



**CITY COURT OF BOGALUSA**

**FINANCIAL STATEMENTS**

December 31, 2023



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# REPORT





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## **INDEPENDENT AUDITOR’S REPORT**

To the Honorable David M. Duke, Judge  
City Court of Bogalusa  
Bogalusa, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Bogalusa (the Court), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Court’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Court as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-10 and page 34 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 Court's basic financial statements. The accompanying schedule of compensation, benefits and other payments to agency head and the justice system funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
September 30, 2024



# REQUIRED SUPPLEMENTARY INFORMATION (PART I)





**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

Management's discussion and analysis (MD&A) of the City Court of Bogalusa's (Court) financial performance is designed to provide an overview of the financial activities as of and for the year ended December 31, 2023. This information should be read in conjunction with the basic financial statements and the accompanying notes to financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The MD&A is required information that provides an overview of the Court's basic financial statements and financial activities. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided on these reports.

This annual report consists of a series of financial statements. The Court's basic financial statements consist of the following components: Government-Wide Financial Statements, Fund Financial Statements, and Custodial Financial Statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position reflects the financial position of the Court. The unrestricted net position for the Court as reflected in this statement consists of funds available (deficient) for future spending to meet the needs of the Court's operations.

The Statement of Net Position and the Statement of Activities report information on the Court as a whole and report about its activities in a way that shows the overall financial health of the office. 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. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**FUND FINANCIAL STATEMENTS**

Fund financial statements report detailed information on the funds maintained by the Court's office. The General Fund is established as mandated by Louisiana Revised Statute (LA RS) 13:2496.4.

The Court uses the governmental fund for basic services. The governmental fund reflects on how money flows into and out of the operating accounts and reflect the balances left at year-end that are available for spending. The fund is reported under the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed, short-term view of the general government operations and the basic services it provides. Governmental fund information helps assist in determining whether there are more or fewer financial resources that can be spent in the near future to finance the Court programs.

**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**FINANCIAL HIGHLIGHTS**

The financial statements provide details of the current year's operations:

Total assets as of December 31, 2023 were \$115,902 and total liabilities were \$91,839. As of December 31, 2023, the Court had a net position of \$39,145, of which (\$61,549) was unrestricted and represents the portion that is available to maintain the continuing obligations to citizens.

- The City of Bogalusa, Washington Parish, and Supreme Court of Louisiana all appropriate funds in their respective budgets for the support of the Court's payroll expenses of \$272,353. These on-behalf payments have been recorded as On-behalf Revenues.
  
- Program revenues were over program expenses in the current year by \$4,087.

In accordance with statutory requirements, the Court has no bonded indebtedness or long-term notes. The most significant continuing revenue sources for governmental activities were ticket revenues and city revenues.

**FINANCIAL ANALYSIS OF THE COURT AS A WHOLE (GWFS)**

The Statement of Net Position and the Statement of Activities report only one type of activity – governmental activities. Most of the basic court services are reported as this type. Court costs and fees charged to the public finance most of these activities.

**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

Our analysis below focuses on the net position of the governmental-type activities:

**CONDENSED STATEMENT OF NET POSITION**

	<b>2023</b>	2022	Difference	Percentage Change
Current and other assets	<b>\$ 15,208</b>	\$ 11,121	\$ 4,087	37%
Capital assets, net of accumulated depreciation	<b>100,694</b>	129,032	(28,919)	(22%)
<b>Total assets</b>	<b>115,902</b>	140,153	(24,251)	(17%)
Deferred outflows of resources	<b>18,488</b>	12,608	5,880	47%
Accrued liabilities	<b>8,638</b>	8,638	-	-%
Net pension liability	<b>83,201</b>	72,347	10,854	15%
<b>Total liabilities</b>	<b>91,839</b>	80,985	10,854	13%
Deferred inflows of resources	<b>3,406</b>	1,155	2,251	195%
Invested in capital assets	<b>100,694</b>	129,032	(28,338)	(22%)
Unrestricted net position	<b>(61,549)</b>	(58,411)	(3,138)	(5%)
<b>Total net position</b>	<b>\$ 39,145</b>	\$ 70,621	\$ (31,476)	(45%)

**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

The decrease in current and other assets was primarily due to depreciation of capital assets.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, decreased due to current year operating results.

**CONDENSED STATEMENTS OF ACTIVITIES**

	<b>2023</b>	2022	Difference	Percentage Change
Total program revenue	<b>\$ 429,082</b>	\$ 522,699	\$ (93,617)	(18%)
Total program expense	<b>460,558</b>	410,408	50,150	12%
Net program income	<b>(31,476)</b>	112,291	(143,767)	(128%)
Net position -beginning of year	<b>70,621</b>	(41,670)	112,291	(269%)
Net position - end of year	<b>\$ 39,145</b>	\$ 70,621	\$ (31,476)	(45%)

The Court had a decrease in its ticket revenues because of a drop in the tickets issued in cases throughout the year.

**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**FINANCIAL ANALYSIS OF JUDICIAL EXPENSE FUND (GENERAL FUND)**

As noted earlier, the Court uses funds to control and manage money for particular purposes. Analyzing these funds helps to determine whether the Court is using resources in a responsible manner and maintaining the financial integrity of the office.

**CONDENSED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

	2023	2022	Difference	Percentage Change
Total revenues	\$ 429,082	\$ 522,699	\$ (93,617)	(18%)
Expenditures:				
Current	424,995	400,020	24,975	6%
Capital outlay	-	140,930	(140,930)	(100%)
Total expenditures	424,995	540,950	(115,955)	(21%)
Net change in fund	4,087	(18,251)	22,338	(122%)
Fund balance - beginning of year	2,483	20,734	(18,251)	(88%)
Fund balance – end of year	\$ 6,570	\$ 2,483	\$ 9,693	165%

The Judicial Expense Fund (JEF) received a grant in the prior year that it did not receive in the current year, as well as experienced a decline in ticket revenue. The primary driver was a result of a shift in focus by the Police department and a reduction in traffic patrol officers.

The expenditures are a reflection of this reduction in capital outlay due to the absence of grant funding. All other amounts were fairly consistent with prior year, with a small increase to training and conferences in the current year.

**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**JUDICIAL EXPENSE FUND BUDGETARY HIGHLIGHTS**

	<b>Actual</b>	Budgeted	Variance	Percent
<b>Revenues</b>				
Court costs and fees	\$ <b>156,729</b>	\$ 143,850	\$ 12,879	9%
Total revenue	<b>156,729</b>	143,850	12,879	9%
<b>Expenditures</b>				
Personnel services and related benefits	<b>115,833</b>	117,600	1,767	2%
Operating services	<b>36,809</b>	42,875	6,066	17%
Total expenditures	<b>152,642</b>	160,475	7,833	5%
Excess (deficit) of revenue over expenditures	<b>\$ 4,087</b>	\$ (16,625)	\$ 20,712	(125%)

The City Court of Bogalusa's budget for January 1, 2023 to December 31, 2023 was proposed and made available for public inspection by the Court and approved by the City Council.

**CAPITAL ASSETS**

The Court's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2023 was \$100,694. Summary of capital assets is detailed below:

Computer software	\$ <b>162,660</b>
Furniture and fixtures	<b>4,157</b>
Accumulated depreciation	<b>(66,123)</b>
Net capital assets	<b>\$ 100,694</b>
Depreciation expense	<b>\$ 28,338</b>

**LONG-TERM OBLIGATIONS**

The Court is not allowed to incur long-term indebtedness for bonds or notes payable; therefore, the Court has no long-term debt outstanding.

**CITY COURT OF BOGALUSA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2023**

**ECONOMIC AND OTHER FACTORS AFFECTING OPERATIONS, LIQUIDITY AND 2023'S BUDGET**

The Court is fiscally dependent on payments from civil and criminal violations. The City provides courthouse maintenance and pays for utilities. Payments from violations are volatile and are dependent on factors outside of the Court's control.

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Court's finances and to demonstrate accountability for the money it receives. Questions about this report should be referred to Judge David M. Duke, 202 Arkansas Ave, Bogalusa, LA 70427.



# FINANCIAL STATEMENTS





**CITY COURT OF BOGALUSA  
STATEMENT OF NET POSITION**

<i>December 31,</i>	<b>2023</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 15,208
Total current assets	15,208
<b>CAPITAL ASSETS, net of accumulated depreciation</b>	<b>100,694</b>
<b>TOTAL ASSETS</b>	<b>115,902</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pension liability	18,488
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,488</b>
<b>LIABILITIES</b>	
Accrued payroll liabilities	8,638
Non-current liabilities	
Net pension liability	83,201
<b>TOTAL LIABILITIES</b>	<b>91,839</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pension liability	3,406
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,406</b>
<b>NET POSITION</b>	
Net investment in capital assets	100,694
Unrestricted net position	(61,549)
<b>TOTAL NET POSITION</b>	<b>\$ 39,145</b>

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

**CITY COURT OF BOGALUSA  
STATEMENT OF ACTIVITIES**

<i>For the year ended December 31,</i>	<b>2023</b>
<b>EXPENSES</b>	
General government:	
Judicial	\$ 460,558
Total expenses	460,558
<b>PROGRAM REVENUES</b>	
Court fees	156,729
Intergovernmental - on behalf payments	272,353
Total program revenues	429,082
<b>CHANGE IN NET POSITION</b>	<b>(31,476)</b>
<b>NET POSITION - Beginning of year</b>	<b>70,621</b>
<b>NET POSITION - End of year</b>	<b>\$ 39,145</b>

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

**CITY COURT OF BOGALUSA  
BALANCE SHEET - GOVERNMENTAL FUND**

<i>December 31,</i>	<b>2023</b>
	<b>Judicial Expense Fund (General Fund)</b>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 15,208
<b>TOTAL ASSETS</b>	<b>\$ 15,208</b>
 <b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accrued payroll liabilities	\$ 8,638
<b>TOTAL LIABILITIES</b>	<b>8,638</b>
 <b>FUND BALANCE</b>	
Unassigned balance	6,570
<b>TOTAL FUND BALANCE</b>	<b>6,570</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 15,208</b>

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

**CITY COURT OF BOGALUSA**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL**  
**FUND TO THE STATEMENT OF NET POSITION**

<i>For the year ended December 31,</i>	<b>2023</b>
<b>FUND BALANCE - total governmental fund</b>	<b>\$ 6,570</b>
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported at the fund financial reporting level	<b>100,694</b>
<p>The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:</p>	
Deferred Outflows - Pension	<b>18,488</b>
Deferred Inflows - Pension	<b>(3,406)</b>
Net Pension Liability	<b>(83,201)</b>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 39,145</b>

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

**CITY COURT OF BOGALUSA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUND**

*For the year ended December 31,*

**2023**

		<b>Judicial Expense Fund (General Fund)</b>
<b>REVENUES</b>		
Court fees	\$	156,729
Intergovernmental - on behalf payments		272,353
<hr/>		
Total revenues		429,082
<hr/>		
<b>EXPENDITURES</b>		
General government:		
Personnel services and related benefits		388,186
Legal and professional fees		762
Continuing education		2,960
Telephone and postage		2,665
Travel		10,799
Supplies and miscellaneous		2,658
Dues and subscriptions		14,012
Meals		153
Auto expense		2,800
<hr/>		
Total expenditures		424,995
<hr/>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		<b>4,087</b>
<hr/>		
<b>FUND BALANCE - Beginning of year</b>		<b>2,483</b>
<hr/>		
<b>FUND BALANCE - End of year</b>	\$	<b>6,570</b>

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

**CITY COURT OF BOGALUSA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL  
FUND TO THE STATEMENT OF ACTIVITIES**

<i>For the year ended December 31,</i>	<b>2023</b>
<b>NET CHANGE IN FUND BALANCE - total governmental fund</b>	<b>\$ 4,087</b>
<p>Amounts reported for governmental activities in the statement of activities (government-wide financial statements) are different because:</p>	
<p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	<b>(28,338)</b>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Pension expense	<b>(7,225)</b>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (31,476)</b>

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

**CITY COURT OF BOGALUSA**  
**STATEMENT OF FIDUCIARY NET POSITION**

<i>December 31,</i>	<b>2023</b>
	<b>Custodial Funds</b>
<b>ASSETS</b>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 59,820
<hr/>	
<b>TOTAL ASSETS</b>	<b>59,820</b>
<hr/>	
<b>LIABILITIES AND NET POSITION</b>	
CURRENT LIABILITIES	
Due to individuals	3,320
Due to other governments	5,773
<hr/>	
<b>TOTAL LIABILITIES</b>	<b>9,093</b>
<hr/>	
<b>NET POSITION</b>	
Restricted for individuals and other governments	50,727
<hr/>	
<b>TOTAL NET POSITION</b>	<b>\$ 50,727</b>
<hr/>	

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

**CITY COURT OF BOGALUSA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

*For the year ended December 31,*

**2023**

		<b>Custodial Funds</b>
<b>ADDITIONS:</b>		
Contributions:		
Individuals for bonds	\$	<b>70,419</b>
Individuals for civil deposits and garnishments		<b>48,495</b>
Fines and fees collected for other agencies		<b>158,760</b>
<b>Total Additions</b>		<b>277,674</b>
<b>DEDUCTIONS:</b>		
Payments to City of Bogalusa		<b>42,565</b>
Payments to other governments		<b>236,665</b>
Payments to individuals		<b>35,387</b>
<b>Total Deductions</b>		<b>314,617</b>
<b>CHANGE IN NET POSITION</b>		<b>(36,943)</b>
<b>Net position - Beginning of year</b>		<b>87,670</b>
<b>Net Position - End of year</b>	\$	<b>50,727</b>

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



## CITY COURT OF BOGALUSA NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Overview** – The City Court of Bogalusa is a court of limited jurisdiction created under the authority of Louisiana Revised Statutes (RS) 13:1952 and serves Ward 4 of Washington Parish, Louisiana, in civil, criminal and juvenile judicial proceedings.

**Basis of presentation** – The accompanying financial statements of the City Court of Bogalusa (the Court) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Reporting entity** – The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Codification 2100 *Defining the Financial Reporting Entity*, 2300 *Notes to Financial Statements*, and 2600 *Reporting Entity and Component Unit Presentation and Disclosure* in that the financial statements include all organizations, activities, and functions that compromise the Court.

The Court Judge is an independently elected official, and the Court is legally separate from the City and is fiscally independent based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity*. However, the City provides the courtroom and office space for the Court. The City also pays retirement and a portion of salaries for the Court's clerks. The accompanying financial statements present information only on the funds maintained by the Court, and do not present information on the City, the general governmental services provided by the City, or other governmental units that comprise the financial reporting entity of the City.

The accompanying financial statements present information of the Court's Judicial Expense Fund as established by Louisiana Revised Statute (LA RS) 13:2507.1 and on-behalf payments as described in the accompanying notes.

**Fund accounting** – The Court uses funds and account groups to report on its financial position and the results of operations. Fund accounting is designed to demonstrate compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Funds** - The general fund (Judicial Expense Fund) accounts for all the Court's general activities. This fund focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, the fund balance represents the accumulated expendable resources which may be used to finance future period programs and/or operations of the Court.

**Fiduciary Funds** – The fiduciary fund reporting focuses on the custodial fund net position and changes in fiduciary net position. The only funds accounted for in this category are the custodial funds. The custodial funds account for assets held by the Court as an agent for litigants held in pending court action. The custodial funds are custodial in nature and use the modified accrual basis of accounting. The Court maintains three custodial funds: Civil Fund, Bond Fund, and Criminal Fund. The Civil and Criminal Funds distribute monies collected on each case for state approved agencies. The Court only acts as a collection agency for fees and settlements in criminal and civil matters. As the suits are processed, the various fees and settlements collected are paid out on a monthly basis. The Cash Bond Fund holds monies deposited by defendants until the defendant appears in court and a final disposition is determined on their case. The Court has bond forfeiture proceeds but those amounts are not included in custodial funds due to the nature of ownership in forfeiting a bond. Any forfeiture amounts which can be determined to belong to the Court are listed on the statement of activities as bond forfeitures.

**Basis of accounting – Fund Financial Statements (FFS)** – The amounts reflected in the Balance Sheet - Governmental Fund and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (FFS), are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in these statements (FFS), use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The governmental fund uses the following practices in recording revenues and expenditures:

**Revenues** – Court fees, intergovernmental grants received and on behalf payments, and bond forfeitures are recorded in the year in which they are earned. Substantially all other revenues are recorded when received.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Expenditures** – Expenditures are generally recorded under the modified accrual basis of accounting when the related fund liability is incurred.

**Basis of accounting – Government-Wide Financial Statements (GWFS)** – The Statement of Net Position and the Statement of Activities (GWFS) display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Codification.

**Program Revenues** – Program revenues included in the Statement of Activities are derived directly from users as a fee for services and from grants that are restricted to meeting the capital or other requirements of a particular function. Program revenues reduce the cost of the function to be financed from general revenues.

**Net Position Classifications** – In accordance with GASB Codification, net position is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- a. *Net Investment in Capital Assets* – This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- b. *Restricted* – This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- c. *Unrestricted* – All other net position is reported in this category.

**Fund Balance** – The Court uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

In fund financials, fund balance for the governmental fund is reported in classifications that comprise a hierarchy based primarily on the extent to which the Court is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. The Court Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – This component consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Court had no nonspendable fund balance for the year ended December 31, 2023.
- *Restricted* – This component consists of amounts that have constraints placed on them either externally by third-parties or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Court to assess payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation. The Court had no restricted fund balance for the year ended December 31, 2023.
- *Committed* – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Court. Those committed amounts cannot be used for any other purpose unless the Court removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts. The Court had no committed fund balance for the year ended December 31, 2023.
- *Assigned* – This component consists of amounts that are constrained by the Court’s intent to be used for specific purposes, but are neither restricted nor committed. The Court had no assigned fund balance for the year ended December 31, 2023.
- *Unassigned* – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the fund.

When both restricted and unrestricted resources are available for use, it is the Court’s intention to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the Court’s intention to use committed resources first, then assigned, and then unassigned as they are needed.

**Budget practices** – The proposed budget, which is prepared on the modified accrual basis of accounting, must be approved by the Judge. The budget is legally adopted by the Court and all appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The on-behalf portion of salaries and other costs are not included in the Court’s budget.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and cash equivalents** – Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**Capital assets** – Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The Court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position. All capital assets, other than land which is non-depreciable, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Computers and software	5 years
Furniture & fixtures	5 years

**Deferred Inflows and Outflows** – In addition to assets, the statement of net 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 and so will not be recognized as an expense or expenditure until then. The Court has one item that meets this criterion, pension-related deferrals. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Court has one item that meets the criterion for this category, pension-related deferrals.

**Pension** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Use of estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the pension liability.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Future Accounting Pronouncements*** - In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The Court is evaluating the requirements of the above statements and the impact on reporting.

GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence.

***Subsequent Events*** - Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2024, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

At December 31, 2023, the Court had cash in checking accounts (bank balances) totaling \$71,108. The deposits are stated at cost, which approximates market. Under state law, the 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. As of December 31, 2023, the Court's total bank balances were fully insured and collateralized with federal deposit insurance and, therefore, they were not exposed to custodial credit risk. State law requires deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3 – CAPITAL ASSETS**

A schedule of changes in capital assets follows:

	January 01, 2023	Additions	December 31, 2023
Depreciable Assets:			
Computers and software	\$ 162,660	\$ -	\$ 162,660
Furniture & fixtures	4,157	-	4,157
<b>Total Depreciable Assets</b>	<b>166,817</b>	<b>-</b>	<b>166,817</b>
Accumulated Depreciation:			
Computers and software	(33,628)	(28,338)	(61,966)
Furniture & fixtures	(4,157)	-	(4,157)
<b>Total Accumulated Depreciation</b>	<b>(37,785)</b>	<b>(28,338)</b>	<b>(66,123)</b>
<b>Capital assets, net</b>	<b>\$ 129,032</b>	<b>\$ (28,338)</b>	<b>\$ 100,694</b>

Depreciation expense for the year ended December 31, 2023 was \$28,338.

**NOTE 4 – ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

The City of Bogalusa, Washington Parish, and State of Louisiana Supreme Court all pay partial salaries and benefits for the Court. The Court is not legally responsible for these salaries or the related benefits. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the other governmental entities. For the year ended December 31, 2023, these on-behalf payments have been recorded in the accompanying financial statements, in accordance with GASB Statement No. 24 - *Accounting and Financial Reporting For Certain Grants and Other Financial Assistance*, as intergovernmental revenues and expenditures as follows:

Judicial Expense Fund:	
City of Bogalusa	\$ 150,275
Washington Parish	47,128
State of Louisiana	74,950
<b>Total on-behalf payments</b>	<b>\$ 272,353</b>

These expenditures are included in personnel services and related benefits expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance. The related revenues are included in the Intergovernmental - On-behalf payments on the Statement of Revenues, Expenditures, and Changes in Fund Balance.



**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS**

***Plan Description***

Employees of the Court are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

***Benefits Provided***

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

**Retirement**

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular



**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

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

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

**Deferred Retirement Benefits**

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

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

**CITY COURT OF BOGALUSA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

**Disability Benefits**

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

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

**Survivor's Benefits**

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

**Permanent Benefit Increases/Cost-of-Living Adjustments**

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

***Contributions***

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

The rates in effect during the year ended December 31, 2023 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Regular Employees and Appellate Law Clerks			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	40.4%
Post Act 75 (hired after 6/30/2006)	Open	8.0%	40.4%
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37.9%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37.9%

The Court’s contractually required composite contribution rate for the year ended June 30, 2023 was 40.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Court were \$11,549 for the year ended December 31, 2023.

**Refunds of Contributions**

If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member’s beneficiaries or their estates upon cessation of any survivor’s benefits.

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

At December 31, 2023, the Court reported a liability of \$83,201 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court’s proportion of the net pension liability was based on a projection of the Court’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Court’s proportion was 0.001243%, which was an decrease of 0.000286% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Court recognized pension expense of \$12,526 less the Court’s amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$5,170.

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

At December 31, 2023, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,801	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	476	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	10,811	(3,406)
Employer contributions subsequent to the measurement date	5,400	-
<b>Total</b>	<b>\$ 18,488</b>	<b>\$ (3,406)</b>

Deferred outflows of resources of \$5,400 related to pensions resulting from the Court’s contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:

2023	\$ 9,679
2024	(3,005)
2025	4,098
2026	(1,090)

***Actuarial Assumptions***

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal

**CITY COURT OF BOGALUSA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

Actuarial Assumptions:

Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum
Inflation Rate	2.3% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Scale Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement      Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

Salary Increases      Salary increases were projected based on a 2014-2018 experience study of the System's members.

The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
All types	2.6%	5.1%

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

**CITY COURT OF BOGALUSA**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return to the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/ diversification. The following table provides a summary of the best estimates of arithmetic real rates of return for each major asset class included in each of the pension plans' target asset allocation as of June 30, 2023:

<b>Asset Class</b>	<b>Long-term Expected Real Rate of Return</b>
Cash	0.80%
Domestic equity	4.45%
International equity	5.44%
Domestic fixed income	2.04%
International fixed income	5.33%
Alternative investments	8.19%
Total	5.75%

***Discount Rate***

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

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

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

	<b>1.0% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1.0% Increase (8.25%)</b>
Court's proportionate share of the net pension liability	\$ 108,944	\$ 83,201	\$ 61,390

**CITY COURT OF BOGALUSA  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RETIREMENT BENEFITS (CONTINUED)**

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2023 Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).



# REQUIRED SUPPLEMENTARY INFORMATION (PART II)





**CITY COURT OF BOGALUSA**  
**BUDGETARY COMPARISON SCHEDULE - JUDICIAL EXPENSE FUND (GENERAL FUND)**  
**BUDGETARY BASIS**

*For the year ended December 31,*

**2023**

	<b>Adopted Budget</b>	<b>Amended Budget</b>	<b>Actuals</b>	<b>Variance Favorable/ (Unfavorable)</b>
<b>REVENUE</b>				
Court fees	\$ 85,000	\$ 95,500	\$ 106,503	\$ 11,003
State reports	1,200	1,000	855	(145)
DMV fees	750	675	775	100
Probation fees	1,200	1,650	2,126	476
2% LLET	25	25	24	(1)
Operating Fund (Civil)	53,000	45,000	46,446	1,446
<b>Total Revenue</b>	<b>141,175</b>	<b>143,850</b>	<b>156,729</b>	<b>12,879</b>
<b>EXPENDITURES</b>				
Personnel services and related benefits	124,100	117,600	115,833	1,767
Legal & professional fees	20,000	10,200	762	9,438
Continuing education	2,000	2,600	2,960	(360)
Telephone & postage	1,850	1,600	2,665	(1,065)
Travel	13,000	11,375	10,799	576
Supplies & miscellaneous	2,500	2,800	2,658	142
Dues & subscriptions	8,000	14,000	14,012	(12)
Meals	300	300	153	147
Auto expense	-	-	2,800	(2,800)
Capital outlay	10,000	-	-	-
<b>Total Expenditures</b>	<b>181,750</b>	<b>160,475</b>	<b>152,642</b>	<b>7,833</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(40,575)</b>	<b>(16,625)</b>	<b>4,087</b>	<b>20,712</b>
<b>FUND BALANCE - Beginning of year</b>	<b>2,483</b>	<b>2,483</b>	<b>2,483</b>	<b>-</b>
<b>FUND BALANCE - End of year</b>	<b>\$ (38,092)</b>	<b>\$ (14,142)</b>	<b>\$ 6,570</b>	<b>\$ 20,712</b>

*NOTE: The Court does not budget on-behalf payments related to personnel expenditures.  
The on-behalf payments in the amount of \$272,353 are removed above.*

**CITY COURT OF BOGALUSA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET**  
**PENSION LIABILITY FOR RETIREMENT SYSTEM**

For the Year Ended June 30,	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>Louisiana State Employees' Retirement System</b>					
2023	0.001243%	\$ 83,201	\$ 26,068	319%	68.4%
2022	0.000957%	\$ 72,347	\$ 19,228	376%	63.7%
2021	0.000990%	\$ 54,490	\$ 19,219	284%	72.8%
2020	0.000909%	\$ 75,180	\$ 17,988	418%	58.0%
2019	0.001293%	\$ 88,171	\$ 23,244	379%	62.9%
2018	0.000752%	\$ 51,286	\$ 13,752	373%	64.3%

\*Amounts presented were determined as of the measurement date.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

---

**Notes to Required Supplementary Information**

***Changes of Benefit Terms***

For LASERS, Act 37 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit of less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.

***Changes of Assumptions***

There were no changes of assumptions for the valuation dated June 30, 2023.

The investment rate of return was decreased from 7.40% to 7.25% for valuation dated June 30, 2022.

The investment rate of return was decreased from 7.55% to 7.40% for valuation dated June 30, 2021.

The investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30%, the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3% - 14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.65% to 7.60% and mortality table for non-disabled members was changed to the RP-2014 Healthy Mortality Table with an MP-2018 Improvement Scale for the valuation dated June 30, 201

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

**CITY COURT OF BOGALUSA**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TO RETIREMENT SYSTEM**

Year Ended December 31	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a percentage of covered payroll
---------------------------------	--	--	--	--------------------------------	---

**Louisiana State Employees' Retirement System**

2023	\$ 11,549	\$ 11,549	\$ -	\$ 26,118	44.2%
2022	\$ 10,080	\$ 10,080	\$ -	\$ 23,775	42.4%
2021	\$ 9,588	\$ 9,673	\$ (85)	\$ 18,633	51.9%
2020	\$ 9,687	\$ 9,687	\$ -	\$ 21,240	45.6%
2019	\$ 11,373	\$ 11,373	\$ -	\$ 24,000	47.4%
2018	\$ 11,803	\$ 11,803	\$ -	\$ 29,507	40.0%

\*Amounts presented were determined as of the measurement date.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



## OTHER SUPPLEMENTARY INFORMATION



**CITY COURT OF BOGALUSA  
COMBINING STATEMENT OF FIDUCIARY NET POSITION**

December 31,

2023

	Custodial Funds			
	Bond Fund	Criminal Fund	Civil Fund	Total Custodial Funds
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	\$ 11,391	\$ 5,462	\$ 42,967	\$ 59,820
<b>TOTAL ASSETS</b>	<b>11,391</b>	<b>5,462</b>	<b>42,967</b>	<b>59,820</b>
<b>LIABILITIES AND NET POSITION</b>				
CURRENT LIABILITIES				
Due to individuals	-	-	3,320	3,320
Due to other governments	-	4,829	944	5,773
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>4,829</b>	<b>4,264</b>	<b>9,093</b>
<b>NET POSITION</b>				
Restricted for individuals and other governments	11,391	633	38,703	50,727
<b>TOTAL NET POSITION</b>	<b>\$ 11,391</b>	<b>\$ 633</b>	<b>\$ 38,703</b>	<b>\$ 50,727</b>

**CITY COURT OF BOGALUSA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

*For the year ended December 31,*

**2023**

	<b>Bond Fund</b>	<b>Criminal Fund</b>	<b>Civil Fund</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS:</b>				
Contributions:				
Individuals for bonds	\$ 70,419	\$ -	\$ -	\$ 70,419
Individuals for civil deposits and garnishments	-	-	48,495	48,495
Fines and fees collected for other agencies	-	158,760	-	158,760
<b>Total Additions</b>	<b>70,419</b>	<b>158,760</b>	<b>48,495</b>	<b>277,674</b>
<b>DEDUCTIONS:</b>				
Payments to City of Bogalusa	-	42,565	-	42,565
Payments to other agencies	49,242	115,562	71,861	236,665
Payments to Individuals	22,681	-	12,706	35,387
<b>Total Deductions</b>	<b>71,923</b>	<b>158,127</b>	<b>84,567</b>	<b>314,617</b>
<b>CHANGE IN NET POSITION</b>	<b>(1,504)</b>	<b>633</b>	<b>(36,072)</b>	<b>(36,943)</b>
<b>Net Position - Beginning of year</b>	<b>12,895</b>	<b>-</b>	<b>74,775</b>	<b>87,670</b>
<b>Net Position - End of year</b>	<b>\$ 11,391</b>	<b>\$ 633</b>	<b>\$ 38,703</b>	<b>\$ 50,727</b>

**CITY COURT OF BOGALUSA  
SCHEDULE OF COMPENSATION, BENEFITS,  
AND OTHER PAYMENTS TO AGENCY HEAD**

*For the year ended December 31,*

**2023**

**Agency Head Name: Judge David M. Duke**

	<b>Amount</b>
Salary - City Funds	\$ 25,042
Salary - Washington Parish	25,561
Salary - La Supreme Court	52,270
Salary - Bogalusa City Court	22,455
Benefits - insurance	9,905
Benefits - retirement	25,817
Auto expense	4,800
Per diem	153
Reimbursements	1,789
Conference	2,960
Other - telephone	685
<b>Total</b>	<b>\$ 171,437</b>

**CITY COURT OF BOGALUSA**

**JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY**  
**AS REQUIRED BY ACT 87 OF THE 2021 REGULAR LEGISLATIVE SESSION**

	First Six Month Period Ended 6/30/2023	Second Six Month Period Ended 12/31/2023
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ 60,819
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	58,448	45,999
Criminal Court Costs/Fees	158,760	100,217
<b>Subtotal Collections</b>	<b>217,208</b>	<b>146,216</b>
Less: Disbursements To Governments & Nonprofits:		
Collections - Garnishments	15,846	14,275
JSCA Board	3,658	3,820
Refund of Advances	7,319	7,401
La. Supreme Court	67	67
JE Fund (these funds were paid to the City of Bogalusa; not retained by Court)	47,453	59,423
City of Bogalusa	19,509	23,800
Washington Parish 88% of state fines	8,896	6,214
District Attorney - 12% of state fines	1,213	571
District Attorney	2,325	2,096
City Prosecutor	9,182	8,553
4th Ward Marshal	12,956	11,079
IDB	15,724	11,317
Juvenile Justice Commission - Adult JJC-Adult/Juv	2,181	1,266
Law Enforcement Training and Assistance Fund - LLET	570	600
CVRF	585	675
LTHSF - Speeding/DWI1/DWI2/ROMV	335	295
OWF - City of Bogalusa	3,348	2,516
Washington Parish Coroner - WP Govt	415	398
CMIS-CityTrafficCityMisd/StateTraffic/StateMisd/DWI	1,055	766
St. Tammany Parish - Lab Fee	2,480	1,973
Probation - City of Bogalusa	600	1,525
DAET	450	278
La. Supreme Court	209	129
BCC JE 2% of LLET	13	11
Less: Amounts Retained by Collecting Agency	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	-	-
<b>Subtotal Disbursements/Retainage</b>	<b>156,389</b>	<b>159,048</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<b>\$ 60,819</b>	<b>\$ 47,987</b>





# **REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***





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Metairie, LA 70002

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

To the Honorable Judge David M. Duke  
City Court of Bogalusa  
Bogalusa, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of City Court of Bogalusa (the Court), which comprise the governmental activities, the major fund, and the aggregate remaining fund information as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Court’s basic financial statements and have issued our report thereon dated September 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City Court of Bogalusa’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 Court of Bogalusa’s internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-002.

## **City Court of Bogalusa's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Bogalusa's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City Court of Bogalusa'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 Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
September 30, 2024

**CITY COURT OF BOGALUSA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**A. SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements*

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | None noted |

*Federal Awards*

The City Court of Bogalusa did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirement under the Uniform Guidance.

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**None noted**

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS**

**2023-001 Material Weakness in Financial Reporting**

<i>Criteria:</i>	According to Generally Accepted Accounting Principles (GAAP) and the Government Accountability Office’s (GAO) Yellow Book standards, organizations are required to maintain accurate and complete records of financial transactions. Changes to beginning balances must be supported by appropriate documentation to ensure transparency and accountability in financial reporting
<i>Condition:</i>	During our audit of the Court’s financial statements, we identified that significant changes were made to the beginning balances of the general ledger accounts, resulting in the removal of all prior balances.
<i>Cause:</i>	The Court’s management aimed to align its financial reporting with Supreme Court standards but did not fully grasp the relationship between beginning and ending balances. This misunderstanding, coupled with inadequate documentation practices, led to the removal of prior year balances without proper justification.

**CITY COURT OF BOGALUSA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS (CONTINUED)**

**2023-001 Material Weakness in Financial Reporting (Continued)**

*Effect:* The removal of all beginning balance accounts has resulted in a material weakness in internal controls over financial reporting. Consequently, the auditor had to assist in restating the beginning balances of all general ledger accounts before the audit could commence. This situation increased the risk of material misstatements in the financial statements and compromised the reliability of financial information.

*Recommendation:* We recommend that the Court provide comprehensive training for staff on financial reporting principles, specifically focusing on the relationship between beginning and ending balances and the importance of accurate documentation. We also recommend that the Court develop and implement formal policies and procedures for making adjustments to beginning balances, including requirements for supporting documentation and management approval.

**2023-002 Noncompliance – LATE FILING FINDING (Originated in 2022)**

*Criteria:* Per Louisiana Revised Statute 24:513, the Court is required to complete and submit an audit to the Louisiana Legislative Auditor “within six months of the close of the local auditee’s or vendor’s fiscal year.”

*Condition:* The Court did not complete and submit the audit to the Louisiana Legislative Auditor within the required time period.

*Cause:* The Court’s office did not appropriately file the audit report within the required time period.

*Effect:* The Court is not in compliance with Louisiana Revised Statute 24:513.

*Recommendation:* It is recommended that the Court implement controls and processes to ensure all required reports are submitted timely.

**CITY COURT OF BOGALUSA  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**D. PRIOR YEAR AUDIT FINDINGS**

**2022-001 Noncompliance – LATE FILING FINDING**

The Court did not complete and submit the audit to the Louisiana Legislative Auditor within the required time period.

Status: Ongoing. See Finding 2023-002



## CITY COURT OF BOGALUSA

FOURTH WARD

WASHINGTON PARISH  
BOGALUSA, LOUISIANA

70429-0518

September 26, 2024

DAVID MERLIN DUKE  
JUDGE

JOHN SUMRALL  
MARSHAL

TONIA D. DELEON  
CLERK OF COURT

POST OFFICE BOX 518  
PHONE (985) 732-6204  
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Carr, Riggs & Ingram, LLC  
3850 N. Causeway Blvd, Ste 1400  
Two Lakeway  
Metairie, LA 70002

RE: Management's Response to 2023 Financial Statement Audit Findings:

Dear Sirs and Madams:

The Court received the draft of our FY23 audit on September 26, 2024, and responds below to the two financial statements findings for the 2023 audit.

### 2023-001 MATERIAL WEAKNESS IN FINANCIAL REPORTING

The Court, in an effort to clear years-old inaccuracies in the historical financial records of the Court, cleared the erroneous data from long closed bank accounts from the courts 4 funds. None of the correction of opening balances from 2018-2020 altered the financial records for the current audit year. No information was lost as there were electronic backups of all financial records (both local and cloud based) available to the court and its auditors at all times. The Court takes issue with this finding.

Responsible Party: Judge David M. Duke

### 2023-002 TIMELY SUBMISSION OF AUDIT REPORT TO LEGISLATIVE AUDITOR

The Court completed its submission of all requested material from its auditors in July. Also in July, any difficulties in getting the information necessary to roll the previous year's financial statements was completed. We requested and were granted an extension through September 30, 2024. However, we will work to ensure that the financial statements are filed timely with the Legislative Auditor going forward.

Responsible Party: Judge David M. Duke

Anticipated Completion Date: September 2024

Sincerely,

DAVID MERLIN DUKE



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

The Honorable Judge David M. Duke  
City Court of Bogalusa  
202 Arkansas Ave,  
Bogalusa, Louisiana 70427

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, 2023 through December 31, 2023. The Judge and Management of the City Court of Bogalusa (the Court) is responsible for those C/C areas identified in the SAUPs.

The 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, 2023 through December 31, 2023. 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 results are as follows:

### ***1) Written Policies and Procedures***

---

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

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**



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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

v. **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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

x. **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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

## **2) Bank Reconciliations**

---

- A. Obtain a listing of the Court's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the Court's main operating account. Select the Court'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:

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

---

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

**Results: No exceptions were found as a result of applying the above procedure.**

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (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:

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- iii. 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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- C. 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.

**Results: No exceptions were found as a result of applying the above procedure.**

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #2A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Results: No exceptions were found as a result of applying the above procedure.**

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

**Results: No exceptions were found as a result of applying the above procedure.**

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**Results: No exceptions were found as a result of applying the above procedure.**

- v. Trace the actual deposit per the bank statement to the general ledger.

**Results: No exceptions were found as a result of applying the above procedure.**

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

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

**Results: No exceptions were found as a result of applying the above procedure.**

- B. For each location selected under #4A 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:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. At least two employees are involved in processing and approving payments to vendors.

**Results: No exceptions were found as a result of applying the above procedure.**

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**Results: No exceptions were found as a result of applying the above procedure.**

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Result: No exceptions were found as a result of applying the above procedure.**

- C. For each location selected under #4A above, obtain the Court'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:

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. Observe whether disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #4B, as applicable.

**Results: No exceptions were found as a result of applying the above procedure.**

- D. Using the Court's main operating account and the month selected in Bank Reconciliations procedure #2A above, randomly select 5 non-payroll related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Court's policy, and (b) approved by the required number of authorized signers per the Court's policy.

**Results: No exceptions were found as a result of applying the above procedure.**

### **5) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

**Results: No exceptions were found as a result of applying the above procedure**

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

## 6) *Contracts*

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law.

**Results: No exceptions were found as a result of applying the above procedure.**

- iii. 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).

**Results: No exceptions were found as a result of applying the above procedure.**

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

**Results: No exceptions were found as a result of applying the above procedure.**

## 7) *Payroll and Personnel*

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

**Results: No exceptions were found as a result of applying the above procedure.**

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #8A above, obtain attendance records and leave documentation for the pay period, and:

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

**Results: No exceptions were found as a result of applying the above procedure.**

iii. Observe any leave accrued or taken during the pay period is reflected in the Court's cumulative leave records.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

## **8) Ethics**

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

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

## 9) *Fraud Notice*

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

**Results: Not applicable as there were no misappropriations noted.**

- B. Observe 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.

**Results: No exceptions were found as a result of applying the above procedure.**

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

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

- i. Obtain and inspect the Court'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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

- ii. Obtain and inspect the Court'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.

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

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

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the terminated list of employees obtained in Payroll and Personnel procedure #7C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

**Results: No exceptions were found as a result of applying the above procedure.**



- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #7A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
  - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment

**Results: No exceptions were found as a result of applying the above procedure.**

### ***11) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #7A 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 as required by R.S. 42:343.

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

- C. Obtain the Court'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:

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

**Results: No exceptions were found as a result of applying the above procedure.**

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

We are required to be independent of the 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.

*Carr, Riggs & Ingram, L.L.C.*

Metairie, Louisiana  
September 30, 2024