

**City of Shreveport City Court
Shreveport, Louisiana**

Financial Statements With Auditors' Report

As of and For the Year Ended December 31, 2022

City of Shreveport City Court
Shreveport, Louisiana

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City of Shreveport City Court
Shreveport, Louisiana

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Independent Auditors' Report

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

City of Shreveport City Court
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shreveport City Court, a component unit of the City of Shreveport, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Shreveport City Court's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Shreveport City Court, as of December 31, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 9 and budgetary comparison information on pages 25 – 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

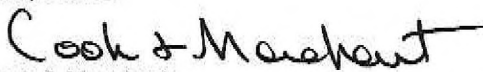
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Shreveport City Court's basic financial statements. The accompanying other supplementary information, Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 30, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section 1 of the schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head, shown on page 30, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads shown on page 30 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the City of Shreveport City Court prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedules, Justice System Funding Schedules, shown on pages 31 – 33, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedules, shown on pages 31 – 33, are fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of City of Shreveport City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Shreveport City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Shreveport City Court's internal control over financial reporting and compliance.


Cook & Morehart
Certified Public Accountants
June 29, 2023

CITY OF SHREVEPORT CITY COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City of Shreveport City Court's financial performance provides an overview of the City Court's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the City's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

The City Court's net position decreased by \$104,779 or 3%.

The City Court's total program revenues were \$446,322 in 2022 compared to \$388,619 in 2021.

During the year ended December 31, 2022, the City Court had total expenses, excluding depreciation, of \$474,008, compared to \$501,140 in 2021.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10 and 11) provide information about the activities of the City Court as a whole. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City Court's operations in more detail than the government-wide statements by providing information about the City Court's most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as a trustee or agent for the benefit of those outside of the City Court. The City Court judges are independently elected officials. However, the City Court is fiscally dependent on the City of Shreveport for office space, courtrooms, and related utility costs, as well as substantially all funding of salary and related employee benefit costs. Because the City Court is fiscally dependent on the City of Shreveport, the City Court was determined to be a component unit of the City of Shreveport. The accompanying financial statements present information only on the funds maintained by the City Court.

Reporting the Funds Maintained by the City Court as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the City Court as a whole begins on page 10. One of the most important questions asked about the City Court's finances is "Is the City Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the City Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are

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

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

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

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

Reporting the Most Significant Funds Maintained by the City Court

Our analysis of the major funds maintained by the City Court begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the most significant funds maintained by the City Court – not the City Court as a whole. However, the City Court establishes other funds to help it control and manage money for particular purposes (like the probation fund) to show that it is meeting legal responsibilities for using certain fees. The City Court's *governmental funds* use the following accounting approaches.

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

The City Court as Trustee

The City Court is the trustee, or *fiduciary*, for its civil division, cash bonds, traffic violation bureau, and a portion of the small claims fund. All of the City Court's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 14 and Statement of Changes in Fiduciary Net Position on page 15. We exclude these activities from the City Court's other financial statements because the City Court cannot use these assets to finance its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE FUNDS MAINTAINED BY THE CITY COURT AS A WHOLE

The City Court's total net position changed from a year ago, decreasing from \$4,344,323 to \$4,239,544. Our analysis below will focus on key elements of the total governmental funds for the 2022 and 2021 years.

Table 1
Net Position

	Governmental Activities 2022	Governmental Activities 2021
Current assets	\$ 3,097,017	\$ 3,229,175
Capital assets	1,207,147	1,253,973
Total assets	<u>4,304,164</u>	<u>4,483,148</u>
Current liabilities	5,855	118,110
Long-term liabilities		
Due within one year	17,905	
Due in more than one year	<u>40,860</u>	<u>20,715</u>
Total liabilities	<u>64,620</u>	<u>138,825</u>
Net Position		
Investment in capital assets	1,148,382	1,182,307
Restricted	275,682	338,408
Unrestricted	<u>2,815,480</u>	<u>2,823,608</u>
Total net position	<u>\$ 4,239,544</u>	<u>\$ 4,344,323</u>

Net position of the funds maintained by the City Court's governmental activities decreased by \$104,779 or 3%. Unrestricted net position, the part of net position that can be used to finance City Court expenses without constraints or other legal requirements decreased by \$8,128 from \$2,823,608 at December 31, 2021 to \$2,815,480 at December 31, 2022.

Table 2
Change in Net
Position

	Governmental Activities 2022	Governmental Activities 2021
Revenues		
Programs Revenues:		
Charges for Service, Fines and Fees	\$ 433,517	\$ 388,619
Intergovernmental	12,805	
Miscellaneous Income	8,293	6,458
Interest income	17,160	3,897
Total revenues	<u>471,775</u>	<u>398,974</u>
Expenses		
General governmental - judicial	576,554	566,440
Increase (decrease) in net position	<u>(104,779)</u>	<u>(167,466)</u>
Net position - beginning of year	4,344,323	4,511,789
Net position - end of year	<u>\$ 4,239,544</u>	<u>\$ 4,344,323</u>

For the funds maintained by the City Court, total revenues increased \$72,801, or 19%, from total revenues in 2021 of \$398,974 to total revenues of \$471,775 in 2022. For the funds maintained by the City Court, program revenues increased by \$57,703, or 15%, from program revenue in 2021 of \$388,619 to program revenue of \$446,322 in 2022.

For the funds maintained by the City Court, total expenses increased \$10,114, or 2%, from total expenses in 2021 of \$566,440 to total expenses of \$576,554 in 2022.

The main reason for the increase in revenues in 2022 is due to the increase of charges for service, fines, and fees.

FUNDS MAINTAINED BY THE CITY COURT

For the funds maintained by the City Court, the governmental funds (as presented on pages 12–13) reported a combined fund balance of \$3,029,219 which is a decrease of \$28,987 from last year.

Budgetary Highlights

The City Court adopted a budget for its General Fund and special revenue funds for the year ended December 31, 2022. There were two amendments to the budget during the year. The City Court's budgetary comparison is presented as required supplementary information and shown on pages 25 through 29. Highlights for the General Fund for the year are as follows:

- Revenues were higher than budgeted amounts due to more collections of fees and fines than anticipated.

- Expenses were lower than budgeted amounts due mainly to operating services and materials and supplies being under budget.

CAPITAL ASSETS

At the end of 2022, the City Court had invested \$1,207,147 in capital assets from those funds maintained by the City Court. (see table 3 below)

Table 3
Capital Assets At Year End (net)

	Governmental Activities 2022	Governmental Activities 2021
Computer equipment	\$ 28,688	\$ 41,839
Lease - equipment	62,588	24,596
Software	1,074,740	1,132,834
Office furniture and improvements	41,131	54,704
Total	<u>\$ 1,207,147</u>	<u>\$ 1,253,973</u>

This year's major additions included:

Computer equipment	\$	\$ 1,392
Software		128,179
Lease - equipment	49,094	
Office equipment	6,626	2,998
Total	<u>\$ 55,720</u>	<u>\$ 132,569</u>

More detail information about the capital assets are presented in Note 7 to the financial statements.

DEBT ADMINISTRATION

Long-term liabilities of the City of Shreveport City Court are summarized as follows:

Table 4
Outstanding Debt At Year End

	Governmental Activities	
	2022	2021
Lease liability	\$ 58,765	\$ 20,715
Total	<u>\$ 58,765</u>	<u>\$ 20,715</u>

More detailed information about the long-term liabilities are presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City Court's elected judges and appointed officials considered many factors when setting a fiscal year 2023 budget. Amounts available for appropriation in the governmental funds are expected to remain the same as 2022.

It is anticipated that the governmental funds' fund balance will increase modestly by the close of 2023. For those funds maintained by the City Court, the City Court will use those revenues for program costs which are not budgeted by the City of Shreveport for the City Court.

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

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

City of Shreveport City Court
Shreveport, Louisiana
Statement of Net Position
December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,034,044
Accounts receivable	1,030
Prepaid expenses	61,943
Capital assets	
Depreciable (net)	1,207,147
Total assets	<u>4,304,164</u>
LIABILITIES	
Accounts payable	5,855
Long-term liabilities	
Due within one year	17,905
Due in more than one year	40,860
Total liabilities	<u>64,620</u>
NET POSITION	
Net investment in capital assets	1,148,382
Restricted for:	
Building	87,347
Probation	164,478
Pro Bono	23,857
Unrestricted	2,815,480
Total net position	<u>\$ 4,239,544</u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Statement of Activities
For the Year Ended December 31, 2022

	Functions / Programs				
	Total	Judicial	Building	Probation	Pro Bono
<u>Governmental Activities</u>					
Expenses:					
Judiciary:					
Materials and supplies	\$ 8,348	\$ 1,895	\$	\$ 6,453	\$
Travel	34,595	33,127		1,468	
Depreciation	102,546	42,019	59,735	792	
Other program services	431,065	189,326	204,100	17,544	20,095
Total expenses	<u>576,554</u>	<u>266,367</u>	<u>263,835</u>	<u>26,257</u>	<u>20,095</u>
Program revenues:					
Charges for services -					
fines and fees	433,517	197,060	138,140	77,162	21,155
Operating grants and contributions	12,805	12,805			
Total program revenues	<u>446,322</u>	<u>209,865</u>	<u>138,140</u>	<u>77,162</u>	<u>21,155</u>
Net program revenue (expenses)	<u>(130,232)</u>	<u>(56,502)</u>	<u>(125,695)</u>	<u>50,905</u>	<u>1,060</u>
General revenues:					
Interest income	17,160				
Miscellaneous	8,293				
Total general revenues	<u>25,453</u>				
Change in net position	(104,779)				
Net position - beginning	<u>4,344,323</u>				
Net position - ending	<u>\$ 4,239,544</u>				

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Balance Sheet
Governmental Funds
December 31, 2022

	Major Funds				Total Governmental Funds
	General	Building	Probation	Pro Bono	
Assets					
Cash and cash equivalents	\$ 2,809,585	\$ 34,645	\$ 164,478	\$ 25,336	\$ 3,034,044
Accounts receivable	1,030				1,030
Total assets	<u>\$ 2,810,615</u>	<u>\$ 34,645</u>	<u>\$ 164,478</u>	<u>\$ 25,336</u>	<u>\$ 3,035,074</u>
Liabilities					
Accounts payable	\$ 4,376	\$	\$	\$ 1,479	\$ 5,855
Total liabilities	<u>4,376</u>			<u>1,479</u>	<u>5,855</u>
Fund balances					
Restricted					
Building		34,645			34,645
Probation			164,478		164,478
Pro Bono				23,857	23,857
Unassigned	2,806,239				2,806,239
Total fund balances	<u>2,806,239</u>	<u>34,645</u>	<u>164,478</u>	<u>23,857</u>	<u>3,029,219</u>
Total liabilities and fund balances	<u>\$ 2,810,615</u>	<u>\$ 34,645</u>	<u>\$ 164,478</u>	<u>\$ 25,336</u>	

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

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	61,943
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,207,147
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds.	
Lease liability	<u>(58,765)</u>
Net position of governmental activities	<u>\$ 4,239,544</u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	Major Funds				Total Governmental Funds
Revenues:	General	Building	Probation	Pro Bono	
Charges for services - fees and fines	\$ 197,060	\$ 138,140	\$ 77,162	\$ 21,155	\$ 433,517
Intergovernmental	12,805				12,805
Interest income	15,550	697	776	137	17,160
Miscellaneous income	7,851		442		8,293
Total revenues	<u>233,266</u>	<u>138,837</u>	<u>78,380</u>	<u>21,292</u>	<u>471,775</u>
Expenditures:					
Current:					
Judicial					
Operating services	201,766	211,789	17,544	20,095	451,194
Materials and supplies	1,894		6,453		8,347
Travel and other charges	33,127		1,468		34,595
Capital outlay	51,214	4,506			55,720
Total expenditures	<u>288,001</u>	<u>216,295</u>	<u>25,465</u>	<u>20,095</u>	<u>549,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(54,735)</u>	<u>(77,458)</u>	<u>52,915</u>	<u>1,197</u>	<u>(78,081)</u>
Other financing sources :					
Lease proceeds	49,094				49,094
Total other financing sources	<u>49,094</u>				<u>49,094</u>
Net change in fund balances	(5,641)	(77,458)	52,915	1,197	(28,987)
Fund balances at beginning of year	<u>2,811,880</u>	<u>112,103</u>	<u>111,563</u>	<u>22,660</u>	<u>3,058,206</u>
Fund balances at end of year	<u>\$ 2,806,239</u>	<u>\$ 34,645</u>	<u>\$ 164,478</u>	<u>\$ 23,857</u>	<u>\$ 3,029,219</u>

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

Net change in fund balances - total governmental funds	\$ (28,987)
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	9,084
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$102,546) exceeded capital outlay (\$55,720) in the current period.	(46,826)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Lease proceeds	(49,094)
Principle paid on lease liability	<u>11,044</u>
Change in net position of governmental activities	<u>\$ (104,779)</u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 3,825,314
Total assets	<u>3,825,314</u>
Net Position	
Total net position	<u>\$ 3,825,314</u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	<u>Custodial Funds</u>
Additions:	
Investment income - interest	\$ 5,101
Fines and other fees collected	<u>3,994,128</u>
Total Additions	<u>3,999,229</u>
Deductions:	
Payments of fines and other fees	1,798,436
Payments of court and other costs	<u>1,699,455</u>
Total Deductions	<u>3,497,891</u>
Change in net position	501,338
Net position - beginning	<u>3,323,976</u>
Net position - ending	<u><u>\$ 3,825,314</u></u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022

INTRODUCTION

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

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basic Financial Statements – Government-Wide Statements

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

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

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

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

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

C. Basic Financial Statements – Fund Financial Statements

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

The following fund types are used by the City Court:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City Court:
 - a. General funds are the general operating funds of the City Court. They are used to account for all financial resources except those required to be accounted for in another fund. Included in the City Court's general funds are the Cost fund and Criminal fund.
 - b. The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds of the City Court are the Building fund, Probation fund and Pro Bono fund.
2. Fiduciary funds – Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City Court programs. The reporting focus is on net position and changes in net position and is reported using the accrual basis of accounting.

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

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

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

D. Basis of Accounting

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

1. Accrual:

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

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

2. Modified Accrual:

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

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, and interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less when purchased. Under state law, the City Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

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

F. Capital Assets

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

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

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

G. Net Position

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

H. Fund Balance

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

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

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

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

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

I. Use of Estimates

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

J. Deferred Outflows/Inflows of Resources

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

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

K. Interfund Activity

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

L. Prepaid Items

Prepaid items reported in the government wide financial statements represent payments for maintenance agreements and insurance that will benefit periods beyond December 31, 2022.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

(2) Budgets

The City Court uses the following budget practices:

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

(3) Cash and Cash Equivalents

At December 31, 2022, the City Court has cash and cash equivalents (book balances) totaling \$6,859,358, as detailed below.

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

Cash and cash equivalents	\$ 3,034,044
Custodial funds (not on government-wide statements)	<u>3,825,314</u>
	<u>\$ 6,859,358</u>

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

B. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2022, \$6,558,399 of the government's bank balance of \$7,058,399 was exposed to custodial credit risk as uninsured and collateral held by the pledging bank's trust department not in the City Court's name.

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

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

(4) Risk Management

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

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

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

(6) New Accounting Principle

In June, 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*, which increased the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The Court implemented this Statement in the current year, with no changes to the prior net position as a result of this implementation.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to the Financial Statements
December 31, 2022
(Continued)

(7) Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance Jan. 1, 2022	Additions	Deletions	Balance at Dec. 31, 2022
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Computer equipment	\$ 244,234	\$	\$ (28,687)	\$ 215,547
Software	1,161,881			1,161,881
Office equipment	336,221	6,626		342,847
Office furniture and improvements	510,135			510,135
Total capital assets, being depreciated at historical cost	<u>2,252,471</u>	<u>6,626</u>	<u>(28,687)</u>	<u>2,230,410</u>
Less accumulated depreciation:				
Computer equipment	(202,395)	(13,152)	28,687	(186,860)
Software	(29,047)	(58,094)		(87,141)
Office equipment	(284,223)	(17,492)		(301,715)
Office furniture and improvements	(507,429)	(2,706)		(510,135)
Total accumulated depreciation	<u>(1,023,094)</u>	<u>(91,444)</u>	<u>28,687</u>	<u>(1,085,851)</u>
Leased assets				
Equipment	43,235	49,094		92,329
Total leased assets, being amortized	<u>43,235</u>	<u>49,094</u>		<u>92,329</u>
Less accumulated amortization for:				
Leased equipment	(18,639)	(11,102)		(29,741)
Total accumulated amortization, leased asset	<u>(18,639)</u>	<u>(11,102)</u>		<u>(29,741)</u>
Governmental activities capital assets, net	<u>\$ 1,253,973</u>	<u>\$ (46,826)</u>	<u>\$</u>	<u>\$ 1,207,147</u>

Depreciation/amortization expense was charged to Governmental Activities as follows:

Judicial expenses	\$ 101,754
Probation	792
	<u>\$ 102,546</u>

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2022
(Continued)

(8) Long-term Liabilities

Long-term liability activity for the year ended December 31, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease liability - equipment	\$ 20,715	\$ 49,094	\$ (11,044)	\$ 58,765	\$ 17,905
Governmental Activities long-term liabilities	<u>\$ 20,715</u>	<u>49,094</u>	<u>\$ (11,044)</u>	<u>\$ 58,765</u>	<u>\$ 17,905</u>

Leased Equipment

The Court has several lease agreements for equipment. The equipment is included in governmental activities capital assets at a cost of \$92,329, with accumulated amortization totaling \$29,741 as of December 31, 2022. Interest has been imputed at a rate between 1.37% to 3.90%, and the Court will make monthly payments through December 2027. The future lease payments under lease agreements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 17,905	\$ 1,817
2024	15,507	1,339
2025	10,132	921
2026	10,260	528
2027	4,961	130
	<u>\$ 58,765</u>	<u>\$ 4,735</u>

(9) Subsequent Events

Subsequent events have been evaluated through June 29, 2023, the date the financial statements were available to be issued.

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance-
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Revenues:				
Charges for services -				
fees and fines	\$ 173,500	\$ 173,500	\$ 196,030	\$ 22,530
Interest income	5,060	5,180	15,550	10,370
Miscellaneous income	16,300	16,300	20,656	4,356
Total revenues	<u>194,860</u>	<u>194,980</u>	<u>232,236</u>	<u>37,256</u>
Expenditures:				
Current:				
General government:				
Operating services	231,350	225,850	197,389	28,461
Materials and supplies	2,700	3,000	1,895	1,105
Travel and other charges	36,000	40,000	33,127	6,873
Capital outlay			2,120	(2,120)
	<u>270,050</u>	<u>268,850</u>	<u>234,531</u>	<u>34,319</u>
Excess (deficiency) of revenues over expenditures	(75,190)	(73,870)	(2,295)	71,575
Fund balances at beginning of year	<u>2,206,910</u>	<u>2,206,910</u>	<u>2,811,880</u>	<u>604,970</u>
Fund balances at end of year	<u>\$ 2,131,720</u>	<u>\$ 2,133,040</u>	<u>\$ 2,809,585</u>	<u>\$ 676,545</u>

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Building Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance-
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Revenues:				
Charges for services - fees and fines	\$ 124,500	\$ 138,236	\$ 138,140	\$ (96)
Interest income	500	646	697	51
Total revenues	<u>125,000</u>	<u>138,882</u>	<u>138,837</u>	<u>(45)</u>
Expenditures:				
Current:				
General government:				
Operating services	143,300	325,701	211,789	113,912
Capital outlay			4,506	(4,506)
	<u>143,300</u>	<u>325,701</u>	<u>216,295</u>	<u>109,406</u>
Excess of revenues over expenditures	(18,300)	(186,819)	(77,458)	109,361
Fund balances at beginning of year	<u>212,936</u>	<u>212,936</u>	<u>112,103</u>	<u>(100,833)</u>
Fund balances at end of year	<u>\$ 194,636</u>	<u>\$ 26,117</u>	<u>\$ 34,645</u>	<u>\$ 8,528</u>

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Probation Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance- Favorable
	Original	Final	(Budgetary Basis)	(Unfavorable)
Revenues:				
Charges for services -				
fees and fines	\$ 76,000	\$ 76,000	\$ 77,162	\$ 1,162
Interest income	400	400	776	376
Miscellaneous income	2,000	2,000	442	(1,558)
Total revenues	<u>78,400</u>	<u>78,400</u>	<u>78,380</u>	<u>(20)</u>
Expenditures:				
Current:				
General government:				
Operating services	26,500	26,500	17,544	8,956
Materials and supplies	6,000	8,000	6,453	1,547
Travel and other charges	2,000	2,000	1,468	532
Total expenditures	<u>34,500</u>	<u>36,500</u>	<u>25,465</u>	<u>11,035</u>
Excess of revenues over expenditures	43,900	41,900	52,915	11,015
Fund balances at beginning of year	<u>106,699</u>	<u>106,699</u>	<u>111,563</u>	<u>4,864</u>
Fund balances at end of year	<u>\$ 150,599</u>	<u>\$ 148,599</u>	<u>\$ 164,478</u>	<u>\$ 15,879</u>

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Probono Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance- Favorable
	Original	Final	(Budgetary Basis)	(Unfavorable)
Revenues:				
Charges for services - fees and fines	\$ 20,000	\$ 20,000	\$ 21,155	\$ 1,155
Interest income	100	100	137	37
Total revenues	<u>20,100</u>	<u>20,100</u>	<u>21,292</u>	<u>1,192</u>
Expenditures:				
Current:				
General government:				
Operating services	20,000	26,000	18,616	7,384
Total expenditures	<u>20,000</u>	<u>26,000</u>	<u>18,616</u>	<u>7,384</u>
Excess of revenues over expenditures	100	(5,900)	2,676	8,576
Fund balances at beginning of year	<u>25,662</u>	<u>25,662</u>	<u>22,660</u>	<u>(3,002)</u>
Fund balances at end of year	<u>\$ 25,762</u>	<u>\$ 19,762</u>	<u>\$ 25,336</u>	<u>\$ 5,574</u>

City of Shreveport City Court
Shreveport, Louisiana
Notes to Required Supplementary Information
December 31, 2022

The City Court's budget is adopted on the cash basis for all funds. There were two amendments to the 2022 budget. Budget comparison statements included in the accompanying financial statements include the original and final amended budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Probation Fund</u>	<u>Pro Bono Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ (2,295)	\$ (77,458)	\$ 52,915	\$ 2,676
Adjustments:				
Revenue accruals - net	1,029			
Expenditure accruals - net	<u>(4,375)</u>	<u> </u>	<u> </u>	<u>(1,479)</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (5,641)</u>	<u>\$ (77,458)</u>	<u>\$ 52,915</u>	<u>\$ 1,197</u>

City of Shreveport City Court
A Component Unit of the City of Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits and Other Payments to Agency Heads
For the Year Ended December 31, 2022

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

SECTION I

Paid by the City of Shreveport City Court

Purpose

Per diem	\$ 3,776	\$ 885	\$ 1,062	\$ 1,770
Travel	4,276	2,530	4,762	4,853

SECTION II

Paid by the City of Shreveport

Purpose

Salary	99,100	99,100	99,100	99,100
Benefits-insurance	15,300	1,800	1,500	1,600
Benefits-retirement	43,200		43,200	43,200
Car allowance		600		600
Registration fees	3,375	1,100	1,775	1,900

City of Shreveport City Court
Other Supplementary Information
Justice System Funding Schedule
Receiving Schedule - General Fund
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2022

Cash Basis Presentation	January 2022 - June 2022	July 2022 - December 2022
Receipts From:		
City of Shreveport - Bond Fees	1,722	2,802
Subtotal Receipts	<u>1,722</u>	<u>2,802</u>
Ending Balance of Amounts Assessed but Not Received	<u>0</u>	<u>0</u>

City of Shreveport City Court
Other Supplementary Information
Justice System Funding Schedule
Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2022

Cash Basis Presentation	January 2022 - June 2022	July 2022 - December 2022
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 3,496,348	\$ 3,720,161
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	770,390	819,553
Bond Fees	357,841	148,980
Criminal Court Costs/Fees	482,852	447,929
Criminal Fines - Other	473,590	371,521
Probation/Parole/Supervision Fees	17,719	10,140
Interest Earnings on Collected Balances	1,814	4,360
Subtotal Collections	<u>2,104,006</u>	<u>1,802,483</u>
Less: Disbursements to Governments and Nonprofits:		
Bienville Parish Sheriff-Service/Collection Fees	35	67
Bossier City Marshal-Service/Collection Fees	1,530	1,560
Bossier City Marshal-Service/Collection Fees	1,380	1,140
Bossier Parish Sheriff-Service/Collection Fees	1,227	1,385
Caddo Parish District Attorney, Criminal Court Costs/Fees	3,064	2,067
Caddo Parish Indigent Defender Board, Criminal Court Costs/Fees	163,799	135,790
Caddo Parish Sheriff-Service/Collection Fees	6,929	5,789
Calcasieu Parish Sheriff-Service/Collection Fees		234
City of Shreveport City Marshal, Civil Fees	144,500	155,067
City of Shreveport City Marshal, Criminal Court Costs/Fees	55,328	45,734
City of Shreveport, Civil Fees	351,340	347,487
City of Shreveport, Criminal Fines - Other	473,590	371,521
Claiborne Parish Sheriff-Service/Collection Fees	77	30
Constable Roger Harris-Service/Collection Fees	50	
Crime Stoppers, Criminal Court Costs/Fees	8,023	6,246
Desoto Parish Sheriff-Service/Collection Fees	2,206	1,781
East Baton Rouge Parish Sheriff-Service/Collection Fees	11,615	10,284
East Baton Rouge Sheriff-Service/Collection Fees	1,012	437
East Baton Rouge-Service/Collection Fees	397	
Grant Parish Sheriff-Service/Collection Fees	126	70
Honorable Lambert Boissiere Iii Orleans Civil Parish Constable-Service/Collection Fees		20
Iberville Parish Sheriff-Service/Collection Fees		34
Jefferson Parish Sheriff Office-Service/Collection Fees	30	
Jefferson Parish Sheriff-Service/Collection Fees		180
Lafayette Parish Sheriff-Service/Collection Fees	99	335
Lambert Boissiere, Jr.-Service/Collection Fees	100	40
Lincoln Parish Sheriff-Service/Collection Fees	65	69
Livingston Parish Sheriff-Service/Collection Fees		43
Louisiana Commission On Law Enforcement, Criminal Court Costs/Fees	9,390	3,655
Louisiana Department of Health And Hospitals Injury Fund, Criminal Court Costs/Fees	7,999	5,907
Louisiana Department of Public Safety Criminal Id, Criminal Court Costs/Fees	4,000	3,500
Louisiana Department of Public Safety, Criminal Court Costs/Fees	5,141	3,075
Louisiana State Treasury, Civil Fees	92,310	100,502
Louisiana Supreme Court, Civil Fees	1,826	1,585
Louisiana Supreme Court, Criminal Court Costs/Fees	1,825	1,509
Madison Parish Sheriff-Service/Collection Fees	60	
Monroe City Marshal'S Sales Fund-Service/Collection Fees	30	
Morehouse Parish Sheriff-Service/Collection Fees	37	30

(Continued)

City of Shreveport City Court
Other Supplementary Information
Justice System Funding Schedule
Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2022
(Continued)

	January 2022 - June 2022	July 2022 - December 2022
Natchitoches Parish Sheriff-Service/Collection Fees	139	107
North Louisiana Criminalistics Laboratory, Criminal Court Costs/Fees	129,851	105,303
Office of General Counsel-Service/Collection Fees		15
Orleans Civil Parish Constable-Service/Collection Fees	60	20
Orleans Parish Sheriff-Service/Collection Fees	50	60
Quachita Parish Sheriff S Office-Service/Collection Fees	629	175
Rapides Parish Sheriff-Service/Collection Fees	88	75
Red River Parish Sheriff-Service/Collection Fees	22	83
Richland Parish Sheriff-Service/Collection Fees	49	
Ronald Glen Beard-Service/Collection Fees	30	
Sabine Parish Sheriff-Service/Collection Fees	295	43
Secretary of State-Service/Collection Fees		50
Sheriff of Jefferson Parish-Service/Collection Fees		30
Shreveport Bar Foundation Pro Bono Project, Civil Fees	4,787	
Shreveport City Prosecutor, Criminal Court Costs/Fees	8,336	6,240
St. Tammany Parish 70471-Service/Collection Fees	71	
St. Tammany Parish Sheriff-Service/Collection Fees	236	416
State of Louisiana CMIS, Criminal Court Costs/Fees	10,947	9,056
Terrebonne Parish Sheriff-Service/Collection Fees	109	
Union Parish Sheriff-Service/Collection Fees	30	
Vermilion Parish Sheriff-Service/Collection Fees	6	
Victim of Crime, Criminal Court Costs/Fees	3,379	2,252
Webster Parish Sheriff-Service/Collection Fees	335	255
Winn Parish Sheriff-Service/Collection Fees	238	34
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection		
Pro Bono Fees		
Amounts "Self-Disbursed" to Collecting Agency		
Civil Fees	62,340	75,303
Bond Fees	6,694	2,741
Criminal Court Costs/Fees	133,679	139,179
Probation/Parole/Supervision Fees	17,719	10,140
Other	9,404	6,780
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	49,232	39,230
Bond Fee Refunds	67,061	70,838
Payments to 3rd Party Collection/Processing Agencies	25,237	21,603
Subtotal Disbursements/Retainage	<u>1,880,193</u>	<u>1,697,201</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 3,720,161	\$ 3,825,443
Ending Balance of "Partial Payments" Collected but not Disbursed	<u>0</u>	<u>0</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	<u>0</u>	<u>0</u>
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	<u>0</u>	<u>0</u>

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

Independent Auditors' Report

City of Shreveport City Court
Shreveport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shreveport City Court as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Shreveport City Court's basic financial statements, and have issued our report thereon dated June 29, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings as items 2022-001 and 2022-002, that we considered to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Shreveport City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Shreveport City Court's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart
Certified Public Accountants
June 29, 2023

City of Shreveport City Court
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
December 31, 2022

There were two findings in the prior audit for the year ended December 31, 2021.

2021-001 – Accounting Records Custodial Funds

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

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

Current Status: See finding 2022-001 in current year audit.

2021-002 – Daily Work for Custodial Funds Receipts

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

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

Current Status: See finding 2022-002 in current year audit.

Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
December 31, 2022

There are two findings in the current audit for the year ended December 31, 2022 as noted below:

2022-001 – Accounting Records

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

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
December 31, 2022
(Continued)

Material Weakness: General ledgers were not maintained on a current basis for all of the Court's funds for the year ended December 31, 2022. Bank reconciliations were also not completed timely and were not approved by supervisory personnel for the Civil and Small Claims funds during the year. In addition, subsidiary ledgers were not reconciled to general ledgers for the Court's Civil, Small Claims, Violations, and Cash Bond funds.

Cause: The Court implemented a new subsidiary software during 2021. The software was intended to be an all-inclusive software package which included general ledgers. However, the Court was later made aware that there were no general ledger functions included in the new software package. In addition, due to issues with the implementation of the new software, bank reconciliations for the Court's Civil and Small Claims bank accounts were not performed during the year. Those reconciliations were subsequently completed in April 2023.

Effect: Although activity for was recorded in the new subsidiary software, general ledgers were not maintained for any of the Court's funds. Bank reconciliations were not completed for the Civil and Small Claims funds, and therefore were not approved by supervisory personnel. In addition, a reconciliation of subsidiary ledgers to general ledgers could not be performed since no general ledgers were maintained. Without general ledgers and bank reconciliations, errors could be made and go undetected.

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

Management's Response: The City Court plans to implement an accounting software package with general ledger functionality to comply with all recommendations. The financial data from Odyssey Financial Manager will be imported into the accounting software monthly. Bank reconciliations will be completed in Odyssey Financial Manager within 30 days of the closing of the statement date.

2022-002 – Daily Work for Civil and Small Claims Receipts

Criteria: Internal controls should be in place for ensuring that daily work for all receipts, including Civil and Small Claims funds, is reviewed and physically approved by supervisory personnel.

Material Weakness: No supervisory approval was noted on the Civil and Small Claims receipts which were selected for testing.

Cause: Controls were not in place for ensuring that supervisory review was physically documented on all daily work.

Effect: Without supervisory approval of daily work, errors could have occurred and not been detected.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
December 31, 2022
(Continued)

Recommendation: We recommend that controls be put in place for ensuring that supervisory approval be physically documented on all daily work.

Management's Response: Controls are in place to ensure supervisory approval occurs on daily receipts in Civil and Small Claims. A review of the daily receipts reflected that on occasions when the civil supervisor is out of the office, the supervisor role is completed by another employee. However, that employee was not signing the receipt journal as the supervisor. The control will be modified to substitute a signature for an alternate to the supervisor when the supervisor is out of the office.

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Independent Accountants' Report on Applying Agreed-Upon Procedures

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

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

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The City of Shreveport City Court's management is responsible for those C/C areas identified in the SAUPs.

The City of Shreveport City Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- 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.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedures performed. No exceptions noted.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The Court's Judges are independently elected officials and are not required to have board or finance meetings. The Court did not have a negative unassigned fund balance in the prior year audit report.

3) Bank Reconciliations

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

Procedures performed. Noted the following exception:

Exception: Five (5) of the bank reconciliations tested did not have evidence that they were prepared within 2 months of the related statement's closing date.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - 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;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain

management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exception:

Exception: The employee responsible for mailing checks is also responsible for processing some of the Court's payments.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The Court does not utilize any credit cards, bank debit cards, fuel cards, or purchase cards.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. Noted the following exception:

Exception: Two (2) reimbursements tested were not approved in writing, by someone other than the person receiving reimbursement.

8) Contracts

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

Procedures performed. No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- 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.

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

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedures performed. No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Court did not issue any debt during the fiscal period.

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

12) Fraud Notice

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

Management represented that there were no misappropriations of public funds or assets during the year ended December 31, 2022.

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

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- 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 entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) *Prevention of Sexual Harassment*

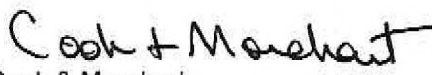
- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Procedures performed. No exceptions noted.

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

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

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


Cook & Morehart
Certified Public Accountants
June 29, 2023

William F. Whiteside
Clerk of Court
318 673-5800
318 673-5813 (FAX)



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courts@shreveportla.gov

June 29, 2023

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

The City of Shreveport City Court submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2022:

Exception: Five (5) of the bank reconciliations selected for testing did not contain evidence that they were prepared within 2 months of the related statement closing date.

Response:

Management has implemented a policy that bank reconciliations must be completed within 30 days of the statement closing date.

Exception: The employee responsible for mailing checks is also responsible for processing some of the Court's payments.

Response:

As a control, management reviews and approves monthly bank statements. Management will consider alternate procedures.

Exception: Two (2) reimbursements tested were not approved in writing, by someone other than the person receiving the reimbursement.

Response:

Our policy dictates that all requests for reimbursement be signed by the Judicial Administrator in addition to the party requesting reimbursement.

Sincerely,

William F. Whiteside, Clerk of Court
City of Shreveport City Court