

**City of Shreveport City Court  
Shreveport, Louisiana  
Financial Statements With Auditors' Report**

**As of and For the Year Ended December 31, 2021**

City of Shreveport City Court  
Shreveport, Louisiana

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City of Shreveport City Court  
Shreveport, Louisiana

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## Independent Auditors' Report

The Honorable  
Judge Emily S. Merckle, Division "A"  
Judge Brian H. Barber, Division "B"  
Judge Pammela Lattier, Division "C"  
Judge Sheva M. Sims, Division "D"

City of Shreveport City Court  
Shreveport, 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 the City of Shreveport City Court, a component unit of the City of Shreveport, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Shreveport City Court's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Shreveport City Court, as of December 31, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement 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 of Shreveport 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 of Shreveport 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 the management's discussion and analysis on pages 4 – 8 and budgetary comparison information on pages 24 – 27 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Shreveport City Court's basic financial statements. The accompanying other supplementary information, Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 28, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section 1 of 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 directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 28, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads shown on page 28 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the City of Shreveport City Court prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedules, Justice System Funding Schedules, shown on pages 29 – 33, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedules, shown on pages 29 – 33, are fairly stated in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022, on our consideration of City of Shreveport 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 of Shreveport 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 of Shreveport City Court's internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
June 16, 2022

## **CITY OF SHREVEPORT CITY COURT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of City of Shreveport City Court's financial performance provides an overview of the City Court's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the City's financial statements, which begin on page 9.

#### **FINANCIAL HIGHLIGHTS**

The City Court's net position decreased by \$167,466 or 4%.

The City Court's total program revenues were \$388,619 in 2021 compared to \$404,173 in 2020.

During the year ended December 31, 2021, the City Court had total expenses, excluding depreciation, of \$501,140, compared to \$586,942 in 2020.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the City Court as a whole. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City Court's operations in more detail than the government-wide statements by providing information about the City Court's most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as a trustee or agent for the benefit of those outside of the City Court. The City Court judges are independently elected officials. However, the City Court is fiscally dependent on the City of Shreveport for office space, courtrooms, and related utility costs, as well as substantially all funding of salary and related employee benefit costs. Because the City Court is fiscally dependent on the City of Shreveport, the City Court was determined to be a component unit of the City of Shreveport. The accompanying financial statements present information only on the funds maintained by the City Court.

#### **Reporting the Funds Maintained by the City Court as a Whole**

##### **The Statement of Net Position and the Statement of Activities**

Our analysis of the funds maintained by the City Court as a whole begins on page 9. One of the most important questions asked about the City Court's finances is "Is the City Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the City Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are

taken into account regardless of when cash is received or paid.

These two statements report the City Court's *net position* and changes in them. You can think of the City Court's net position – the difference between assets and liabilities – as one way to measure the City Court's financial health, or *financial position*. Over time, *increases* or *decreases* in the City Court's net position are one indicator of whether its *financial health* is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the City Court as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the City Court are reported here which consists primarily of certain materials and supplies, travel, repairs and maintenance and other program services. These represent expenses not paid out of the City of Shreveport's budget for judicial expenses. Fines, fees for services and interest income finance most of these activities.

### **Reporting the Most Significant Funds Maintained by the City Court**

Our analysis of the major funds maintained by the City Court begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the most significant funds maintained by the City Court – not the City Court as a whole. However, the City Court establishes other funds to help it control and manage money for particular purposes (like the probation fund) to show that it is meeting legal responsibilities for using certain fees. The City Court's *governmental funds* use the following accounting approaches.

Governmental funds – All of the City Court's expenses are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City Court's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain City Court expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

### **The City Court as Trustee**

The City Court is the trustee, or *fiduciary*, for its civil division, cash bonds, traffic violation bureau, and a portion of the small claims fund. All of the City Court's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 13 and Statement of Changes in Fiduciary Net Position on page 14. We exclude these activities from the City Court's other financial statements because the City Court cannot use these assets to finance its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



**THE FUNDS MAINTAINED BY THE CITY COURT AS A WHOLE**

The City Court’s total net position changed from a year ago, decreasing from \$4,511,789 to \$4,344,323. Our analysis below will focus on key elements of the total governmental funds for the 2021 and 2020 years.

**Table 1  
Net Position**

	Governmental Activities 2021	Governmental Activities 2020
	<u>2021</u>	<u>2020</u>
Current assets	\$ 3,229,175	\$ 3,556,255
Capital assets	1,229,377	1,162,108
Total assets	<u>4,458,552</u>	<u>4,718,363</u>
Current liabilities	<u>114,229</u>	<u>206,574</u>
Net Position		
Investment in capital assets	1,182,307	1,162,108
Restricted	338,408	40,796
Unrestricted	2,823,608	3,308,885
Total net position	<u>\$ 4,344,323</u>	<u>\$ 4,511,789</u>

Net position of the funds maintained by the City Court’s governmental activities decreased by \$167,466 or 4%. Unrestricted net position, the part of net position that can be used to finance City Court expenses without constraints or other legal requirements decreased by \$485,277 from \$3,308,885 at December 31, 2020 to \$2,823,608 at December 31, 2021.

**Table 2  
Change in Net  
Position**

	Governmental Activities 2021	Governmental Activities 2020
	<u>2021</u>	<u>2020</u>
Revenues		
Programs Revenues:		
Charges for Service, Fines and Fees	\$ 388,619	\$ 386,291
Miscellaneous Income	6,458	9,693
Interest income	3,897	8,189
Total revenues	<u>398,974</u>	<u>404,173</u>
Expenses		
General governmental - judicial	<u>566,440</u>	<u>618,945</u>
Increase (decrease) in net position	(167,466)	(214,772)
Net position - beginning of year	4,511,789	4,726,561
Net position - end of year	<u>\$ 4,344,323</u>	<u>\$ 4,511,789</u>

For the funds maintained by the City Court, total revenues decreased \$5,199, or 1%, from total revenues in 2020 of \$404,173 to total revenues of \$398,974 in 2021. For the funds maintained by the City Court, program revenues increased by \$2,328, or 1%, from program revenue in 2020 of \$386,291 to program revenue of \$388,619 in 2021.

For the funds maintained by the City Court, total expenses decreased \$52,505, or 9%, from total expenses in 2020 of \$618,945 to total expenses of \$566,440 in 2021.

The main reason for the decrease in revenues in 2021 is due to reduced interest income in current year. The main reason for the decrease in expenses is due to reduced expenses in relation to implementation of new software.

#### **FUNDS MAINTAINED BY THE CITY COURT**

For the funds maintained by the City Court, the governmental funds (as presented on pages 11–12) reported a combined fund balance of \$3,058,206 which is a decrease of \$240,494 from last year.

#### **Budgetary Highlights**

The City Court adopted a budget for its General Fund and special revenue funds for the year ended December 31, 2021. There were three amendments to the budget during the year. The City Court’s budgetary comparison is presented as required supplementary information and shown on pages 24 through 27. Highlights for the General Fund for the year are as follows:

- Revenues were higher than budgeted amounts due to more collections of fees and fines than anticipated.
- Expenses were lower than budgeted amounts due mainly to operating services and materials

and supplies being under budget.

**CAPITAL ASSETS**

At the end of 2021, the City Court had invested \$1,229,377 in capital assets from those funds maintained by the City Court. (see table 3 below)

**Table 3  
Capital Assets At Year End**

	Activities 2021	Activities 2020
Computer equipment	\$ 41,839	\$ 63,831
Software	1,132,834	1,033,702
Office furniture and improvements	54,704	64,575
Total	<u>\$ 1,229,377</u>	<u>\$ 1,162,108</u>
This year's major additions included:		
Computer equipment	\$ 1,392	\$ 31,089
Software	128,179	584,017
Office equipment	2,998	6,058
Total	<u>\$ 132,569</u>	<u>\$ 621,164</u>

More detail information about the capital assets are presented in Note 10 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The City Court's elected judges and appointed officials considered many factors when setting a fiscal year 2022 budget. Amounts available for appropriation in the governmental funds are expected to remain the same as 2021.

It is anticipated that the governmental funds' fund balance will increase modestly by the close of 2022. For those funds maintained by the City Court, the City Court will use those revenues for program costs which are not budgeted by the City of Shreveport for the City Court.

It is anticipated that management will consider and monitor the economic uncertainties of COVID-19 and the impact on available financial resources.

**CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the City Court and to show the City Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Shreveport City Court, Clerk of Court, Judicial Administrators' office at 1244 Texas Avenue, Shreveport, Louisiana 71101.

City of Shreveport City Court  
 Shreveport, Louisiana  
 Statement of Net Position  
 December 31, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,171,989
Accounts receivable	446
Prepaid expenses	56,740
Capital assets	
Depreciable (net)	1,229,377
Total assets	4,458,552
<b>LIABILITIES</b>	
Accounts payable	114,229
Total liabilities	114,229
<b>NET POSITION</b>	
Net investment in capital assets	1,182,307
Restricted for:	
Building	204,185
Probation	111,563
Pro Bono	22,660
Unrestricted	2,823,608
Total net position	\$ 4,344,323

See accompanying notes to the basic financial statements.

City of Shreveport City Court  
Shreveport, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2021

	Functions / Programs				
	Total	Judicial	Building	Probation	Pro Bono
<u>Governmental Activities</u>					
Expenses:					
Judiciary:					
Materials and supplies	\$ 7,233	\$ 2,287	\$	\$ 4,946	\$
Travel	22,634	22,634			
Depreciation	65,300	35,011	29,937	352	
Other program services	471,273	166,352	233,035	66,403	5,483
Total expenses	<u>566,440</u>	<u>226,284</u>	<u>262,972</u>	<u>71,701</u>	<u>5,483</u>
Program revenues:					
Charges for services -					
fines and fees	388,619	200,796	116,882	64,769	6,172
Total program revenues	<u>388,619</u>	<u>200,796</u>	<u>116,882</u>	<u>64,769</u>	<u>6,172</u>
Net program revenue (expenses)	<u>(177,821)</u>	<u>(25,488)</u>	<u>(146,090)</u>	<u>(6,932)</u>	<u>689</u>
General revenues:					
Interest income	3,897				
Miscellaneous	6,458				
Total general revenues	<u>10,355</u>				
Change in net position	(167,466)				
Net position - beginning	<u>4,511,789</u>				
Net position - ending	<u>\$ 4,344,323</u>				

See accompanying notes to the basic financial statements.

City of Shreveport City Court  
 Shreveport, Louisiana  
 Balance Sheet  
 Governmental Funds  
 December 31, 2021

	Major Funds			Non-Major Fund	Total Governmental Funds
	General	Building	Probation	Other Governmental - Pro Bono	
<b>Assets</b>					
Cash and cash equivalents	\$ 2,811,434	\$ 220,849	\$ 111,563	\$ 28,143	\$ 3,171,989
Accounts receivable	446				446
<b>Total assets</b>	<u>\$ 2,811,880</u>	<u>\$ 220,849</u>	<u>\$ 111,563</u>	<u>\$ 28,143</u>	<u>\$ 3,172,435</u>
<b>Liabilities</b>					
Accounts payable	\$	\$ 108,746	\$	\$ 5,483	\$ 114,229
<b>Total liabilities</b>		<u>108,746</u>		<u>5,483</u>	<u>114,229</u>
<b>Fund balances</b>					
Restricted					
Building		112,103			112,103
Probation			111,563		111,563
Pro Bono				22,660	22,660
Unassigned	2,811,880				2,811,880
<b>Total fund balances</b>	<u>2,811,880</u>	<u>112,103</u>	<u>111,563</u>	<u>22,660</u>	<u>3,058,206</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 2,811,880</u>	 <u>\$ 220,849</u>	 <u>\$ 111,563</u>	 <u>\$ 28,143</u>	

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

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.

56,740

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

1,229,377

Net position of governmental activities

\$ 4,344,323

See accompanying notes to the basic financial statements.

City of Shreveport City Court  
Shreveport, Louisiana  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

	Major Funds			Non-Major Fund	Total Governmental Funds
	General	Building	Probation	Other Governmental - Pro Bono	
Revenues:					
Charges for services - fees and fines	\$ 200,796	\$ 116,882	\$ 64,769	\$ 6,172	\$ 388,619
Interest income	3,595	184	91	27	3,897
Miscellaneous income	4,858		1,600		6,458
Total revenues	209,249	117,066	66,460	6,199	398,974
Expenditures:					
Current:					
Judicial					
Operating services	169,259	235,890	66,403	5,483	477,035
Materials and supplies	2,284		4,946		7,230
Travel and other charges	22,634				22,634
Capital outlay	1,990	128,179	2,400		132,569
Total expenditures	196,167	364,069	73,749	5,483	639,468
Excess (deficiency) of revenues over (under) expenditures	13,082	(247,003)	(7,289)	716	(240,494)
Other financing sources (uses):					
Transfers in		450,000	100,000		550,000
Transfers out	(550,000)				(550,000)
Total other financing sources (uses)	(550,000)	450,000	100,000		(550,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(536,918)	202,997	92,711	716	(240,494)
Fund balances at beginning of year	3,348,798	(90,894)	18,852	21,944	3,298,700
Fund balances at end of year	\$ 2,811,880	\$ 112,103	\$ 111,563	\$ 22,660	\$ 3,058,206

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

Net change in fund balances - total governmental funds \$ (240,494)

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources. 5,759

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$132,569) exceeded depreciation expense (\$65,300) in the current period. 67,269

Change in net position of governmental activities \$ (167,466)

See accompanying notes to the basic financial statements.

City of Shreveport City Court  
 Shreveport, Louisiana  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 December 31, 2021

	Custodial Funds
<b>Assets</b>	
Cash and cash equivalents	\$ 3,496,348
Total assets	3,496,348
 <b>Liabilities</b>	
Due to others	172,372
Total liabilities	172,372
 <b>Net Position</b>	
Total net position	\$ 3,323,976

See accompanying notes to the basic financial statements.



City of Shreveport City Court  
 Shreveport, Louisiana  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended December 31, 2021

	<u>Custodial Funds</u>
<b>Additions:</b>	
Investment income - interest	\$ 1,237
Fines and other fees collected	<u>2,815,070</u>
Total Additions	<u>2,816,307</u>
<b>Deductions:</b>	
Payments of fines and other fees	1,253,768
Payments of court and other costs	<u>1,276,607</u>
Total Deductions	<u>2,530,375</u>
Change in net position	285,932
Net position - beginning, restated	<u>3,038,044</u>
Net position - ending	<u>\$ 3,323,976</u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2021

## INTRODUCTION

The City of Shreveport City Court represents the court system for the City of Shreveport. It is governed by the four independently elected judges from the four divisions of the City of Shreveport. The City Court maintains certain funds comprised of fines and fees collected which are authorized by various state statutes.

### (1) Summary of Significant Accounting Policies

The City of Shreveport City Court's financial statements are prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City Court are discussed below.

#### A. Reporting Entity

The City Court judges are independently elected officials. However, the City Court is fiscally dependent on the City of Shreveport for office space, courtrooms, related utility costs, insurance, and substantially all salary and related employee benefit costs. Because the City Court is fiscally dependent on the city, the City Court was determined to be a component unit of the City of Shreveport, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the City of Shreveport, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### B. Basic Financial Statements – Government-Wide Statements

The City Court's basic financial statements include both government-wide (reporting the funds maintained by the City Court as a whole) and fund financial statements (reporting the City Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City Court's cost fund, criminal fund, building fund, probation fund, and pro bono fund are classified as governmental activities. The City Court does not have any business-type activities. The government-wide statements include all funds of the City Court except for fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The City Court's net position is reported in three parts – investment in capital assets, restricted, and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the City Court's functions. The functions are also supported by general government revenues (interest income). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which must be directly associated with the function. Program revenues included in the Statement of Activities are derived directly from Court users as a fee

(Continued)

City of Shreveport City Court  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2021  
(Continued)

for services. The net costs (by function) are normally covered by general revenue (interest and miscellaneous income). This government-wide focus is more on the sustainability of the City Court as an entity and the change in the City Court's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City Court are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the City Court:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City Court:
  - a. General funds are the general operating funds of the City Court. They are used to account for all financial resources except those required to be accounted for in another fund. Included in the City Court's general funds are the Cost fund and Criminal fund.
  - b. The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds of the City Court are the Building fund, Probation fund and Pro Bono fund.
2. 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 programs. The reporting focus is on net position and changes in net position and is reported using the accrual basis of accounting.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City Court's general funds (cost and criminal funds), the probation fund, and the building fund are reported as major funds in the fund financial statements. The probation fund is used to account for funds collected from defendant's to defray the costs of operation of the court. The building fund is used to account for the proceeds of a \$5 per case fee assessed on all civil and small claims cases, to be used for the acquisition, maintenance, and support of an electronic case management and file system.

The fiduciary funds of the City Court are custodial funds, consisting of the Civil Division fund, Traffic Violations Bureau fund, Cash Bond fund, and the Small Claims fund. Custodial funds account for assets held by the City Court as an agent for others pending Court action and, therefore, are not incorporated into the government-wide statements.

(Continued)

City of Shreveport City Court  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2021  
(Continued)

D. Basis of Accounting

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

1. Accrual:

The governmental funds in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the City Court consist principally of interest income and fines and fees for services relating to court filings. Interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Depreciation is not recognized in the governmental fund financial statements.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, and interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less when purchased. Under state law, the City Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, 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 are limited by R.S. 33:2955 and the City's investment policy. If the original maturities of investments exceed ninety (90) days, they are classified as investments; however, if the original maturities are ninety (90) days or less, they are classified as cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

(Continued)

City of Shreveport City Court  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2021  
(Continued)

Computer equipment	5 years
Office equipment	5–15 years
Office furniture and improvements	7–20 years
Software	5–20 years

G. Net Position

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the Court's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Court's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

H. Fund Balance

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

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the City Court judges (the City Court's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the judges remove those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the Court's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications.

The Court's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

(Continued)

City of Shreveport City Court  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2021  
(Continued)

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

I. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *Deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Court has no transactions that meet the definition of deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Court has no transactions that meet the definition of deferred inflows of resources.

K. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Prepaid Items

Prepaid items reported in the government wide financial statements represent payments for maintenance agreements and insurance that will benefit periods beyond December 31, 2021.

(Continued)

City of Shreveport City Court  
Shreveport, Louisiana  
Notes to Financial Statements  
December 31, 2021  
(Continued)

(2) Budgets

The City Court uses the following budget practices:

1. The Judicial Administrator prepares an operating budget for the general funds and each special revenue fund.
2. The budget is adopted by the four independently elected judges.
3. The budget may be revised during the year.
4. Appropriations lapse at the end of each fiscal year.
5. The budget is available for public inspection prior to adoption.

(3) Cash and Cash Equivalents

At December 31, 2021, the City Court has cash and cash equivalents (book balances) totaling \$6,668,337, as detailed below.

A. Cash and Cash Equivalents – Reconciliation to government-wide Statement of Net Assets:

Cash and cash equivalents	\$ 3,171,989
Custodial funds (not on government-wide statements)	<u>3,496,348</u>
	<u>\$ 6,668,337</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank.

B. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2021, \$6,328,394 of the government's bank balance of \$6,828,394 was exposed to custodial credit risk as uninsured and collateral held by the pledging bank's trust department not in the City Court's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk that the fiscal agent has failed to pay deposited funds upon demand.

(4) Risk Management

The City of Shreveport purchases commercial insurance to provide workers compensation and general liability and property insurance for the City Court.

(Continued)

City of Shreveport City Court  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 December 31, 2021  
 (Continued)

(5) Interfund Transfers

Interfund transfers for the year ended December 31, 2021 consisted of the following:

	Transfer To	Transfer From	Net
Governmental Funds:			
General fund	\$	\$ 550,000	\$ (550,000)
Building fund	450,000		450,000
Probation fund	100,000		100,000
	\$ 550,000	\$ 550,000	\$

Transfers to the Building fund were for new software costs. Transfers to the Probation fund were for operating costs.

(6) Leases

The City Court leases certain equipment and a vehicle under operating leases. Rental costs on those leases for the year ended December 31, 2021, were \$33,835. Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending <u>December 31,</u>	
2022	\$ 30,423
2023	17,100
2024	13,355
2025	397
Total minimum future rentals	\$ 61,275

(7) Accounts Payable

Accounts payable at December 31, 2021, totaled \$114,229, which consisted of amounts due under contracts for the City Court's new case management software of \$108,746 and Pro Bono expenditures of \$5,483.

(8) Litigation and Claims

At December 31, 2021, the City Court is the defendant in one lawsuit. The potential loss or outcome related to this matter is not presently determinable.

(9) Expenditures of the City Court Paid by the City of Shreveport

The City of Shreveport provides office space, courtrooms, related utility costs, insurance, and substantially all salary and related employee benefit costs. No amounts have been recognized in the accompanying financial statements for expenditures paid by the City of Shreveport.

(Continued)



City of Shreveport City Court  
Shreveport, Louisiana  
Notes to the Financial Statements  
December 31, 2021  
(Continued)

(10) Capital Assets

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

	Balance Jan. 1, 2021	Transfer	Additions	Deletions	Balance at Dec. 31, 2021
<u>Governmental Activities:</u>					
Capital asset, not being depreciated					
Software in process	\$ 1,033,702	\$ (1,033,702)	\$	\$	\$
Total capital assets, not being depreciated at historical costs	<u>1,033,702</u>	<u>(1,033,702)</u>			
Capital assets, being depreciated:					
Computer equipment	242,842		1,392		244,234
Software		1,033,702	128,179		1,161,881
Office equipment	333,223		2,998		336,221
Office furniture and improvements	510,135				510,135
Total capital assets, being depreciated at historical cost	<u>1,086,200</u>	<u>1,033,702</u>	<u>132,569</u>		<u>2,252,471</u>
Less accumulated depreciation:					
Computer equipment	(179,011)		(23,384)		(202,395)
Software			(29,047)		(29,047)
Office equipment	(274,966)		(9,257)		(284,223)
Office furniture and improvements	(503,817)		(3,612)		(507,429)
Total accumulated depreciation	<u>(957,794)</u>		<u>(65,300)</u>		<u>(1,023,094)</u>
Total capital assets, being depreciated, net	<u>128,406</u>	<u>1,033,702</u>	<u>67,269</u>		<u>1,229,377</u>
Governmental activities capital assets, net	<u>\$ 1,162,108</u>	<u>\$</u>	<u>\$ 67,269</u>	<u>\$</u>	<u>\$ 1,229,377</u>

Depreciation expense was charged to Governmental Activities as follows:

Judicial expenses	\$ 64,948
Probation	352
	<u>\$ 65,300</u>

(Continued)

City of Shreveport City Court  
 Shreveport, Louisiana  
 Notes to Financial Statements  
 December 31, 2021  
 (Continued)

(11) Subsequent Events

Subsequent events have been evaluated through June 16, 2022, the date the financial statements were available to be issued.

(12) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

(13) Restatement

Net position for Fiduciary Funds – Custodial Funds was restated as of December 31, 2020, to correct accounts payable, as noted below:

	<u>Fiduciary Funds – Custodial Funds</u>
Net position, December 31, 2021, as previously reported	\$
Correct accounts payable at December 31, 2021	<u>3,038,044</u>
Net position, December 31, 2021, restated	<u>\$ 3,038,044</u>

City of Shreveport City Court  
Shreveport, Louisiana  
Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Charges for services - fees and fines	\$ 260,000	\$ 182,300	\$ 205,257	\$ 22,957
Interest income	6,095	3,590	3,595	5
Miscellaneous income	15,000	5,000	4,857	(143)
Total revenues	<u>281,095</u>	<u>190,890</u>	<u>213,709</u>	<u>22,819</u>
<b>Expenditures:</b>				
Current:				
General government:				
Operating services	231,800	304,100	174,011	130,089
Materials and supplies	20,000	15,000	2,285	12,715
Travel and other charges	15,000	25,000	22,634	2,366
Capital outlay		2,000	1,990	10
	<u>266,800</u>	<u>346,100</u>	<u>200,920</u>	<u>145,180</u>
Excess (deficiency) of revenues over expenditures	14,295	(155,210)	12,789	167,999
Other financing sources (uses):				
Operating transfers out	(450,000)	(450,000)	(550,000)	(100,000)
Total other financing sources (uses)	<u>(450,000)</u>	<u>(450,000)</u>	<u>(550,000)</u>	<u>(100,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(435,705)	(605,210)	(537,211)	67,999
Fund balances at beginning of year	<u>2,741,247</u>	<u>2,636,283</u>	<u>3,348,645</u>	<u>712,362</u>
Fund balances at end of year	<u>\$ 2,305,542</u>	<u>\$ 2,031,073</u>	<u>\$ 2,811,434</u>	<u>\$ 780,361</u>

City of Shreveport City Court  
 Shreveport, Louisiana  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Building Fund  
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Charges for services - fees and fines	\$ 68,000	\$ 131,000	\$ 119,637	\$ (11,363)
Interest income	250	160	184	24
<b>Total revenues</b>	<u>68,250</u>	<u>131,160</u>	<u>119,821</u>	<u>(11,339)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government:				
Operating services			338,288	(338,288)
Capital outlay	400,000	500,000	81,109	418,891
	<u>400,000</u>	<u>500,000</u>	<u>419,397</u>	<u>80,603</u>
Excess of revenues over expenditures	(331,750)	(368,840)	(299,576)	69,264
<b>Other financing sources:</b>				
Operating transfers in	400,000	400,000	450,000	50,000
<b>Total other financing sources</b>	<u>400,000</u>	<u>400,000</u>	<u>450,000</u>	<u>50,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	68,250	31,160	150,424	119,264
Fund balances at beginning of year	<u>62,512</u>	<u>62,512</u>	<u>70,425</u>	
Fund balances at end of year	<u>\$ 130,762</u>	<u>\$ 93,672</u>	<u>\$ 220,849</u>	<u>\$ 119,264</u>

City of Shreveport City Court  
Shreveport, Louisiana  
Required Supplementary Information  
Budgetary Comparison Schedule  
Probation Fund  
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable
	Original	Final		(Unfavorable)
<b>Revenues:</b>				
Charges for services - fees and fines	\$ 60,000	\$ 50,000	\$ 64,678	\$ 14,678
Interest income	200	75	91	16
Miscellaneous income	4,000	2,000	1,600	(400)
Total revenues	<u>64,200</u>	<u>52,075</u>	<u>66,369</u>	<u>14,294</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Operating services	158,300	117,500	100,390	17,110
Materials and supplies	6,000	6,000	7,346	(1,346)
Travel and other charges	1,000			
Capital outlay			2,400	(2,400)
Total expenditures	<u>165,300</u>	<u>123,500</u>	<u>110,136</u>	<u>13,364</u>
Excess of revenues over expenditures	(101,100)	(71,425)	(43,767)	27,658
<b>Other financing sources:</b>				
Operating transfers in		100,000	100,000	
Total other financing sources		<u>100,000</u>	<u>100,000</u>	
Excess (deficiency) of revenues and other sources over expenditures and other uses	(101,100)	28,575	56,233	27,658
Fund balances at beginning of year	<u>55,330</u>	<u>55,330</u>	<u>55,330</u>	
Fund balances at end of year	<u>\$ (45,770)</u>	<u>\$ 83,905</u>	<u>\$ 111,563</u>	<u>\$ 27,658</u>

City of Shreveport City Court  
 Shreveport, Louisiana  
 Notes to Required Supplementary Information  
 December 31, 2021

The City Court's budget is adopted on the cash basis for all funds. There were three amendments to the 2021 budget. Budget comparison statements included in the accompanying financial statements include the original and final amended budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Probation Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ (537,211)	\$ 150,424	\$ 56,233
Adjustments:			
Revenue accruals - net	(4,560)	(2,755)	(1,157)
Expenditure accruals - net	<u>4,853</u>	<u>55,328</u>	<u>37,635</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (536,918)</u>	<u>\$ 202,997</u>	<u>\$ 92,711</u>

City of Shreveport City Court  
A Component Unit of the City of Shreveport, Louisiana  
Other Supplementary Information  
Schedule of Compensation, Benefits and Other Payments to Agency Heads  
For the Year Ended December 31, 2021

Agency Heads			
Judge Sheva M. Sims	Judge Pammela Lattier	Judge Emily Merckle	Judge Brian H. Barber

**SECTION I**

**Paid by the City of Shreveport City Court**

**Purpose**

Per diem	\$ 1,180	\$ 1,239	\$ 1,298	\$ 1,593
Travel	3,504	3,609	3,996	2,880
Registration fees	250			

**SECTION II**

**Paid by the City of Shreveport**

**Purpose**

Salary	96,900	96,900	96,900	96,900
Benefits-insurance	11,700	1,800	1,500	1,600
Benefits-retirement	42,300		42,300	42,300
Car allowance		600		600
Registration fees	3,480	1,025	2,170	1,820

City of Shreveport City Court  
 Other Supplementary Information  
 Justice System Funding Schedule  
 Receiving Schedule - General Fund  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 For the Year Ended December 31, 2021

Cash Basis Presentation	January 2021 - June 2021	July 2021 - December 2021
Receipts From:		
City of Shreveport City Marshal - Criminal Court Costs/Fees	\$ 34,126	\$ 13,444
City of Shreveport - Bond Fees	2,856	3,150
Interest earnings on collections	2,184	1,410
Subtotal Receipts	39,166	18,004
Ending Balance of Amounts Assessed but Not Received	0	0



City of Shreveport City Court  
 Other Supplementary Information  
 Justice System Funding Schedule  
 Receiving Schedule - Probation Fund  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 For the Year Ended December 31, 2021

Cash Basis Presentation	<u>January 2021 - June 2021</u>	<u>July 201 - December 2021</u>
Receipts From:		
City of Shreveport City Marshal - Probation Fees	\$ 32,696	\$ 14,808
Interest earnings on collections	42	49
	<hr/>	<hr/>
Subtotal Receipts	<u>32,738</u>	<u>14,857</u>
	<hr/>	<hr/>
Ending Balance of Amounts Assessed but Not Received	0	0

City of Shreveport City Court  
 Other Supplementary Information  
 Justice System Funding Schedule  
 Receiving Schedule - Building Fund  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 For the Year Ended December 31, 2021

Cash Basis Presentation	<u>January 2021 - June 2021</u>	<u>July 2021 - December 2021</u>
Receipts From:		
City of Shreveport City Marshal - Criminal Court Costs/Fees	\$ 19,402	\$ 7,829
Interest earnings on collections	90	94
	<u>19,492</u>	<u>7,923</u>
Subtotal Receipts	<u>19,492</u>	<u>7,923</u>
Ending Balance of Amounts Assessed but Not Received	0	0

City of Shreveport City Court  
Other Supplementary Information  
Justice System Funding Schedule  
Collecting/Disbursing Schedule  
As Required by Act 87 of the 2020 Regular Legislative Session  
For the Year Ended December 31, 2021

Cash Basis Presentation	January 2021 - June 2021	July 2021 - December 2021
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	<b>\$ 3,185,169</b>	<b>\$ 3,222,667</b>
<b>Add: Collections</b>		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	670,024	636,855
Bond Fees		289,213
Criminal Court Costs/Fees	305,669	322,734
Criminal Fines - Other	282,022	306,104
Probation/Parole/Supervision Fees	1,000	11,322
Service/Collection Fees	1,450	1,239
Interest Earnings on Collected Balances	595	401
Subtotal Collections	<u>1,260,760</u>	<u>1,567,868</u>
<b>Less: Disbursements to Governments and Nonprofits:</b>		
Avoyelles Parish Sheriff - Civil Fees		32
Beauregard Parish Sheriff - Civil Fees	31	40
Bienville Parish Sheriff - Civil Fees	196	231
Bossier City Marshal - Civil Fees	2,820	2,535
Bossier Parish Sheriff - Civil Fees	2,413	337
Caddo Parish Sheriff - Civil Fees	10,431	6,211
Calcasieu Parish Sheriff - Civil Fees	41	
City of Bossier City - Civil Fees		30
City of Shreveport - Civil Fees	297,348	303,264
City of Shreveport City Marshal - Criminal Courts Costs/Fees	218,953	27,085
City of Shreveport - Criminal Court Costs/Fees		4,073
City of Shreveport - Criminal Fines - Other	282,022	306,104
City of Shreveport City Marshal - Civil Fees	107,442	126,331
Claiborne Parish Sheriff - Civil Fees	134	
Concordia Parish Sheriff - Civil Fees	62	
Corporation Service Company - Civil Fees		63
Constable John McGrew - Civil Fees	50	
Crime Stopper - Criminal Court Costs/Fees		5,934
Criminal ID - Criminal Court Costs/Fees		3,000
C.T. Corporation System - Criminal Court Costs/Fees		108
Department of Public Safety - Civil Fees		8
Desoto Parish Sheriff - Civil Fees	790	917
District Attorney - Criminal Court Costs/Fees		1,145
DPS - Criminal Court Costs/Fees	4,675	2,483
East Baton Rouge Parish Sheriff - Civil Fees	14,584	7,982
Grant Parish Sheriff - Civil Fees	54	
Greg Champagne, Sheriff & Ex-Officio Tax Collector - Civil Fees		38
Indigent Defender Board - Criminal Court Costs/Fee		80,964
Iberia Parish Sheriff - Civil Fees	35	
Injury Fund - Criminal Court Costs/Fees		4,119
Jefferson Davis Parish Sheriff - Civil Fees	30	
Jefferson Parish Sheriff - Civil Fees	60	120
Louisiana Supreme Court Judicial College - Criminal Court Costs/Fees	1,113	764
Lafayette Parish Sheriff	461	65
Lambert Boissiere Jr. - Civil Fees	90	20
Lincoln Parish Sheriff - Civil Fees	163	79
Livingston Parish Sheriff - Civil Fees	57	
Louisiana Secretary of State- Civil Fees	1,450	529

(Continued)

City of Shreveport City Court  
 Other Supplementary Information  
 Justice System Funding Schedule  
 Collecting/Disbursing Schedule  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 For the Year Ended December 31, 2021  
 (Continued)

	January 2021 - June 2021	July 2021 - December 2021
Louisiana Secretary of State - Criminal Court Costs/Fees		500
Louisiana State Treasurer - Civil Fees	72,265	71,251
Louisiana Supreme Court JCC LA Judicial College Collections - Civil Fees	1,213	1,422
Morehouse Parish Sheriff - Civil Fees		32
Natchitoches Parish Sheriff -Civil Fees	215	96
Northwest Louisiana Crime Lab - Criminal Court Costs/Fees		61,319
NULL - Civil Fees		(980)
Police Fund - Criminal Court Costs/Fees		3,571
Pro Bono Project - Civil Fees	7,281	7,105
Ochsner LSU Health of North LA - Civil Fees		34
Orleans Parish Sheriff - Civil Fees	170	60
Ouachita Parish Sheriff - Civil Fees	452	174
Rapides Parish Sheriff - Civil Fees	127	17
Red River Parish Sheriff - Civil Fees	221	23
Richland Parish Sheriff - Civil Fees	60	
Sabine Parish Sheriff - Civil Fees	203	81
St. Charles Parish Sheriff - Civil Fees		37
St. John Parish Sheriff - Civil Fees	272	338
St. Landry Parish Sheriff - Civil Fees	11	
St. Tammany Parish Sheriff -Civil Fees	104	220
State of Louisiana - CMIS - Criminal Court Costs/Fees		5,463
Union Parish Sheriff - Civil Fees	285	48
Victim of Crime - Criminal Court Costs/Fees		1,144
Webster Parish Sheriff - Civil Fees	550	60
Winn Parish Sheriff - Civil Fees		
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection		
Pro Bono Fees		
Amounts "Self-Disbursed" to Collecting Agency		
Criminal Account - Criminal Court Costs/Fees	52,265	37,906
Probation/Parole/Supervision Fees	1,000	21,381
Cost Account - Criminal Court Costs/Fees	37,157	25,512
Building Fund - Criminal Court Costs/Fees	50,075	41,146
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	40,852	71,201
Bond Fee Refunds	1,700	47,185
Other disbursements to individuals	5,790	4,405
Payments to 3rd Party Collection/Processing Agencies	5,489	6,479
<b>Subtotal Disbursements/Retainage</b>	<u>1,223,262</u>	<u>1,291,841</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>\$ 3,222,667</b>	<b>\$ 3,498,694</b>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b>	<u>0</u>	<u>0</u>
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	<u>0</u>	<u>0</u>
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	<u>0</u>	<u>0</u>

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Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With Government Auditing Standards

## Independent Auditors' Report

City of Shreveport City Court  
Shreveport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 of Shreveport City Court as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Shreveport City Court's basic financial statements, and have issued our report thereon dated June 16, 2022.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Shreveport 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 the City of Shreveport City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Shreveport 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 Current Year Audit Findings as items 2021-001 and 2021-002, that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Shreveport 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The City of Shreveport City Court's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Shreveport City Court's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings. The City of Shreveport 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart  
Certified Public Accountants  
June 16, 2022

City of Shreveport City Court  
Shreveport, Louisiana  
Summary Schedule of Prior Year Audit Findings  
For Louisiana Legislative Auditor  
December 31, 2021

There was one finding in the prior audit for the year ended December 31, 2020.

**2020-001 – Lease Agreement**

*Finding:* The Court entered into a lease agreement for a vehicle. The lease agreement did not contain a non-appropriation clause, nor was State Bond Commission Approval obtained.

*Recommendation:* We recommend that the Court ensure that all lease agreements contain the appropriate non-appropriation clause or are otherwise approved by the State Bond Commission.

*Current Status:* No finding in current year audit.

Schedule of Current Year Audit Findings  
For Louisiana Legislative Auditor  
December 31, 2021

There are two findings in the current audit for the year ended December 31, 2021 as noted below:

**2021-001 – Accounting Records Custodial Funds**

*Criteria:* Internal controls should be in place for ensuring that complete accounting records, including general ledgers, be maintained on a current basis for all of the Court's funds. Bank reconciliations should also be performed on monthly basis and physically approved by supervisory personnel. Controls should also be in place for ensuring that subsidiary ledgers are reconcilable to general ledgers.

*Material Weakness:* General ledgers were not maintained on a current basis for the Court's custodial funds for the months of August 2021 through December 2021. Bank reconciliations were also not completed and approved by supervisory personnel on a timely basis during those months. In addition, subsidiary ledgers were not reconciled to general ledgers.

*Cause:* The Court implemented a new subsidiary software for its custodial funds during 2021. The software was intended to be an all-inclusive software package which included general ledgers. However, the Court was later made aware that there were no general ledger functions included in the new software package. In addition, due to issues with the implementation of the new software, bank reconciliations were not performed on a timely basis for all Court bank accounts.

*Effect:* Although activity of the custodial funds was recorded in the new subsidiary software, general ledgers were not maintained during the months of August 2021 through December 2021, and bank reconciliations were not completed and therefore approved by supervisory personnel on a timely basis. In addition, a reconciliation of subsidiary suit ledgers to general ledgers could not be performed since no general ledgers were maintained. Without general ledgers and bank reconciliations, errors could be made and go undetected.

(Continued)

City of Shreveport City Court  
Shreveport, Louisiana  
Schedule of Current Year Audit Findings  
For Louisiana Legislative Auditor  
December 31, 2021  
(Continued)

*Recommendation:* We recommend that general ledgers be maintained for all Court funds, including custodial funds. We also recommend that bank reconciliations be performed on a monthly basis and approved by supervisory personnel. We further recommend that subsidiary ledgers be reconciled to general ledgers on a monthly basis.

*Management's Response:* The Court will continue to work with Tyler Technologies to develop a more robust general ledger accounting report. The configuration of fees in Odyssey is being reconfigured and grouped into our historical G/L account names. In the interim, the financial department will summarize the case management transactions into the external QuickBooks software to maintain a useable general ledger report. Bank reconciliations are now being performed on a monthly basis.

**2021-002 – Daily Work for Custodial Funds Receipts**

*Criteria:* Internal controls should be in place for ensuring that daily work is maintained for all receipts. Such daily work should be physically approved by supervisory personnel, and deposits should be made timely.

*Material Weakness:* Daily work supporting receipts for the Civil and Small Claims funds could not be located for the months of January 2021 through May 2021. Also, deposits were not made timely for 9 of 32 days selected for testing for the Civil and Small Claims funds. In addition, no supervisory approval was noted on 7 of 19 days selected for testing for the Violations fund.

*Cause:* The Court maintains that daily work was prepared for all receipts during January 2021 through May 2021. However, due to personnel turnover, they were unable to locate the daily work documentation for those months. In addition, controls were not in place for ensuring that deposits were made timely and that supervisory review was physically documented on all daily work.

*Effect:* There was no supporting documentation for receipts of the Civil and Small Claims funds during January 2021 through May 2021; therefore, errors could have been made and not detected. In addition, without physical approval on daily work and with some bank deposits not being made timely, errors could also have occurred and not been detected.

*Recommendation:* We recommend that controls be put in place for ensuring that daily work-supporting documentation be maintained for all receipts of the Court. We also recommend that bank deposits be made timely and that supervisory approval be physically documented on all daily work.

*Management's Response:* The employee with custody of the referenced daily work receipts resigned without notice and cleared out her belongings over a weekend. She encrypted the digital copies of her work and stated she could not remember her password to allow us to decrypt them. The physical records referenced daily receipts could not be located in her office. Although we could reprint copies of the daily receipts, the signature applied by the supervisor for each of those days would not be on the reprints. The new case management system has a much more robust system of daily receipt journals that are digitally incorporated in the software. We have implemented controls that require the supervisor to close and reconcile the daily tills for their staff. These reconciled tills are then imported directly into the bank deposits. The Judicial Administrator will make bank deposits at least every other day.



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## Independent Accountants' Report on Applying Agreed-Upon Procedures

The Honorable  
Judge Emily S. Merckle, Division "A"  
Judge Brian H. Barber, Division "B"  
Judge Pammela Lattier, Division "C"  
Judge Sheva M. Sims, Division "D"

City of Shreveport City Court  
Shreveport, Louisiana  
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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

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

The Court provided written policies and procedures addressing all of the above.

### **Board or Finance Committee**

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

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

The Court's judges are independently elected officials and are not required to have board or finance meetings.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

The Court's judges are independently elected officials and are not required to have board or finance meetings.

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

The Court did not have a negative unassigned fund balance in the general fund in the prior year audit report.

### ***Bank Reconciliations***

3. Obtain a listing of client 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 selected each account, and observe that:

Management provided the requested information, along with management's representation that the listing is complete.

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

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

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

Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

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

Management provided documentation that it had researched items outstanding for more than 12 months.

### ***Collections (excluding electronic funds transfers)***

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

Management provided the requested information, along with management's representation that the listing is complete.

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

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

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Management provided the requested information, along with management's representation that the listing is complete.

Each person responsible for collecting cash does not share cash drawers, was not responsible for preparing/making deposits, unless another employee is responsible for reconciling collection documentation to the deposit, was not responsible for posting collection entries to the general ledger or subsidiary ledgers; and was not responsible for reconciling cash collection to the general ledger and/or subsidiary ledger.

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

Employees of the Court are considered employees of the City of Shreveport. The Court's audit does not contain any payroll/personnel costs.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

The deposits selected for testing contained receipts, which are printed from software and thus are not pre-numbered. Receipts were traced to the deposit slip, the deposit slip total was located on the bank statement, the deposit was made within one business day, and the actual deposit was traced to the general ledger.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
Two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.  
Two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.  
The Court's written policies and procedures and employee job duties provide for the segregation of duties as noted above, except for noted below:  
*Exception:* The employees responsible for processing payments can also add/modify vendor files.  
*Management's Response:* All vendor payments are approved by management. All bank statements are opened and reviewed by someone other than the individual who prepares checks for mailing.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.  
The Court's written policies and procedures and employee job duties provide for the segregation of duties as noted above, except for noted below:  
*Exception:* The employees responsible for mailing checks are also responsible for processing some of the Court's payments.  
*Management's Response:* The Court will consider the efficiency of implementing controls whereby signed checks are not returned to the individual who prepared the checks for mailing.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice and included evidence of segregation of duties, except as noted below:  
*Exceptions:* The employees responsible for processing payments can also add/modify vendor files. In addition, the employees responsible for mailing checks is also responsible for processing some of the Court's payments.  
*Management's Response:* All vendor payments are approved by management. All bank statements are opened and reviewed by someone other than the individual who prepares checks for mailing.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

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

- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].

For each card selected for testing, there were attributes indicating that someone other than the authorized card holder reviewed and approved the monthly statements and supporting documentation for the items selected for testing.

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

None of the statements selected for testing contained finance charges and or late fees.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing)<sup>14</sup>. For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Transactions tested were supported by original itemized receipts.

- 2) Written documentation of the business/public purpose.

Transactions tested were supported with the business purpose documentation

- 3) Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

No other documentation is required by the Court's written credit card policy.

***Travel and Expense Reimbursement (excluding card transactions)***

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Management provided the requested information, along with management's representation that the listing is complete. The reimbursements selected for testing were reimbursed using a per diem rate was not more than the established rates either by the State of Louisiana or the GSA, or were for actual costs and were supported by an original itemized receipt that identified what was purchased, supported by documentation of business purpose, and was reviewed and approved, in writing, by someone other than the person receiving the reimbursement

***Contracts***

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

The Court did not have any contracts that were initiated or renewed during the fiscal year.

### ***Payroll and Personnel***

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

The Court's audit does not contain any payroll/personnel costs. All payroll/personnel costs for Court employees are paid by the City of Shreveport.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third party payroll-related amounts (payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed by required deadlines.
20. Management provided representation that third party payroll-related amounts (payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc.) have been paid, and associated forms have been filed by required deadlines.

### ***Ethics***

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The Court's audit does not contain any payroll/personnel costs. All employees of the Court are employees of the City of Shreveport.



### ***Debt Service***

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

The Court did not have any outstanding debt during the fiscal period.

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

The Court did not have any outstanding debt during the fiscal period.

### ***Fraud Notice***

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

The Court's management represented that there were no misappropriations of public funds and assets during the fiscal period.

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

We observed the Court 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.

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

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

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

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

We performed the procedure and discussed the results with management.

### **Sexual Harassment**

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

The Court's audit does not contain any payroll/personnel costs. All employees of the Court are employees of the City of Shreveport.

We were engaged by City of Shreveport 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 standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of City of Shreveport 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 C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



Cook & Morehart  
Certified Public Accountants  
June 16, 2022