditures included in the budget.

Note 3 - Pension Information

GASB Statement No. 68 requires notes to the Schedule of Employer's Share of Net Pension Liability and the Schedule of Employer Contributions for significant changes of benefit terms, changes of assumptions, and other factors affecting trends.

The District Court contributes to Louisiana State Employees' Retirement System (LASERS) which is a cost-sharing multiple employer defined benefit pension plan.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Notes to Required Supplementary Information
Year Ended June 30, 2026

Changes of Benefit Terms. There were no changes of benefit terms during the measurement period.

Changes of Assumptions. Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes in actuarial assumptions resulted in no deferred inflows or outflows of resources as of June 30, 2025, which is the measurement date.

SUPPLEMENTARY INFORMATION

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Schedule of Compensation, Benefits and Other Payments to
District Court Heads
For the Year Ended June 30, 2026

	Judge Glenn Fallin	Judge Walter May	Judge Rick Warren
Salary	$ -	$ -	$ -
Benefits-Insurance	3,025	3,925	3,270
Car Allowance	7,200	7,200	7,200
Travel	6,167	2,057	4,553
Registration Fees	1,710	850	425
Total	$ 18,102	$ 14,032	$ 15,448

See independent auditor's report.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2026

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information	
Entity Name	Second Judicial District Court Funds
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for	9172
Date that reporting period ended (mm/dd/yyyy)	June 30, 2026

Cash Basis Presentation	**First Six Month Period Ended 12/31/2025**	**Second Six Month Period Ended 6/30/2026**
Receipts From: (*Must include one agency name and one collection type - see below - on each line and*		
Claiborne Parish Sheriff, Criminal Court Costs/Fees	5,348	7,470
Claiborne Parish Sheriff, Criminal Fines - Other	33,567	34,260
Claiborne Parish Sheriff, Bond Fees	7,678	7,540
Jackson Parish Sheriff, Criminal Court Costs/Fees	1,442	1,846
Jackson Parish Sheriff, Criminal Fines - Other	22,700	20,198
Jackson Parish Sheriff, Bond Fees	7,640	10,178
Bienville Parish Sheriff, Criminal Court Costs/Fees	10,940	13,437
Bienville Parish Sheriff, Criminal Fines - Other	46,740	46,740
Bienville Parish Sheriff, Bond Fees	13,605	14,608
Claiborne Parish Police Jury, Criminal Fines - Other	78,927	82,010
Claiborne Parish Clerk of Court, Civil Fees	5,211	5,859
Jackson Parish Clerk of Court, Civil Fees	6,354	6,129
Bienville Parish Clerk of Court, Civil Fees	6,199	6,350
Subtotal Receipts	246,351	256,625
Ending Balance of Amounts Assessed but Not Received ***(only applies to those agencies that assess on behalf of themselves, such as courts)***	-	-

OTHER REPORTS/SCHEDULES

T | C | B | T
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Glenn Fallin, Chief Judge
The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Second Judicial District Court's (District Court) basic financial statements and have issued our report thereon dated October 14, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control, described in the accompanying Schedule of Audit Findings as item 2026-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. 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*.

Second Judicial District Court's Response to Findings

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

Purpose of this Report

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

October 14, 2026

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Schedule of Audit Findings
Year Ended June 30, 2026

I. SUMMARY OF AUDIT RESULTS

The following summarizes the audit results:

1. An unmodified opinion was issued on the financial statements of the Second Judicial District Court as of and for the year ended June 30, 2026.

2. The audit disclosed one significant deficiency in internal control.

3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Internal Control

2026-001 Fund Accounting for the Probation Fund and Drug Court Program

Criteria – Generally accepted accounting principles (GAAP) require governments to report financial resources in funds based on the purposes for which they may be spent and any restrictions on their use. GASB Statement No. 54 requires a special revenue fund when revenue sources are restricted or committed to specified purposes other than debt service or capital projects.

The Probation Fund accounts for the collection of the monthly probation fees and expenditures of maintaining the probation offices while the Drug Court Program provides an alternative to incarceration for nonviolent, substance-abusing offenders through a court-supervised program of treatment, testing, and accountability.

Management is responsible for designing and maintaining internal controls that make sure restricted resources are properly classified, accounted for, and reported.

Condition – During our audit, we noted that the District Court did not properly use fund accounting for the Probation Fund and the Drug Court Program. Salaries and related benefits of Drug Court Program personnel were paid from the General Fund but were not charged to the Drug Court Program, and Drug Court Program revenues and non-payroll expenditures were recorded in the Probation Fund. Audit adjustments were required to reclassify this activity and to present restricted fund balances correctly.

Cause - The District Court did not have policies and procedures for identifying restricted revenue sources and setting up the required fund and account codes. There was no periodic review to reconcile program activity to the general ledger.

Effect - Without proper fund accounting, restricted resources may be misclassified, fund balances may be misstated, and the financial statements may be materially misstated if not detected. Commingling restricted resources with unrestricted resources also increases the risk that they are spent on unallowable purposes, which would violate funding requirements. It also makes it harder for management and the governing body to monitor program resources.

The Second Judicial District Court
Parishes of Bienville, Claiborne and Jackson, Louisiana
Schedule of Audit Findings (continued)
Year Ended June 30, 2026

Recommendation – We recommend that the District Court set up and maintain a separate special revenue fund for the Drug Court Program, with dedicated revenue and expenditure account codes. The District Court should also develop written policies and procedures for identifying restricted revenue sources, including fees imposed by statute or court order, and recording them in the proper fund.

Management's Response – An account was opened on September 10, 2026 to be used by the drug court. The District Court will use the new account to be used by the drug court so that funds will no longer be commingled in the upcoming year.

III. PRIOR YEAR FINDING

Compliance

2025-001 Cash Balance Unsecured

Condition - The cash balance in the financial institutions was not fully secured by FDIC or pledged securities.

Status - This finding was cleared for June 30, 2026.

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

To the Second Judicial District Court and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2025 through June 30, 2026. The Second Judicial District Court's (District Court) management is responsible for those C/C areas identified in the SAUPs.

The District Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2025 through June 30, 2026. 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 for 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. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the operations:

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

   - ***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.

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

   - ***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 custodial fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, custodial fund forfeiture monies confirmation.)

- ***Payroll/Personnel***, including (1) payroll processing, and (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.

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

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

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

- ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 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.

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

- ***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.

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

Procedure Results: No exceptions were noted as a result of these procedures.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:

   - Observed 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.

   - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual comparisons on all proprietary funds, and semi-annual budget-to-actual comparisons on all special revenue funds.

   - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted net position in the prior year audit report, observed 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.

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

Procedure Results: No exceptions were noted as a result of these procedures.

Bank Reconciliations

3. We obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:

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

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

    - 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).

5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, then inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:

    - Employees that are responsible for cash collections do not share cash drawers/registers.

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

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

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

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

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:

   - We observed that receipts are sequentially pre-numbered.
   - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
   - We traced the deposit slip total to the actual deposit per the bank statement.
   - We observed 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).
   - We traced the actual deposit per the bank statement to the general ledger.

Procedure Results: No exceptions were noted as a result of these procedures.

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

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8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (or all locations if less than 5).

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

   - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.
   - At least two employees are involved in processing and approving payments to vendors.
   - 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.
   - 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.
   - Only employees/officials authorized to sign checks approved the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some electronic means.

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

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

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

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

    Procedure Results: No exceptions were noted as a result of these procedures.

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

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

13. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:

    - We observed 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

    - We observed that finance charges and late fees were not assessed on the selected statements.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, we randomly selected the required amount of transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (a) an original itemized receipt that identified precisely what was purchased, (b) written documentation of the business/public purpose, and (c) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Procedure Results: No exceptions were noted as a result of these procedures.

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

15. We obtained 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. We randomly selected 5 reimbursements, and obtained 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:

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

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

    - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1, 8th bullet).

    - We observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

    Procedure Results: No exceptions were noted as a result of these procedures.

Contracts

16. We obtained from management a listing of all agreements/contracts (or active vendor list) for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to 5) from the listing, excluding our contract, and:

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

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

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

    - We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

    Procedure Results: No exceptions were noted as a result of these procedures.

Payroll and Personnel

17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

18. We randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:

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

    - We observed that supervisors approved the attendance and leave of the selected employees or officials.

    - We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

    - We observed that the rate paid to the employees or officials agrees to the authorized salary/pay rate found with the personnel file.

19. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. If applicable, we agreed the hours to the employees' or official's cumulative leave records, and the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and the termination payment to entity policy.

20. We obtained 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Ethics

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

    - We observed whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

    - We observed that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: No exceptions were noted as a result of these procedures.

Debt Service

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

24. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed 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).

Procedure Results: No exceptions were noted as a result of these procedures.

Fraud Notice

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

26. We observed whether 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.

Procedure Results: No exceptions were noted as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

27. We performed the following procedures:

- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

- We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed 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.

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

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained cybersecurity training documentation from management and observed that the documentation demonstrates that the selected employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

    - Hired before June 9, 2020, completed the training.

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

    Procedure Results: We performed the procedure and discussed the results with management.

Prevention of Sexual Harassment

30. We randomly selected the employees/officials from procedure #17 under "Payroll and Personnel" above, obtained sexual harassment training documentation from management, and observed that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

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

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

    - Number of sexual harassment complaints received by the agency;

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

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

    - Amount of time it took to resolve each complaint.

    Procedure Results: No exceptions were noted as a result of these procedures.

We were engaged by the 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 contained in *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 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 results 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.

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