

CITY COURT OF JEANERETTE

Jeannerette, Louisiana

Financial Report

Year Ended June 30, 2023

TABLE OF CONTENTS

| | Page |
|---|-------|
| INDEPENDENT AUDITOR'S REPORT | 1-3 |
| BASIC FINANCIAL STATEMENTS | |
| Government-wide financial statements | |
| Statement of net position | 6 |
| Statement of activities | 7 |
| Fund financial statements | |
| Governmental fund | |
| Balance sheet | 10-11 |
| Statement of revenues, expenditures, and change in fund balance | 12-13 |
| Fiduciary funds | |
| Statement of fiduciary net position | 14 |
| Statement of change in fiduciary net position | 15 |
| Notes to financial statements | 16-36 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Budgetary comparison schedule: | |
| General fund | 38 |
| Schedule of employer's share of net pension liability/asset | 39 |
| Schedule of employer pension contributions | 40 |
| Notes to required supplementary information | 41-42 |
| SUPPLEMENTARY INFORMATION | |
| Justice system funding schedule - collecting/disbursing entity | 44-45 |
| INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS | |
| Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> | 47-48 |
| Schedule of audit results and findings | 49-51 |
| Summary schedule of prior findings | 52 |
| Corrective action plan for current audit findings | 53 |

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

INDEPENDENT AUDITOR'S REPORT

Honorable Gary F. LeGros, Jr., Judge
City Court of Jeanerette
Jeanerette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Jeanerette (hereinafter “City Court”), a component unit of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City 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 City Court as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 City 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 City 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 certain information be presented to supplement the basic financial statements as listed in the table of contents. 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 budgetary comparison schedule, schedule of employer's share of net pension liability/asset, schedule of employer pension contributions, or notes to required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City Court's basic financial statements. The accompanying justice system funding schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule is the responsibility of City Court's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule 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 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 is 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 March 25, 2024, on our consideration of City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 25, 2024

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Statement of Net Position
June 30, 2023

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| ASSETS | |
| Cash | \$ 563,089 |
| Capital assets, net of accumulated depreciation/amortization | <u>103,779</u> |
| Total assets | <u>666,868</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to net pension liability | <u>2,685</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 2,819 |
| Due to other governments | 34,300 |
| Noncurrent liabilities: | |
| Due within one year: | |
| Lease liability | 2,159 |
| Due in more than one year: | |
| Lease liability | 1,917 |
| Net pension liability | <u>12,398</u> |
| Total liabilities | <u>53,593</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to net pension liability | <u>985</u> |
| NET POSITION | |
| Net investment in capital assets | 99,703 |
| Unrestricted | <u>515,272</u> |
| Total net position | <u>\$ 614,975</u> |

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Statement of Activities
Year Ended June 30, 2023

| Activities | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net Position |
|-------------------------------|-------------------|-------------------------|---------------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental activities: | | | | |
| General government | \$ 563,440 | \$ 526,741 | \$ 24,431 | \$ (12,268) |
| Interest | <u>267</u> | <u>-</u> | <u>-</u> | <u>(267)</u> |
| Total governmental activities | <u>\$ 563,707</u> | <u>\$ 526,741</u> | <u>\$ 24,431</u> | (12,535) |
| | | General revenues: | | |
| | | | | <u>3,774</u> |
| | | | | (8,761) |
| | | | | <u>623,736</u> |
| | | | | <u>\$ 614,975</u> |

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

FUND FINANCIAL STATEMENTS

MAJOR FUND DESCRIPTION

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Balance Sheet
Governmental Fund
June 30, 2023

| | <u>General</u> |
|-------------------------------------|-------------------|
| ASSETS | |
| Cash | <u>\$ 563,089</u> |
| LIABILITIES AND FUND BALANCES | |
| Liabilities: | |
| Accounts payable | \$ 2,819 |
| Due to other governments | <u>34,300</u> |
| Total liabilities | 37,119 |
| Fund balances: | |
| Unassigned | <u>525,970</u> |
| Total liabilities and fund balances | <u>\$ 563,089</u> |

(continued)

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Balance Sheet (continued)
Governmental Fund
June 30, 2023

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

| | | |
|---|------------------|-------------------|
| Total fund balances for all governmental funds at June 30, 2023 | | \$ 525,970 |
| Cost of capital assets | \$ 297,778 | |
| Less: Accumulated depreciation/amortization | <u>(193,999)</u> | 103,779 |
| Deferred outflows of resources related to net pension liability | | 2,685 |
| Long-term liabilities | | |
| Lease liability | | (4,076) |
| Net pension liability | | (12,398) |
| Deferred inflows of resources related to net pension liability | | <u>(985)</u> |
| Net position of governmental activities at June 30, 2023 | | <u>\$ 614,975</u> |

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
Year Ended June 30, 2023

| | General |
|--|------------|
| Revenues: | |
| Fees, charges and commissions - | |
| Court costs, fees, and fines | \$ 525,903 |
| Intergovernmental | 24,431 |
| Other income | 838 |
| Interest income | 3,774 |
| Total revenues | 554,946 |
| Expenditures: | |
| Current- | |
| General government- | |
| Operating services | 342,258 |
| Materials and supplies | 18,088 |
| Travel and other charges | 805 |
| Repairs and maintenance | 2,008 |
| Salaries and benefits - City of Jeanerette | 191,700 |
| Debt service | |
| Principal | 2,051 |
| Interest | 267 |
| Capital outlay | 27,924 |
| Total expenditures | 585,101 |
| Net change in fund balance | (30,155) |
| Fund balances, beginning | 556,125 |
| Fund balances, ending | \$ 525,970 |

(continued)

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance (continued)
Governmental Fund
Year Ended June 30, 2023

Reconciliation of the Statement of Revenues, Expenditures, and Change in
Fund Balance of the Governmental Fund to the Statement of Activities

| | |
|---|-------------------|
| Total net change in fund balance for the year ended June 30, 2023 per Statement of Revenues, Expenditures and Change in Fund Balance | \$ (30,155) |
| Capital outlay | 27,924 |
| Depreciation expense | (13,067) |
| Amortization expense | (2,153) |
| Principal payments on lease | 2,051 |
| Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability: | |
| Change in pension expense | <u>6,639</u> |
| Total change in net position for the year ended June 30, 2023 per Statement of Activities | <u>\$ (8,761)</u> |

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Statement of Fiduciary Net Position
June 30, 2023

| | <u>Custodial Funds</u> |
|-------------------------------------|----------------------------|
| ASSETS | |
| Cash | <u>\$ 89,828</u> |
| NET POSITION | |
| Restricted for litigants and others | <u><u>\$ 89,828</u></u> |

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Statement of Change in Fiduciary Net Position
Year Ended June 30, 2023

| | Custodial Funds |
|--|--------------------|
| Additions: | |
| Suits and successions | \$ 18,688 |
| Judgments | 793,870 |
| Investment income | 501 |
| Total additions | 813,059 |
| Reductions: | |
| Court's costs (transfers to other funds) | 528,558 |
| Refunds to litigants | 21,614 |
| Settlements | |
| Acadiana Crime Lab | 47,900 |
| City of Jeanerette | 9,576 |
| Indigent Defender Board | 27,135 |
| Sheriff fees | 714 |
| Judges supplemental | 4,218 |
| Ward Six Marshal | 52,442 |
| Supreme Court | 798 |
| Other | 123,229 |
| Total reductions | 816,184 |
| Change in net position | (3,125) |
| Net position, beginning | 92,953 |
| Net position, ending | \$ 89,828 |

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements

INTRODUCTION

As provided by LSA-RS 13:1871 et seq, the Third Ward Court of the Parish of Iberia, also known as City Court of Jeanerette, (the “City Court”) accounts for the operation of City Court’s office. The City Court Judge is elected for a six-year term.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the City, for reporting purposes, the City of Jeanerette is the financial reporting entity. The financial reporting entity consists of the primary government (City), organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended, established criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

- 1) Appointing a voting majority of an organization’s governing body, and
 - a) The ability of the City to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
- 2) Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City provides City Court with office space and pays the salaries and benefits of City Court employees, City Court was determined to be a component unit of the City of Jeanerette, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by City Court and do not present information on the City, the general government services provided by the City, or other governmental units that comprise the financial reporting entity.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

B. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about City Court as a whole. These statements include all the financial activities of City Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The statement of activities presents a comparison between direct expenses and program revenues for City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) court costs, fees, and fines paid by the recipients of services offered by City Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of City Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of City Court is considered to be a major fund.

The funds of City Court are described below:

Governmental Funds –

General Fund – This fund is the primary operating fund of City Court and it accounts for the operations of City Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to City Court's policy.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Fiduciary Funds –

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City Court’s programs. City Court has adopted GASBS No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

City Court’s fiduciary funds (custodial) are presented in the fiduciary fund financial statements. Because by definition these assets are being held for the benefit of a third party (other governments, private parties, etc.) and cannot be used to address activities or obligations of City Court, these funds are not incorporated into the government-wide statements. The custodial funds of City Court are as follows:

Bond Fund – accounts for bonds collected prior to arraignment and assignment to City Court docket.

Fines and Costs Fund – accounts for funds held pending adjudication to be distributed to others.

Civil Fund – accounts for deposits on civil and small claims matters held pending adjudication to be distributed to others.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. Governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The types of transactions reported as program revenues for City Court are reported in two categories: 1) charges for services and 2) operating grants and contributions.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Assets, Liabilities, and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of City Court.

City Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and City Court’s investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Capital assets

Capital assets, which include property and equipment, are reported 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 acquisition value at the date of donation. City Court maintains a threshold level of \$500 for capitalizing assets.

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

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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| <u>Asset Class</u> | <u>Estimated useful lives</u> |
|--------------------|-----------------------------------|
| Office furniture | 7 years |
| Equipment | 5 years |
| Improvements | 20 years |

Leases

In accordance with GASBS No. 87, *Leases*, City Court uses the interest rate charged by the lessor as the discount rate, if provided, or the rate implicit in the lease agreement, if determinable. When the interest rate charged by the lessor is not provided or the implicit rate is not determinable, City Court uses its estimated incremental borrowing rate as the discount rate for the leases. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

City Court monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability as provided in GASBS No. 87.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Equity Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three components:

1. 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, certificates of indebtedness, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
3. Unrestricted - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, City Court considers restricted funds to have been spent first.

Fund financial statements

Fund balance for City Court’s governmental funds is displayed depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed - amounts that can be used only for specific purposes determined by a formal decision of the Judge, which is the highest level of decision-making authority.
4. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent established by the Judge.
5. Unassigned - amounts that are available for any purpose; these amounts can be reported only in City Court’s General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, City Court considers restricted funds to have been spent first. When an

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

expenditure is incurred for which committed, assigned, or unassigned fund balances are available, City Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Judge has provided otherwise in commitment or assignment actions.

E. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

F. Expenditures and Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified by character and function.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows or 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 (the Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

At June 30, 2023, City Court has cash and cash equivalents (book balances) totaling \$652,917 as follows:

| | Governmental Fund | Fiduciary Fund | Total |
|-----------------|----------------------|-------------------|-------------------|
| Demand deposits | <u>\$ 563,089</u> | <u>\$ 89,828</u> | <u>\$ 652,917</u> |

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of City Court or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2023 are as follows:

| | |
|--|-------------------|
| Bank balances | <u>\$ 665,452</u> |
| Federal deposit insurance | \$ 250,000 |
| Uninsured and collateralized by pledged securities | <u>415,452</u> |
| Total FDIC insurance and pledged securities | <u>\$ 665,452</u> |

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, City Court's deposits may not be recovered or City Court may not be able to recover collateral securities that are in the possession of an outside party. City Court does not have a policy to monitor or reduce exposure to custodial credit risk. Deposits in the amount of \$415,452 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in City Court's name or uninsured and uncollateralized. Even though the pledged securities are not held in the name of City Court, 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 City Court that the depository financial institution has failed to pay deposited funds upon demand.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

(3) Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

| | <u>Balance</u> <u>7/1/2022</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>6/30/2023</u> |
|------------------------------------|-----------------------------------|------------------|------------------|------------------------------------|
| Governmental activities: | | | | |
| Furniture and equipment | \$ 265,491 | \$ 27,924 | \$ 2,096 | \$ 291,319 |
| Less: accumulated depreciation | <u>180,516</u> | <u>13,067</u> | <u>2,096</u> | <u>191,487</u> |
| Net furniture and equipment | <u>84,975</u> | <u>14,857</u> | <u>-</u> | <u>99,832</u> |
| Intangible right-to-use assets: | | | | |
| Office equipment | 6,459 | - | - | 6,459 |
| Less: Accumulated amortization | <u>359</u> | <u>2,153</u> | <u>-</u> | <u>2,512</u> |
| Net intangible right-to-use assets | <u>6,100</u> | <u>(2,153)</u> | <u>-</u> | <u>3,947</u> |
| Net capital assets | <u>\$ 91,075</u> | <u>\$ 12,704</u> | <u>\$ -</u> | <u>\$ 103,779</u> |

Depreciation/amortization expense of \$15,220 was charged to the general government function.

(4) Leases

During the fiscal year ended June 30, 2022, City Court implemented GASBS No. 87, *Leases*, for accounting and reporting leases that had previously been reported as operating leases.

In accordance with GASBS No. 87, City Court recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements based on the facts and circumstances that existed at the beginning of the period of implementation. The agreement underlying the leased assets has a term of 36 months with an intangible right to use office equipment.

The following is a summary of changes in the lease liability for the year ended June 30, 2023:

| | <u>Beginning</u> <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending</u> <u>Balance</u> | <u>Due Within</u> <u>One Year</u> |
|-----------------|------------------------------------|------------------|-------------------|---------------------------------|--------------------------------------|
| Lease liability | <u>\$ 6,127</u> | <u>\$ -</u> | <u>\$ 2,051</u> | <u>\$ 4,076</u> | <u>\$ 2,159</u> |

Lease liability reductions are liquidated by City Court's general fund.

At the commencement of a lease, City Court initially measures the lease liability at the present value of payments expected to be made during the lease term. For purposes of discounting future payments on the lease, City Court used the incremental borrowing rate (IBR) of 5.13%. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or the lease term.

Lease assets are reported with capital assets on the statement of net position. The leased equipment and accumulated amortization of the right-to-use asset is outlined in Note 3.

Minimum lease payments through the lease term are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-----------------|---------------|-----------------|
| 2025 | \$ 2,159 | \$ 159 | \$ 2,318 |
| 2026 | 1,917 | 46 | 1,963 |
| | <u>\$ 4,076</u> | <u>\$ 205</u> | <u>\$ 4,281</u> |

(5) Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which City Court is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental fund consists of an unassigned fund balance in the General fund of \$525,970.

(6) Changes in Fiduciary Net Position

A summary of changes in fiduciary fund unsettled deposits follows:

| | Fines and Costs Fund | Civil Court Fund | Bond Fund | Total |
|-------------------|----------------------------|------------------------|------------------|------------------|
| Balance 7/1/2022 | \$ 10,514 | \$ 8,024 | \$ 74,415 | \$ 92,953 |
| Additions | 773,870 | 18,688 | 20,501 | 813,059 |
| Reductions | <u>(776,686)</u> | <u>(18,007)</u> | <u>(21,491)</u> | <u>(816,184)</u> |
| Balance 6/30/2023 | <u>\$ 7,698</u> | <u>\$ 8,705</u> | <u>\$ 73,425</u> | <u>\$ 89,828</u> |

(7) Related Party

City Court has set up a criminal court fund to defray the costs of operation of the court as provided by Code of Criminal Procedure (CCrP) 895.1.B. City Court remits fines and costs collected in accordance with the procedure to the City of Jeanerette as reimbursement for the City's payment of City Court employees' salaries and benefits. During the year ended June 30, 2023, City Court remitted \$191,700 to the City of Jeanerette.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

(8) On-Behalf Payments for Salaries and Benefits

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires City Court to report on-behalf payments made by the City of Jeanerette to City Court's employees for salaries and related benefits. The basis for recognizing the revenues and expenditure payments is that the actual contribution is made by the City of Jeanerette and not by City Court. In 2023, the City paid salaries and benefits, which include payments to the Municipal Employees' Retirement System and Louisiana State Employees' Retirement System (LASERS), to and for City Court Clerk, City Judge, Deputy Clerks, and Probation Officers. On-behalf payments recorded as revenue and expenditures in the general fund financial statements for the year ended June 30, 2023 totaled \$24,431.

(9) Retirement

City Court's judge participates in the Louisiana State Employees' Retirement System (LASERS). LASERS is a cost-sharing multiple-employer defined benefit pension plan established by Section 401 of Title 11 of the Louisiana Revised Statutes (LA R.S. 11:401) to provide retirement allowances and other benefits to eligible officers, employees, and their beneficiaries. The employer pensions schedules for the Louisiana State Employees' Retirement System are prepared using the accrual basis of accounting.

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 Benefits

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. Our 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, and at age 60 upon completing 10 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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement 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 a 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.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

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

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

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.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

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 the final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

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 in 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.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation and cease upon remarriage, or children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage and then benefit is paid to children under 18.

Permanent Benefit Increases/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), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Employer Contributions

The employer contribution rate is established annually under La. 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, 2022 are as follows:

| Plan | Plan Status | Employer Rate |
|--|----------------|------------------|
| Appellate Law Clerks | Closed | 39.5% |
| Appellate Law Clerks hired on or after 7/01/06 | Closed | 39.5% |
| Alcohol Tobacco Control | Closed | 42.6% |
| Bridge Police | Closed | 38.6% |
| Bridge Police hired on or after 7/01/06 | Closed | 38.6% |
| Corrections Primary | Closed | 39.0% |
| Corrections Secondary | Closed | 43.3% |
| Harbor Police | Closed | 14.3% |
| Hazardous Duty | Open | 45.3% |
| Judges hired before 1/1/2011 | Closed | 43.7% |
| Judges hired after 12/31/2010 | Closed | 43.0% |
| Judges hired on or after 7/01/15 | Open | 43.0% |
| Legislators | Closed | 35.8% |
| Optional Retirement Plan (ORP) before 7/01/06 | Closed | 37.6% |
| Optional Retirement Plan (ORP) on or after 7/01/06 | Closed | 37.6% |
| Peace Officers | Closed | 41.4% |
| Regular Employees hired before 7/01/06 | Closed | 39.5% |
| Regular Employees hired on or after 7/01/06 | Closed | 39.5% |
| Regular Employees hired on or after 1/1/11 | Closed | 39.5% |
| Regular Employees hired on or after 7/1/15 | Open | 39.5% |
| Special Legislative Employees | Closed | 37.8% |
| Wildlife Agents | Closed | 51.2% |
| Aggregate Rate | | 40.2% |

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

City Court's contractually required composite contribution rate for the year ended June 30, 2022 was 43% 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 City Court were \$1,427 for the year ended June 30, 2023.

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

At June 30, 2023, City Court reported a liability of \$12,398 for its proportionate share of the LASERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. City Court's proportion of the net pension liability was based on a projection of City 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, 2022, City Court's proportion was 0.000160%, which was a decrease of .000030% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, City Court recognized a pension benefit of \$5,212 in its activities.

At June 30, 2023, City 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 | \$ 34 | \$ - |
| Change of assumptions | 225 | - |
| Net differences between projected and actual earnings on pension plan investments | 999 | - |
| Change in proportion and differences between employer contributions and proportionate share of contributions | - | 985 |
| Employer contributions subsequent to the measurement date | 1,427 | - |
| Total | \$ 2,685 | \$ 985 |

Deferred outflows of resources of \$1,427 resulting from City Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year</u> | |
|-------------|---------------|
| 2024 | \$ (366) |
| 2025 | 206 |
| 2026 | (253) |
| 2027 | 686 |
| | <u>\$ 273</u> |

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are 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 a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Actuarial Assumptions

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

| Valuation Date | June 30, 2022 | | | | | | | | | | | | | | | | | | |
|---|---|-------------|-------------|-------------|---------|------|-------|--------|------|------|-------------|------|-------|----------------|------|-------|----------|------|-------|
| Actuarial Cost Method | Entry Age Normal | | | | | | | | | | | | | | | | | | |
| Expected Remaining Service Lives | 2 years | | | | | | | | | | | | | | | | | | |
| Investment Rate of Return | 7.25% per annum, net of investment expenses | | | | | | | | | | | | | | | | | | |
| Inflation Rate | 2.3% per annum | | | | | | | | | | | | | | | | | | |
| Mortality Rates | Non-disabled members - The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. 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 (2014-2018) experience study of the System's members. | | | | | | | | | | | | | | | | | | |
| Salary Increases | Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are: <table border="0" style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="border-bottom: 1px solid black; text-align: center;">Member Type</th> <th style="border-bottom: 1px solid black; text-align: center;">Lower Range</th> <th style="border-bottom: 1px solid black; text-align: center;">Upper Range</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table> | Member Type | Lower Range | Upper Range | Regular | 3.0% | 12.8% | Judges | 2.6% | 5.1% | Corrections | 3.6% | 13.8% | Hazardous Duty | 3.6% | 13.8% | Wildlife | 3.6% | 13.8% |
| Member Type | Lower Range | Upper Range | | | | | | | | | | | | | | | | | |
| Regular | 3.0% | 12.8% | | | | | | | | | | | | | | | | | |
| Judges | 2.6% | 5.1% | | | | | | | | | | | | | | | | | |
| Corrections | 3.6% | 13.8% | | | | | | | | | | | | | | | | | |
| Hazardous Duty | 3.6% | 13.8% | | | | | | | | | | | | | | | | | |
| Wildlife | 3.6% | 13.8% | | | | | | | | | | | | | | | | | |
| 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. | | | | | | | | | | | | | | | | | | |

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

The investment rate of return used in the actuarial valuation for funding purposes was 7.60%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular pension plan benefits is 7.25%, which is the same as the discount rate and a .15% decrease from the rate used as of June 30, 2021. 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 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.34% for 2022. The target allocation and 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, 2022 are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|----------------------------|---|
| Cash | 0.39% |
| Domestic equity | 4.57% |
| International equity | 5.76% |
| Domestic fixed income | 1.48% |
| International fixed income | 5.04% |
| Alternative investments | 8.30% |
| Total Fund | 5.91% |

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, which was a .15% decrease from the discount rate used as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates approved by PRSAC taking into consideration the recommendation of the System'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 active and inactive 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 Employer's proportionate share of the Net Pension Liability calculated using the discount rate of 7.25%, as well as what the Employer'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:

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

| | 1.00% Decrease 6.25% | Current Discount Rate 7.25% | 1.00% Increase 8.25% |
|---|----------------------------|-----------------------------------|----------------------------|
| Employer's proportionate share of the net pension liability | \$ 15,600 | \$ 12,398 | \$ 9,478 |

Pension Plan Fiduciary Net Positions

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2022 Comprehensive Annual Financial Report at www.lasersonline.org.

Payables to the Pension Plan

City Court recorded no accrued liabilities related to the pension plan for the year ended June 30, 2023.

(10) Compensation and Other Payments to Chief Officer

Act 706 of the 2014 Legislative Session amended R.S. 24:513(A) requiring additional disclosure of total compensation, reimbursements, benefits, or other payments made to an agency head or chief officer. Expenses paid to Judge Gary F. LeGros, Jr. for the year ended June 30, 2023 are as follows:

| | |
|---|-----------|
| Wages | \$ 3,233 |
| Benefits - Retirement | 1,427 |
| Wages and benefits - City of Jeanerette | 24,431 |
| Reimbursements - Travel | 535 |
| | \$ 29,626 |

(11) Risk Management

City Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. City Court's primary government, the City of Jeanerette, has elected to purchase insurance coverage through the commercial insurance market to cover its exposure to loss.

City Court is insured up to policy limits for each of the above risks. There were no significant changes in coverage, retentions, or limits during the year ended June 30, 2023. Settled claims have not exceeded the commercial coverage in any of the previous three fiscal years. City Court has made contributions totaling \$951 to the premiums on the policy during the year ended June 30, 2023.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Financial Statements (continued)

(12) Accounting Standards Scheduled to be Implemented

The following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) scheduled to be implemented in the future that may affect the City Court's financial report:

GASB Statement 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The standard is effective for annual reporting periods beginning after June 15, 2023. The effect of implementation on the City Court's financial statements has not yet been determined.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard is effective for annual reporting periods beginning after December 15, 2023. The effect of implementation on the City Court's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2023

| | Budgeted Amounts | | Actual (Non-GAAP Basis) | Variance Positive (Negative) |
|--|------------------|------------|-------------------------------|------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Fees, charges and commissions - | | | | |
| Court costs, fees, and fines | \$ 550,536 | \$ 542,943 | \$ 525,903 | \$ (17,040) |
| Other income | 300 | 973 | 838 | (135) |
| Interest income | - | 3,267 | 3,774 | 507 |
| Total revenues | 550,836 | 547,183 | 530,515 | (16,668) |
| Expenditures: | | | | |
| Current- | | | | |
| General government- | | | | |
| Operating services | 97,297 | 102,950 | 317,827 | (214,877) |
| Materials and supplies | 31,100 | 40,416 | 18,088 | 22,328 |
| Travel and other charges | - | 2,019 | 805 | 1,214 |
| Repairs and maintenance | 4,710 | 10,508 | 2,008 | 8,500 |
| Salaries and benefits - City of Jeanerette | 383,900 | 382,000 | 191,700 | 190,300 |
| Debt service- | | | | |
| Principal | - | - | 2,051 | (2,051) |
| Interest | - | - | 267 | (267) |
| Capital outlay | - | - | 27,924 | (27,924) |
| Total expenditures | 517,007 | 537,893 | 560,670 | (22,777) |
| Net change in fund balance | 33,829 | 9,290 | (30,155) | (39,445) |
| Fund balance, beginning | 556,125 | 556,125 | 556,125 | - |
| Fund balance, ending | \$ 589,954 | \$ 565,415 | \$ 525,970 | \$ (39,445) |

See independent auditor's report and notes to required supplementary information.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Schedule of Employer's Share of Net Pension Liability/Asset
Year Ended June 30, 2023

| Plan Year Ended June 30, | Employer Proportion of the Net Pension Liability/ Asset | Employer Proportionate Share of the Net Pension Liability/ (Asset) (a) | Covered Payroll (b) | Employer's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll (a/b) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability/Asset |
|-----------------------------------|--|--|---------------------------|--|--|
| 2014 | 0.000820% | \$ 51,399 | \$ 11,240 | 457.29% | 62.66% |
| 2015 | 0.000800% | \$ 54,276 | \$ 7,542 | 719.65% | 62.66% |
| 2016 | 0.000830% | \$ 65,490 | \$ 8,964 | 730.59% | 57.73% |
| 2017 | 0.000840% | \$ 59,056 | \$ 6,902 | 855.64% | 62.54% |
| 2018 | 0.000810% | \$ 55,105 | \$ 6,158 | 894.85% | 64.30% |
| 2019 | 0.000340% | \$ 24,270 | \$ 6,382 | 380.29% | 62.90% |
| 2020 | 0.000360% | \$ 29,361 | \$ 7,016 | 418.49% | 58.00% |
| 2021 | 0.000190% | \$ 10,678 | \$ 6,160 | 173.34% | 72.78% |
| 2022 | 0.000160% | \$ 12,398 | \$ 3,218 | 385.27% | 63.65% |

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See independent auditor's report and notes to required supplementary information.*

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Schedule of Employer Pension Contributions
Year Ended June 30, 2023

| Fiscal Year Ended June 30 | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|------------------------------------|---|--|--|--------------------|--|
| 2015 | \$ 3,130 | \$ 3,130 | \$ - | \$ 7,542 | 41.50% |
| 2016 | \$ 3,415 | \$ 3,415 | \$ - | \$ 8,964 | 38.10% |
| 2017 | \$ 2,623 | \$ 2,623 | \$ - | \$ 6,902 | 38.00% |
| 2018 | \$ 2,469 | \$ 2,469 | \$ - | \$ 6,158 | 40.09% |
| 2019 | \$ 2,559 | \$ 2,559 | \$ - | \$ 6,382 | 40.10% |
| 2020 | \$ 2,975 | \$ 2,975 | \$ - | \$ 7,016 | 42.40% |
| 2021 | \$ 2,686 | \$ 2,686 | \$ - | \$ 6,160 | 43.60% |
| 2022 | \$ 1,384 | \$ 1,384 | \$ - | \$ 3,218 | 43.01% |
| 2023 | \$ 1,427 | \$ 1,427 | \$ - | \$ 3,259 | 43.79% |

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.
See independent auditor's report and notes to required supplementary information.*

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Required Supplementary Information

(1) Budgetary Basis of Accounting

General Fund

The budget for the General Fund is not adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by City Court. Budgetary control is exercised at the fund level.

(2) Budgeting and Budgetary Accounting

City Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the City Court Judge for the fiscal year prior to the beginning of each fiscal year.
2. If proposed expenditures exceed \$500,000, a summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called, if required.
3. If required, a public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing, if required, and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

(3) Non-GAAP Reporting Reconciliation

Budgetary amounts adopted by the City Court for the General Fund do not include salaries and benefits paid by the City of Jeanerette to the Judge and the City Court's employees. These on-behalf payments are reflected as expenditures in the City Court's financial statements as required by GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Notes to Required Supplementary Information (continued)

Actual amounts for the General Fund are reconciled on a non-GAAP basis for comparison to the budget as follows:

| | As Reported | Adjustment to Budgetary Basis | Non-GAAP Basis |
|--------------------|----------------|-------------------------------------|-------------------|
| Revenues: | | | |
| Intergovernmental | \$ 24,431 | \$ (24,431) | \$ - |
| Expenditures: | | | |
| General government | | | |
| Current - | | | |
| Operating services | \$ 342,258 | \$ (24,431) | \$ 317,827 |

(4) Pension Plan

A. Changes of Benefit Terms

There were no changes of benefit terms.

B. Changes of Assumptions

| Plan Year ended June 30, | Discount Rate | Investment Rate of Return | Inflation Rate | Expected Remaining Service Lives | Projected Salary Increase |
|--------------------------------|------------------|---------------------------------|-------------------|--|---------------------------------|
| 2015 | 7.75% | 7.75% | 3.00% | 3 | 3.0% - 5.5% |
| 2016 | 7.75% | 7.75% | 3.00% | 3 | 3.0% - 5.5% |
| 2017 | 7.70% | 7.70% | 2.75% | 3 | 2.8% - 5.3% |
| 2018 | 7.65% | 7.65% | 2.75% | 3 | 2.8% - 5.3% |
| 2019 | 7.60% | 7.60% | 2.50% | 2 | 2.8% - 5.3% |
| 2020 | 7.55% | 7.55% | 2.30% | 2 | 2.6% - 5.1% |
| 2021 | 7.40% | 7.40% | 2.30% | 2 | 2.6% - 5.1% |
| 2022 | 7.25% | 7.25% | 2.30% | 2 | 2.6% - 5.1% |

SUPPLEMENTARY INFORMATION

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended June 30, 2023

| | First Six Month Period Ended 12/31/2022 | Second Six Month Period Ended 6/30/2023 |
|--|--|--|
| Beginning balance of amounts collected | <u>\$ 92,953</u> | <u>\$ 94,482</u> |
| Add: Collections | | |
| Civil fees | 8,459 | 10,229 |
| Bond fees | 15,150 | 4,850 |
| Criminal court costs/fees | 406,141 | 341,555 |
| Criminal fines - contempt | 12,958 | 16,032 |
| Interest earnings on collected balances | <u>176</u> | <u>325</u> |
| Subtotal collections | <u>442,884</u> | <u>372,991</u> |
| Less: Disbursements to governments and nonprofits | | |
| City of Jeanerette - criminal fines | 6,788 | 2,838 |
| Iberia Parish Coroner - criminal fines | 4,695 | 3,280 |
| Iberia Parish Witness Fees - criminal fines | 4,695 | 3,320 |
| Jeanerette Public Defender - criminal fines | 6,197 | 5,413 |
| Iberia Parish Clerk of Court - civil fees | 990 | 1,210 |
| Iberia Parish Crime Stoppers - criminal fines | 1,878 | 1,308 |
| Iberia Parish Government - criminal fines | 44,796 | 31,062 |
| Iberia Parish Clerk of Court Witness Fee - Criminal Fees | 939 | 656 |
| Judge's Supplemental Cost Fund - civil fees | 409 | 550 |
| Third Ward Marshal Cost Fund - civil fees | 1,954 | 2,637 |
| Third Ward Marshal of the Parish of St. Mary Cost Fund - civil fees | 150 | - |
| Third Ward Marshal Cost Fund - criminal fines | 28,170 | 19,680 |
| Louisiana Supreme Court - civil fees | 12 | 14 |
| Louisiana Supreme Court - criminal fines | 470 | 328 |
| Iberia Parish Sheriff - civil fees | 155 | 245 |
| St. Landry Parish Sheriff - civil fees | - | 101 |
| St. Martin Parish Sheriff - civil fees | 3 | 16 |
| Lafayette Parish Sheriff - civil fees | 2 | 64 |
| Indigent Defender Board - criminal fines | 14,459 | 12,716 |
| Acadiana Criminalistics Lab - criminal fines | 28,120 | 19,780 |
| Louisiana Commission on Law Enforcement - criminal fines | 1,946 | 1,399 |
| Louisiana State Treasurer CMIS - criminal fines | 2,817 | 1,968 |
| LA Dept of Health & Hospitals THI/SCI - criminal fines | 2,250 | 2,010 |
| 16th Judicial District Attorney Early Intervention Fund - criminal fines | 225 | 125 |

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity (continued)
Year Ended June 30, 2023

| | First Six Month Period Ended <u>12/31/2022</u> | Second Six Month Period Ended <u>6/30/2023</u> |
|---|---|---|
| Less: Amounts retained by collecting agency | | |
| Amounts "self-disbursed" to collecting agency - civil fees | 2,152 | 1,953 |
| Amounts "self-disbursed" to collecting agency - criminal fines | 227,650 | 214,660 |
| Amounts "self-disbursed" to collecting agency - criminal contempt fees | 12,958 | 16,032 |
| Amounts "self-disbursed" to collecting agency - criminal costs | 30,048 | 20,992 |
| Less: Disbursements to individuals/3rd party collection or processing agencies | | |
| Civil fee refunds | 1,963 | 3,427 |
| Bond fee refunds | 14,444 | 6,930 |
| Restitution payments to individuals | <u>20</u> | <u>-</u> |
| Subtotal disbursements/retainage | <u>441,355</u> | <u>374,714</u> |
| Ending balance of amounts collected but not disbursed/retained | <u>\$ 94,482</u> | <u>\$ 92,759</u> |

See independent auditor's report.

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRCPAS.COM

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

Honorable Gary F. LeGros, Jr., Judge
City Court of Jeanerette
Jeanerette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Jeanerette (hereinafter "City Court"), a component unit of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City Court's basic financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of City 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 City Court's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany schedule of audit results and findings as item 2023-003.

City Court's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on City Court's response to the findings identified in our audit and described in the accompanying corrective action plan for current audit findings. City 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 City Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 25, 2024

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Schedule of Audit Results and Findings
Year Ended June 30, 2023

Part I. Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued on financial statements:

| Opinion Unit | Type of Opinion |
|--------------------------------------|-----------------|
| Governmental activities | Unmodified |
| Major funds: | |
| General | Unmodified |
| Aggregate remaining fund information | Unmodified |

2. Internal control over financial reporting:

| | | | | |
|---|---|-----|---|---------------|
| Material weakness(es) identified? | ✓ | yes | | no |
| Significant deficiency(ies) identified? | | yes | ✓ | none reported |

3. Noncompliance material to the financial statements? ✓ yes no

Other

4. Management letter issued? yes ✓ no

Part II. Findings reported in accordance with Government Auditing Standards:

A. Internal Control –

2023-001 - Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: *Internal control* is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. City Court’s internal control over financial reporting includes those policies and procedures that pertain to City Court’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2023

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

2023-002 - Financial Reporting

Year initially occurring: Unknown

CONDITION: City Court lacks adequate staff and the expertise to properly prepare financial statements in accordance with U.S. GAAP, as applicable to governmental entities.

CRITERIA: City Court's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements and to apply GAAP in the preparation of those financial statements and related disclosures.

CAUSE: The condition results from the relatively small size of City Court and the increased costs of hiring personnel to prepare GAAP-based financial statements.

EFFECT: GAAP-based financial statements, as applicable to governmental entities, are not prepared by City Court.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

B. Compliance –

2023-003 – Late Report Submission

Year Initially Occurring: Year ended June 30, 2022

CONDITION: The report for City Court's required engagement was not completed and submitted to the Office of the Louisiana Legislative Auditor within six months of year end.

CRITERIA: RS 24:513 et seq provides for the completion of required engagements within six months of the close of the entity's fiscal year.

CAUSE: The condition results from a failure to comply with statutory provisions.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2023

EFFECT: The City Court is not compliant with RS 24:513.

RECOMMENDATION: We recommend that City Court institute policies and procedures to ensure its annual report is completed and submitted to the Louisiana Legislative Auditor within six months of year end.

Part III. Findings and questioned costs reported in accordance with the Uniform Guidance

Not applicable

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Summary Schedule of Prior Findings
Year Ended June 30, 2023

A. Internal Control –

2022-001 - Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of audit results and findings item 2023-001.

2022-002 - Financial Reporting

CONDITION: City Court lacks adequate staff and the expertise to properly prepare financial statements in accordance with U.S. GAAP, as applicable to governmental entities.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: See schedule of audit results and findings item 2023-002.

B. Compliance –

2022-003 – Local Government Budget Act

CONDITION: Notice of the public hearing was eight days prior to the hearing.

RECOMMENDATION: We recommend that City Court implement policies and procedures to comply with the Local Government Budget Act.

CURRENT STATUS: Resolved.

2022-004 – Late Report Submission

CONDITION: The report for City Court's required engagement was not completed and submitted to the Office of the Louisiana Legislative Auditor within six months of year end.

RECOMMENDATION: We recommend that City Court institute policies and procedures to ensure its annual report is completed and submitted to the Louisiana Legislative Auditor within six months of year end.

CURRENT STATUS: See schedule of audit results and findings item 2023-003.

CITY COURT OF JEANERETTE
Jeanerette, Louisiana

Corrective Action Plan for Current Audit Findings
Year Ended June 30, 2023

2023-001 - Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Not applicable.

2023-002 – Financial Reporting

CONDITION: City Court lacks adequate staff and the expertise to properly prepare financial statements in accordance with U.S. GAAP, as applicable to governmental entities.

MANAGEMENT'S RESPONSE: Management continues to evaluate the cost-benefit of outsourcing the preparation of City Court's financial statements to its independent auditors rather than incur the costs to employ someone to prepare GAAP-based financial statements and have determined that it would be more cost effective to outsource the preparation of the financial statements. We will review the financial statements, notes, and any supplementary information prior to accepting responsibility for their presentation and content.

2023-003 – Late Audit Submission

CONDITION: City Court's audit report was not completed and submitted to the Office of the Louisiana Legislative Auditor within six months of year end.

MANAGEMENT'S RESPONSE: City Court will ensure that its audit report is submitted to the Louisiana Legislative Auditor in accordance with state statute.

CITY COURT OF JEANERETTE

Statewide Agreed-Upon Procedures

Fiscal period July 1, 2022 through June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

C. Burton Kolder, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES TO CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Honorable Gary F. LeGros, Jr., Judge, and
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The management of the City Court of Jeanerette (hereinafter "City Court") is responsible for those control and compliance areas identified in the SAUPs.

An agreed-upon procedures engagement involves the performing of specific procedures that the City Court has agreed to and acknowledged to be appropriate on those control and compliance areas identified in the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023 and report on exceptions based upon the procedures performed. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. However, this report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated exceptions, if any, are as follows:

1) Written Policies and Procedures

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

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

The City Court does not have written policies and procedures for budgeting.

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

The City Court does not have written policies and procedures for purchasing.

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

The City Court does not have written policies and procedures for disbursements.

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

The City Court does not have written policies and procedures for receipts/collections.

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

The City Court does not have written policies and procedures for payroll/personnel.

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

The City Court does not have written policies and procedures for contracting.

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

Written policies and procedures were obtained and address the subcategories listed above.

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

Written policies and procedures were obtained and address the subcategories listed above.

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

The City Court does not have written policies and procedures for ethics.

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

The City Court does not have written policies and procedures for debt service.

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

The City Court does not have written policies and procedures for information technology disaster recovery/business continuity.

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

Written policies and procedures were obtained and address the subcategories above.

2) *Board or Finance Committee*

The City Court does not convene a board or finance committee, as City Court is administered by an independently elected official responsible for the oversight of the court. Accordingly, these procedures are not applicable.

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

3) *Bank Reconciliations*

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

Obtained a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the main operating account, and the City Court's remaining four (4) accounts were selected. Randomly selected one (1) month from the fiscal year and obtained and inspected the corresponding bank statements and reconciliations for each account.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Evidence that management researched items outstanding for longer than twelve (12) months could not be obtained for the City Court's five (5) bank accounts.

4) Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Selected the City Court's one (1) deposit site.

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

Obtained a listing of collection locations and management's representation that the listing is complete for the one (1) deposit site. Selected the City Court's one (1) collection location.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Obtained from management a copy of the insurance policy for theft covering all employees who have access to cash and observed that the insurance policy for theft was in force during the fiscal period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
Three (3) of ten (10) collections selected were not supported by receipts.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions were found as a result of this procedure, as applicable.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions were found as a result of this procedure.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Three (3) of ten (10) collections selected did not evidence date of receipt. No other exceptions were found as a result of this procedure.
 - v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions were found as a result of this procedure.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments and management's representation that the listing is complete. Selected the City Court's one (1) location that processes payments.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions were found as a result of this procedure.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions were found as a result of this procedure.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
The employee responsible for processing payments is not prohibited from adding/modifying vendor files and no other employee periodically reviews changes to the vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
The employee/official responsible for signing checks may be responsible for mailing the payments.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards, including the card numbers, the names of the persons who maintained possession of the cards, and management's representation that the listing is complete.

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

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

Evidence that the monthly statement and supporting documentation was reviewed and approved, in writing by someone other than the authorized cardholder could not be obtained for one (1) of the two (2) credit cards.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

One (1) of the three (3) transactions was not supported by an itemized receipt or invoice. In addition, two (2) of three (3) transactions were not supported by documentation of the business/public purpose. No other exceptions were found as a result of this procedure.

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

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

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing is complete. Randomly selected five (5) reimbursements.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
No exceptions were found as a result of this procedure.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions were found as a result of this procedure.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
No exceptions were found as a result of this procedure.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions were found as a result of this procedure.

8) *Contracts*

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- Obtained a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete. Selected the one (1) contract.*
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
The contract selected was not subject to the Louisiana Public Bid Law.
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
No exceptions were found as a result of this procedure.
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
The one (1) contract was not amended.
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
No exceptions were found as a result of this procedure.

9) *Payroll and Personnel*

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Obtained a listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete. Selected the one (1) official and agreed authorized pay rates to statutory provision with no exceptions.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
As an independently elected official, attendance and leave is not required to be documented.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
As an independently elected official, attendance and leave is not required to be documented.

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

As an independently elected official, attendance and leave is not required to be documented.

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

The Judge's compensation is derived from fees collected from the civil cases over which he presides. No exceptions were found as a result of this procedure.

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

Obtained management' representation that there were no terminated employees/officials and no paid termination benefits during the fiscal period.

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

Obtained management's representation that all amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

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

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

No exceptions were found as a result of this procedure.

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

The City Court does not have an ethics policy.

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

The City Court has not appointed an ethics designee.

11) Debt Service

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

Obtained management's representation that no bonds/notes or other debt instruments were issued during the fiscal period.

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

Obtained management's representation that no bonds/notes were outstanding at the end of the fiscal period.

12) Fraud Notice

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

Obtained management's representation that there were no misappropriations of public funds and assets during the fiscal period.

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

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

Obtained the annual sexual harassment report and observed that it was undated. No other exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Management's Response

The City Court concurs with the exceptions and is working to address the deficiencies identified.

We were engaged by the City 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 provisions of *Government Auditing Standards*, issued by the United States Comptroller General. 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 control and compliance 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 City 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. This report is intended solely for the information of and use by the City Court's management and the LLA and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this report is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Morgan City, Louisiana
March 25, 2024