

**Pineville City Court
Pineville, Louisiana**

Audited Financial Statements

For the Year Ended December 31, 2021

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
GOVERNMENT-WIDE FINANCIAL STATEMENTS	4
Statement of Net Position	5
Statement of Activities.....	6
FUND FINANCIAL STATEMENTS.....	7
Governmental Funds:	
Balance Sheet-Governmental Funds	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	11
Fiduciary Funds:	
Statement of Fiduciary Net Position.....	12
Statement of Changes in Fiduciary Net Position	13
NOTES TO FINANCIAL STATEMENTS.....	14
REQUIRED SUPPLEMENTARY INFORMATION	28
Pension information.....	29
Budgetary Comparison Schedule – All Governmental Fund Types.....	30
SUPPLEMENTARY INFORMATION	31
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	32
Justice System Funding Schedule – Collecting/Disbursing Entity.....	33

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36
Schedule of Findings and Questioned Costs.....	38
Management’s Corrective Action Plan.....	41
Summary Schedule of Prior Audit Findings.....	43
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	44



**OESTRIECHER
& COMPANY, CPAs**

Beyond the Numbers

Emile P. Oestriecher III, CPA
Kurt G. Oestriecher, CPA
Dale P. De Selle, CPA
Katy E. McClure, CPA

www.oandcocpas.com

Independent Auditor's Report

To the Honorable Judge Gary Hays
Pineville City Court Judge
Pineville, Louisiana

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pineville City Court, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Pineville City Court's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Pineville City Court as of December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pineville 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pineville 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 the Pineville 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

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

Accounting principles generally accepted in the United States of America require that the pension information and budgetary comparison information included on pages 29 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Pineville City Court's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer included on page 32 and The Justice System Funding Schedule – Collecting/Disbursing Entity on page 33 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 28, 2022, on our consideration of the Pineville 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pineville City Court's internal control over financial reporting and compliance.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 28, 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Pineville City Court
Statement of Net Position
December 31, 2021**

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 288,766
Capital assets, net of accumulated depreciation	<u>65,772</u>
Total assets	<u>354,538</u>
DEFERRED OUTFLOWS OF RESOURCES	75,474
 <u>Liabilities</u>	
Current liabilities	
Accounts payable	<u>3,475</u>
Total current liabilities	<u>3,475</u>
 Long term liabilities	
Pension liability	<u>253,623</u>
Total liabilities	<u>257,098</u>
DEFERRED INFLOWS OF RESOURCES	<u>71,007</u>
 <u>Net Position</u>	
Net investment in capital assets	65,772
Restricted for building maintenance/improvements	71,322
Unrestricted net position	<u>(35,187)</u>
Total net position	<u><u>\$ 101,907</u></u>

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

**Pineville City Court
Statement of Activities
For The Year Ended December 31, 2021**

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
GOVERNMENTAL ACTIVITIES					
Primary Government					
Governmental activities	\$ 408,468	\$ 320,878	\$ -	\$ -	\$ (87,590)
Total governmental activities	408,468	320,878	-	-	(87,590)
Total primary government	\$ 408,468	\$ 320,878	\$ -	\$ -	\$ (87,590)
General revenues:					
					\$ -
					5,691
				Total general revenues and transfers	5,691
				Change in net position	(81,899)
				Net position-beginning of year	183,806
				Net position-ending of year	\$ 101,907

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

FUND FINANCIAL STATEMENTS

**Pineville City Court
Balance Sheet
Governmental Funds
December 31, 2021**

	General Fund	Judicial Building Fund	Total Governmental Funds
<u>Assets</u>			
Cash	\$ 215,000	\$ 73,766	\$ 288,766
Total assets	\$ 215,000	\$ 73,766	\$ 288,766
<u>Liabilities and fund balance</u>			
Liabilities:			
Accounts payable	\$ 1,031	\$ 2,444	\$ 3,475
Total liabilities	1,031	2,444	3,475
Fund balance:			
Restricted	-	71,322	71,322
Unassigned	213,969	-	213,969
Total fund balances	213,969	71,322	285,291
Total liabilities and fund balances	\$ 215,000	\$ 73,766	\$ 288,766

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

**Pineville City Court
Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
December 31, 2021**

Total fund balance-total governmental funds		\$ 285,291
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (government-wide financial statements) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.</p>		
Cost of assets	375,453	
Accumulated depreciation	<u>(309,681)</u>	
		65,772
<p>Pension liabilities and related deferred inflows and outflow of resources are not reported in the governmental funds but are reported in the government-wide financial statements</p>		
Pension liability	(253,623)	
Deferred inflows of resources	(71,007)	
Deferred outflows of resources	<u>75,474</u>	
		<u>(249,156)</u>
Total net position of governmental activities (government-wide financial statements)		<u>\$ 101,907</u>

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

Pineville City Court
Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
For the year ended December 31, 2021

	General Fund	Judicial Building Fund	Total Governmental Funds
Revenues:			
Court costs	\$ 180,792	\$ 44,449	\$ 225,241
Probation fees	95,637	-	95,637
Miscellaneous	5,692	-	5,692
Total revenues	<u>282,121</u>	<u>44,449</u>	<u>326,570</u>
Expenditures:			
Current:			
General Fund	366,384	-	366,384
Building Fund	-	33,389	33,389
Capital outlay	-	-	-
Total expenditures	<u>366,384</u>	<u>33,389</u>	<u>399,773</u>
Excess (deficiency) of revenues over expenditures	(84,263)	11,060	(73,203)
Fund balances, beginning	298,232	60,262	358,494
Fund balances, ended	<u>\$ 213,969</u>	<u>\$ 71,322</u>	<u>\$ 285,291</u>

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

Pineville City Court
Reconciliation of the Statement of
Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the year ended December 31, 2021

Net changes in fund balances-total governmental funds (fund financial statements)	\$ (73,203)
--	-------------

Amounts reported for *governmental activities* in the statement of activities (government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund. Government activities report depreciation expense to allocate the cost of those capital assets over the estimated useful life.

Capital expenditures	-
Depreciation expense	(12,182)

Differences between the amounts reported as an expense in the statement of activities and those reported as an expense in the fund financial statements

Pension expense	3,486
-----------------	-------

Change in net position of governmental activities (government-wide financial statements)	<hr style="border: 0.5px solid black;"/> <u>\$ (81,899)</u>
---	---

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

Pineville City Court
Statement of Fiduciary Net Position
December 31, 2021

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash	\$ 614,312
Total assets	<u><u>\$ 614,312</u></u>
<u>Net Position</u>	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 614,312</u>
Total net position	<u><u>\$ 614,312</u></u>

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

Pineville City Court
Statement of Changes in Fiduciary Net Position
December 31, 2021

	<u>Custodial Funds</u>
<u>Additions</u>	
Civil fees collected	\$ 193,561
Court costs and fines collected	<u>575,021</u>
Total additions	<u>768,582</u>
 <u>Deductions</u>	
Civil fee refunds	213,322
Court costs and fines disbursed	<u>575,021</u>
Total deductions	<u>788,343</u>
 Net increase (decrease) in fiduciary net position	 (19,761)
Net position - beginning	<u>634,073</u>
Net position - ending	<u>\$ 614,312</u>

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

NOTES TO FINANCIAL STATEMENTS

Pineville City Court
Notes to Financial Statements

For Year Ended December 31, 2021

Introduction

The financial statements of the Pineville City Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Court's accounting policies are described below.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

Pineville City Court (the Court) was established under the authority of Louisiana Revised Statutes 13:1871-2512. Its territorial jurisdiction extends throughout Wards 9, 10, and 11 of Rapides Parish in which the City of Pineville is located. The Court is composed of a City Judge (elected) and a clerk of court (appointed by the City Judge).

Funds flowing through the Court consist mainly of court costs and penalties in criminal cases, probation fees, and deposits in civil cases. In all criminal matters, the Judge assesses court costs in accordance with state statutes. The Judge uses these revenues to defray the operating expenses of the Court or for the payment of clerical fees and similar expenditures as approved by the Judge.

The financial statements of the Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and interpretations), constitutes GAAP for governmental units.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. Generally, component units are legally separate organizations for which the elected officials or appointed board members of the primary government are financially accountable.

Pineville City Court
Notes to Financial Statements

For Year Ended December 31, 2021

Some of the criteria considered under “legally separate organization” are: (1) the capacity for the organization to have its own name; (2) the right for the organization to sue and be sued in its own name without recourse to the primary government; and (3) the right to buy, sell, lease, and mortgage property in its own name. Some of the criteria used to be considered “financially accountable” include: (1) appointment of a voting majority to impose its will on the organization; (3) potential to provide specific financial benefits to or improve specific financial burdens on the primary government; and (4) fiscal dependence of the organization.

The Pineville City Court is a potential component unit of the City of Pineville, Louisiana. However, the Pineville City Court is a separate reportable entity from the City of Pineville because it is an autonomous unit and is a separate political division of the Judicial Division of the State of Louisiana. The City Judge, an elected official, has the ability to exercise accountability for fiscal matters. The Pineville City Court is financially independent from the City of Pineville, Louisiana.

Governmental Funds –

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

Building Fund – Fees are collected from each suit that comes through the Court. These fees are used at the Judge’s discretion to pay for building and equipment upkeep. The net position of the Building Fund is restricted.

Fiduciary Funds –

Custodial funds - Custodial funds are used to account for assets held by Pineville City Court as an agent for other governmental departments, other organizations, and other funds. The Pineville City Court implemented GASB 84 - Fiduciary Activities for the 2020 fiscal year.

Civil Fees Fund - Advance court costs are deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The Court acts only as a collection agent for fees in civil matters. As the suits are processed, the various fees earned are paid out on a monthly basis. After a case is dismissed, any excess deposit is refunded.

Court Costs and Fines Fund – Court costs and fines are fees of the Court. The Court collects these fees in order to distribute the funds to other government agencies.

Criminal Bonds Fund – The fund is used to account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for criminal offenses. Bonds posted by violators are held until their cases are heard in Pineville City

Pineville City Court
Notes to Financial Statements

For Year Ended December 31, 2021

Court. At that time, the bonds for persons convicted of violations are distributed to various agencies.

Appeals Bonds Fund – This fund is used to account for cash bonds posted by defendants that have appealed the outcome of their case.

B. Basis of Presentation

The Court’s basic financial statements consist of Government-Wide Financial Statements which include a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for Pineville City Court as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund Financial Statements

Fund financial statements are provided for governmental and fiduciary funds. Major individual governmental funds are reported in separate columns.

C. Fund Financial Statements

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

Governmental Funds

Governmental funds account for all or most of the Court’s activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are

Pineville City Court
Notes to Financial Statements

For Year Ended December 31, 2021

assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Court. The fund balances are classified into five possible categories which focus on the constraints of spending. The categories are non-spendable, restricted, committed, assigned, and unassigned. The following are the Court's governmental funds:

General Fund

The General Fund, as provided by state law, is the principal fund of the Court and accounts for the operations for the Court's office. The various fees and charges due to the Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Building Fund

The Judicial Building Fund accounts for court fees assessed under Revised Statute 13:1910. All monies collected under this statute are dedicated exclusively to the acquisition, leasing, construction, equipping, and maintenance of new and existing city courts and for the maintenance and payment of any bond indebtedness on any such existing facilities. Management plans to use these fees for acquisition of equipment and building renovations and improvements.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, and focuses on net position and changes in net position. These custodial funds are used to account for assets held by Pineville City Court as an agent for other governmental departments, other organizations, and other funds.

D. Measurement Focus/Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Fiduciary fund financial statements report using the same focus and basis of accounting.

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized

Pineville City Court
Notes to Financial Statements

For Year Ended December 31, 2021

when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Fiduciary fund revenues and expenses or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. The Pineville City Court has three fiduciary funds, all of which are agency funds and are purely custodial and thus do not involve measurement of results of operations.

Fund Balances – Fund Financial Statements

Pineville City Court adopted the provisions of GASB 54 related to the classification of the governmental fund balances. The governmental fund balances are classified as follows:

Restricted – Restricted fund balances are amounts that are constrained for a specific purpose through restrictions of external parties or by constitutional provision or enabling legislation.

Unassigned - Unassigned fund balances are the residual classifications and include all amounts that are not restricted or constrained in any other classification of fund balance.

E. Cash and Cash Equivalents

Under state law, the Court should deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Cash consisted of amounts in demand deposit accounts.

In the governmental fund and agency funds, cash and cash equivalents include amounts in all demand deposits, interest bearing demand deposits, and time deposits with original maturities of three months or less from the date of acquisition.

F. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from/to other funds in the fund financial statements. These interfund receivables/payables are eliminated for reporting in the statement of net position.

Pineville City Court
Notes to Financial Statements

For Year Ended December 31, 2021

G. Capital Assets

In the Government-Wide Financial Statements, capital assets are capitalized and depreciated on a straight-line method over their estimated useful lives. The Court has adopted a capitalization threshold of \$1,000 for reporting purposes. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, if any, are valued at their estimated fair market value on the date received. Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed.

All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Equipment	7-10 years
Office Equipment	3-7 years
Records Storage Building	15 years
Leasehold Improvements	39 years

In the Fund Financial Statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. No provision is made for depreciation on capital assets in the Fund Financial Statements since the full cost is recorded as expenditures at the time of purchase.

H. Interfund Transactions

In the government funds, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

2. CASH

At December 31, 2021, the Court has cash and cash equivalents (book balances) totaling \$903,078 as follows:

	<u>Governmental Activities Fund</u>	<u>Agency Funds</u>
Demand deposits including		
interest bearing demand deposits	<u>\$ 288,766</u>	<u>\$ 614,312</u>
Total	<u>\$ 288,766</u>	<u>\$ 614,312</u>

These deposits are stated at cost. Under state law, these deposits (or the resulting bank balances) must be secured by the 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 the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of December 31, 2021, cash deposits totaled \$915,533, of which \$624,677 is restricted and accounted for in fiduciary funds. These deposits are secured from risk by \$250,000 of federal deposit insurance pledged securities held by the 3rd party custodial bank in the name of the Court in the amount of \$1,015,833. Pineville City Court had no cash balances that were not adequately secured.

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

3. CAPITAL ASSETS

A summary of property and equipment and accumulated depreciation at December 31, 2021 follows:

Property and Equipment

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Furniture & Equipment	\$ 331,153	\$ -	\$ -	\$ 331,153
Leasehold Improvements	44,300	-	-	44,300
Total	<u>\$ 375,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,453</u>

Accumulated Depreciation

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Furniture & Equipment	\$ 286,413	\$ 11,046	\$ -	\$ 297,459
Leasehold Improvements	11,086	1,136	-	12,222
Total	<u>\$ 297,499</u>	<u>\$ 12,182</u>	<u>\$ -</u>	<u>\$ 309,681</u>

4. COMPENSATED ABSENCES:

The Pineville City Court's obligation for employees' rights to receive compensation for future absences (such as vacation) was not material as of December 31, 2021, and thus, is not recognized in the accompanying financial statements.

5. ECONOMIC DEPENDENCY:

All revenues of the Pineville City Court are derived from criminal and civil cases filed in the court system. Decrease in activity of the City Court could result from declining population or a change in state law that could affect the ability of a municipal court to oversee civil and criminal cases.

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

6. PENSION PLAN

The retirement contributions were filed and paid by the Pineville City Court to the Louisiana State Employees' Retirement System (LASERS), a cost sharing multiple-employer, public employee retirement system, controlled and administered by a separate board of trustees. All state employees, except certain classes excluded by statute, become members of LASERS as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they are eligible for membership. Elected officials and officials appointed by the Governor may, at their option, become members of LASERS.

LASERS provides retirement, death, and disability benefits to Plan members and beneficiaries. Benefits are established by state statute. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213, by calling (800)256-3000, or by visiting www.laseronline.org.

Covered employees are required by state statute to contribute 13.0% of their salary to the Plan. The Court contributes an actuarially determined rate, which was set at 43.6% of the member's annual salary through June 30, 2021 and 43.0% from July 1, 2021 through December 31, 2021. Contributions to LASERS for the 2021 were \$37,940.

General Information about the Plan

All state employees, except those specifically excluded by statute, become members of the System's Defined Benefit Plan (DBP) as a condition of employment, unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials, including the Judge of the Pineville City Court, and officials appointed by the Governor may, at their option, become members of LASERS. Members of the Plan who were hired prior to July 1, 2006 may retire and receive benefits in accordance with the following:

- Any age with 30 or more years of creditable service
- Age 55 with a minimum of 25 years creditable service
- Age 60 with a minimum of 10 years creditable service

Members of the Plan who were hired between July 1, 2006 and June 30, 2015 may retire and receive benefits in accordance with the following:

- Age 60 with a minimum of 5 years creditable service

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

Members of the Plan who were hired on or after July 1, 2015 may retire and receive benefits in accordance with the following:

- Age 62 with a minimum of 5 years creditable service

The basic annual retirement benefit is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is the member's average annual compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired after July 1, 2006, average compensation is based on the average annual compensation for the highest 60 consecutive months of service. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity.

In lieu of terminating employment and accepting a service retirement allowance, any member who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During such period, employer contributions continue but employee contributions cease. Monthly benefits that the member would have received during the DROP period are paid into the DROP fund. Interest is earned when the member has completed DROP participation, based on the actual rate of return on the investments identified as DROP funds for the period. No cost-of-living increases are payable to participants until employment has been terminated for at least one full year.

Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of December 31, 2021, the Court reported a total of \$253,623 for its proportionate share of the net pension liability of the Plan. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportionate share of the net pension liability was based on a projection of the Court's long-term contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Court's proportionate share of the Plan was 0.004610%.

The Court recognized pension expense in the statement of activities in the amount of \$34,453 for the year ended December 31, 2021.

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

The Court reported deferred outflows of resources and deferred inflows of resources related to the pension plan as follows:

	<u>Deferred outflows of resources</u>	<u>Deferred Inflows of resources</u>
Changes in proportion	\$ 31,072	\$ -0-
Changes in proportionate contributions	-0-	11,861
Differences between expected and actual experience	250	-0-
Changes in assumptions	6,212	-0-
Net difference between projected and actual earnings on pension plan investments	-0-	59,146
Court contributions subsequent to the measurement date	<u>37,940</u>	<u>-0-</u>
 Total	 <u>\$ 75,474</u>	 <u>\$ 71,007</u>

The deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021 in the amount of \$37,940. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31

2022	\$ 15,410
2023	(9,114)
2024	(13,437)
2025	(26,332)

Actuarial Assumptions

Inflation	2.30%
Salary increases	2.60% to 5.10%
Investment rate of return	7.55%
Actuarial Cost Method	Entry Age Normal
Expected remaining service lives	2 years

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

Mortality rates for LASERS were based on the RP-2014 Blue Collar and White Collar Healthy Annuitant Tables for non-disabled members and the RP-2000 Disabled Retiree Mortality Tables for disabled annuitants. Rate assumptions for termination, disability, and retirement were based on experience studies performed on plan data based on a five-year (2014-2018) experience study of the System's members for 2021.

The investment rates of return were determined based on expected cash flows which assume that contributions from Plan members will be made at current contribution rates and that contributions from the Court will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the investment rate of return on Plan's investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the of the Court's proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the Court's proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the Court's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 343,640	\$253,623	\$ 177,030

Pension plan fiduciary net position:

Detailed information about the Plan's fiduciary net position is available in the separate issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org.

**Pineville City Court
Notes to Financial Statements**

For Year Ended December 31, 2021

7. RISK MANAGEMENT

The Court is exposed to various risks of loss related to torts; damage to, theft of or destruction of assets, errors and omissions, injuries to employees and the public; and natural disasters. The City of Pineville carries commercial insurance including workers' compensation and employee health and accident insurance. In addition, the Court carries fidelity bonds on the clerks. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

Required Supplementary Information

Pineville City Court
Schedules of Required Supplementary Information - Pension
For the year ended December 31, 2021

Schedule of the Employer's Proportionate Share of the Net Pension Liability **Schedule 1**

Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2021	0.00461%	\$ 253,623	\$ 87,623	289%	72.8%
2020	0.00428%	\$ 354,233	\$ 83,122	426%	58.0%
2019	0.00450%	\$ 325,949	\$ 83,831	389%	64.3%
2018	0.00449%	\$ 306,351	\$ 82,872	370%	64.3%
2017	0.00408%	\$ 287,114	\$ 81,887	351%	62.5%
2016	0.00352%	\$ 276,331	\$ 68,853	401%	62.7%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

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

Schedule of Employer Contributions **Schedule 2**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2021	\$ 37,940	\$ 37,940	-	\$ 87,623	43.3%
2020	\$ 35,577	\$ 35,577	-	\$ 83,122	42.8%
2019	\$ 33,971	\$ 33,971	-	\$ 83,831	40.5%
2018	\$ 32,569	\$ 32,569	-	\$ 82,872	39.3%
2017	\$ 31,256	\$ 31,256	-	\$ 81,887	38.2%
2016	\$ 26,216	\$ 26,216	-	\$ 68,853	38.1%

*Amounts presented were determined as of the end of the fiscal year.

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

Notes to Required Supplementary Information

Changes of Benefit Terms

There were no changes of benefit terms for the year ended June 30, 2021.

Changes of Assumptions

There were no changes of benefit assumptions for the year ended June 30, 2021.

Budgetary Comparison Schedule
All Governmental Fund Types
Pineville City Court
For the year ended December 31, 2021

	GENERAL FUND				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:								
Court costs	\$ 306,000	\$ 306,000	\$ 276,429	\$ (29,571)	\$ 47,000	\$ 47,000	\$ 44,449	\$ (2,551)
Other revenue	-	-	5,692	5,692	-	-	-	-
Total revenues	<u>306,000</u>	<u>306,000</u>	<u>282,121</u>	<u>(23,879)</u>	<u>47,000</u>	<u>47,000</u>	<u>44,449</u>	<u>(2,551)</u>
Expenditures:								
Supplemental salaries	17,000	17,000	138,022	(121,022)	-	-	-	-
Payroll taxes	22,000	22,000	5,048	16,952	-	-	-	-
Lunch meetings	1,700	1,700	742	958	-	-	-	-
Office supplies	14,000	14,000	13,041	959	-	-	1,946	(1,946)
Computer expenses	-	-	-	-	20,500	20,500	21,099	(599)
Repairs and maintenance	500	500	308	192	5,000	5,000	151	4,849
Professional fees	26,000	26,000	78,374	(52,374)	-	-	405	(405)
Postage	3,100	3,100	5,597	(2,497)	-	-	-	-
Dues, subscriptions, and books	1,000	1,000	345	655	-	-	-	-
Document shredding	1,000	1,000	-	1,000	-	-	-	-
Security	-	-	-	-	500	500	640	(140)
Cleaning services	-	-	-	-	8,000	8,000	7,365	635
Seminars	4,000	4,000	2,200	1,800	-	-	-	-
Expungements	-	-	-	-	-	-	-	-
Bank charges	-	-	-	-	-	-	-	-
Per diem	3,000	3,000	-	3,000	-	-	-	-
LASERS retirement	36,000	36,000	37,940	(1,940)	-	-	-	-
MERS retirement	-	-	4,783	(4,783)	-	-	-	-
Salary reimbursement	-	-	67,640	(67,640)	-	-	-	-
Travel and lodging	8,500	8,500	10,888	(2,388)	-	-	-	-
Judge's benefits	89,000	89,000	-	89,000	-	-	-	-
Mileage	3,000	3,000	-	3,000	-	-	-	-
Miscellaneous	1,500	1,500	1,456	44	-	-	1,783	(1,783)
Capital expenditures	-	-	-	-	-	-	-	-
Total expenditures	<u>231,300</u>	<u>231,300</u>	<u>366,384</u>	<u>(135,084)</u>	<u>34,000</u>	<u>34,000</u>	<u>33,389</u>	<u>611</u>
Excess (deficiency) of revenues over expenditures	74,700	74,700	(84,263)	(158,963)	13,000	13,000	11,060	(1,940)
Other financing sources (uses)								
Transfers	-	-	-	-	-	-	-	-
Fund balances, beginning	<u>298,232</u>	<u>298,232</u>	<u>298,232</u>	<u>-</u>	<u>60,262</u>	<u>60,262</u>	<u>60,262</u>	<u>-</u>
Fund balances, ended	<u>\$ 372,932</u>	<u>\$ 372,932</u>	<u>\$ 213,969</u>	<u>\$ (158,963)</u>	<u>\$ 73,262</u>	<u>\$ 73,262</u>	<u>\$ 71,322</u>	<u>\$ (1,940)</u>

Supplementary Information

Pineville City Court
Schedule of Compensation, Benefits and Other Payments
To Agency Head or Chief Executive Officer
For the year ended December 31, 2021

Agency Head Name: Gary Hays
Position: Pineville City Judge

Salary	City of Pineville	\$ 20,933
Salary	Pineville City Court	87,623
Salary	Supreme Court	43,358
Benefits	Insurance – Supreme Court	20,241
Benefits	Retirement – Pineville City Court	37,940
Travel and Lodging		5,777
Seminars		<u>1,000</u>
Total		<u>\$ 216,872</u>

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Pineville City Court	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2136	
Date that reporting period ended (mm/dd/yyyy)	12/31/2021	
	First Six Month Period Ended 06/30/2021	Second Six Month Period Ended 12/31/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	613,893	587,302
Add: Collections		
Civil Fees (<i>including refundable amounts such as garnishments or advance deposits</i>)	109,106	84,454
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	268,142	306,879
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (<i>do not include collections that fit into more specific categories above</i>)	-	1,054
Subtotal Collections	377,248	392,387
Less: Disbursements To Governments & Nonprofits: (<i>Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary. </i>)		
<i>Acadian Legal Services Corp., Civil Court Costs/Fees</i>	491	321
<i>Alexandria City Marshal, Civil Court Costs/Fees</i>	1,020	1,088
<i>Avoyelles Parish Sheriff, Civil Court Costs/Fees</i>	233	235
<i>Bossier Parish Sheriff, Civil Court Costs/Fees</i>	65	-
<i>Caddo Parish Sheriff, Civil Court Costs/Fees</i>	35	-
<i>Calcasieu Parish Sheriff, Civil Court Costs/Fees</i>	-	94
<i>CASA, Criminal Court Costs/Fees</i>	4,582	5,480
<i>City of Pineville, Criminal Court Costs/Fees</i>	90,957	69,116

<i>Crime Stoppers of Cenla, Criminal Court Costs/Fees</i>	1,833	2,190
<i>DARE, Criminal Court Costs/Fees</i>	810	424
<i>Indigent Defender Board, Criminal Court Costs/Fees</i>	44,233	51,621
<i>Pro Bono Project, Civil Court Costs/Fees</i>	491	320
<i>East Baton Rouge Parish Sheriff, Civil Court Costs/Fees</i>	2,716	1,574
<i>Evangeline Parish Sheriff, Civil Court Costs/Fees</i>	254	305
<i>Grant Parish Sheriff, Civil Court Costs/Fees</i>	734	655
<i>Jackson Parish Sheriff, Civil Court Costs/Fees</i>	31	-
<i>Jefferson Parish Sheriff, Civil Court Costs/Fees</i>	-	60
<i>Lafayette Parish Sheriff, Civil Court Costs/Fees</i>	74	136
<i>LaSalle Parish Sheriff, Civil Court Costs/Fees</i>	36	-
<i>Livingston Parish Sheriff, Civil Court Costs/Fees</i>	-	23
<i>Louisiana Commission on Law Enforcement, Criminal Court Costs/Fees</i>	3,869	3,140
<i>Louisiana Department of Health and Hospitals, Criminal Court Costs/Fees</i>	2,021	2,735
<i>Louisiana State Treasurer, Civil Court Costs/Fees</i>	8,892	5,817
<i>Louisiana State Treasurer, Criminal Court Costs/Fees</i>	2,741	3,283
<i>Louisiana Supreme Court, Civil Court Costs/Fees</i>	171	110
<i>Louisiana Supreme Court, Criminal Court Costs/Fees</i>	815	928
<i>Natchitoches Parish Sheriff, Civil Court Costs/Fees</i>	26	140
<i>North Louisiana Criminalistics Laboratory, Criminal Court Costs/Fees</i>	31,457	37,518
<i>Orleans Parish Sheriff, Civil Court Costs/Fees</i>	30	-
<i>Pineville City Marshal, Civil Court Costs/Fees</i>	19,080	16,942
<i>Pineville City Marshal, Criminal Court Costs/Fees</i>	27,737	33,653
<i>Rapides Parish Clerk of Court, Civil Court Costs/Fees</i>	210	735
<i>Rapides Parish Sheriff, Civil Court Costs/Fees</i>	674	605
<i>Secretary of State, Civil Court Costs/Fees</i>	2,250	1,400
<i>State of Louisiana, Civil Court Costs/Fees</i>	-	1,410
<i>Terrebonne Parish Sheriff, Civil Court Costs/Fees</i>	-	76
<i>Vernon Parish Sheriff, Civil Court Costs/Fees</i>	29	93
<i>Winn Parish Sheriff, Civil Court Costs/Fees</i>	33	45

Less: Amounts Retained by Collecting Agency

Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency (<i>must include a separate line for each collection type, as applicable</i>) - Example: Criminal Fines - Other (<i>Additional rows may be added as necessary</i>)		
<i>Pineville City Court, Civil Court Costs/Fees</i>	45,000	30,011
<i>Pineville City Court, Criminal Court Costs/Fees</i>	57,087	96,791

Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies

Civil Fee Refunds	52,092	15,419
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	1,030	15
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	403,839	384,508
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	587,302	595,181
Ending Balance of "Partial Payments" Collected but not Disbursed (<i>only applies if collecting agency does not disburse partial payments until fully collected</i>) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (<i>i.e. receivable balance</i>)	-	-
Total Waivers During the Fiscal Period (<i>i.e. non-cash reduction of receivable balances, such as time served or community service</i>)	-	-



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

To the Honorable Gary Hays
Pineville City Court
Pineville, Louisiana

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Pineville City Court, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Pineville City Court's basic financial statements and have issued my report thereon dated June 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Pineville City Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pineville City Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pineville City Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of current and prior year findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a

material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the findings described in the accompanying schedule of year findings and questioned costs as items 2021-001, 2021-002, and 2021-003 to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Pineville City Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported on under *Government Auditing Standards* and are listed as items numbers 2021-004.

Pineville City Court's Response to Findings

Pineville City Court's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit Pineville City Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 28, 2022

Pineville City Court
Schedule of Findings and Questioned Costs
For the year ended December 31, 2021

Section I-Summary of Auditor's Reports

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Pineville City Court.
2. Three material weaknesses disclosed during the audit of the basic financial statements are reported in the 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*.
3. One instances of non-compliance was reported.

Section II - Financial Statement Findings

Finding 2021-001

Statement of condition – Pineville City Court does not have adequate segregation of duties within the administrative office.

Criteria – A system of internal control procedures requires a segregation of duties so that no individual handles a transaction from start to finish.

Effect of condition – Lack of oversight that could lead to improperly recorded transactions.

Cause of condition –There is a small number of personnel employed by Pineville City Court.

Recommendation – Pineville City Court should monitor the assignment of duties to insure as much segregation of duties as possible.

Questioned costs – None

Finding 2021-002

Statement of condition – Pineville City Court does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Criteria – A reporting entity should be able to prepare the financial statements in accordance with GAAP without any outside assistance.

Effect of condition – Pineville City Court needed assistance in preparing the annual financial statements.

Cause of condition – There was no written job description available to ensure hiring of staff that have appropriate training in applying generally accepted accounting principles.

Recommendation – Pineville City Court should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Questioned costs – None

Finding 2021-003

Statement of Condition – Pineville City Court did not have bank reconciliations completed for the Costs and Fines Fiduciary Fund.

Criteria – Bank accounts should be reconciled in a timely manner.

Effect of Condition – Failure to reconcile cash accounts can result in undetected misappropriation of assets, cash overdrafts, and misstatements in the financial statements.

Cause of condition – Pineville City Court was not in compliance with procedures.

Recommendation – All bank accounts should be reconciled on a timely basis.

Questioned costs – None

Finding 2021-004

Statement of condition – The General Fund budget showed a greater than 5% overage variance in revenues and expenditures.

Criteria – Budgeted revenues and expenditures exceeded the amounts received and expended by more than 5%.

Effect of condition – Pineville City Court was not in compliance with Louisiana budget law.

Cause of condition – Budgeted revenue and expenditures exceeded amounts budgeted by greater than 5%, and the budget was not amended to reflect a decrease in expected revenue.

Recommendation – Pineville City Court should implement written policies to ensure that Louisiana budget law is followed.

Questioned costs – None

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards.

**Pineville City Court
Pineville, Louisiana**

Year Ended December 31, 2021

MANAGEMENT'S CORRECTIVE ACTION PLAN

Pineville City Court respectfully submits the following corrective action plan for the year ended December 31, 2021.

Name and address of contact person: Judge Gary Hays, Pineville City Judge, 904 Main Street, Pineville, LA 71360

Name and address of independent public accounting firm: Oestriecher & Company, CPAs, 4641 Windermere Place, Alexandria, LA 71303

Audit period: January 1, 2021 through December 31, 2021.

The findings from the Schedule of Findings and Questions Costs are discussed below. The finding is numbered consistently with the number assigned in the schedule. The Summary of Audit Results does not include findings and is not addressed.

FINDINGS-FINANCIAL STATEMENT AUDIT

FINDING 2021-001

Condition: Pineville City Court does not have adequate segregation of duties.

Recommendation: Consider the cost/benefit of hiring additional personnel.

Response: Pineville City Court does not consider the cost of hiring additional personnel as exceeding any benefit. Duties will be segregated as much as possible, with oversight from the Judge.

FINDING 2021-002

Condition: Pineville City Court does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Recommendation: Pineville City Court should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Response: While management understands the nature of the finding and the necessity of personnel with qualifications that are higher than our current job descriptions, the benefits of hiring personnel with increased qualifications do not outweigh the costs.

FINDING 2021-003

Condition: Pineville City Court did not have bank reconciliations completed for the Costs and Fines Fiduciary Fund.

Recommendation: All bank accounts should be reconciled in a timely manner in accordance with the Court policies.

Response: Pineville City Court will ensure that all bank accounts are reconciled in a timely manner in accordance with Court policies.

FINDING 2021-004

Condition: The General Fund budget showed a greater than 5% overage variance in revenues and expenditures.

Recommendation: Pineville City Court should follow written policies to ensure that budget law is followed. Revenues and expenses should be monitored and compared to budget throughout the year, and an amended budget adopted when necessary.

Response: Pineville City Court will monitor the actual revenues and expenditures to the budget and amend the budget when necessary.

**Pineville City Court
Summary Schedule of Prior Audit Findings
For the year ended December 31, 2021**

Section I - Internal Control and Compliance Material to the Financial Statements

Finding No 2020-001

Pineville City Court does not have adequate segregation of duties within the administrative office.

Corrective action taken – Condition is not resolved. See Finding 2021-001.

Finding No 2020-002

Pineville City Court does not have a person on staff who has the qualifications and training to apply generally accepted accounting principles in recording financial transactions or preparing the financial statements.

Corrective action taken – Condition is not resolved. See Finding 2021-002.

Finding No 2020-003

Judicial Building Fund expenditures exceeded the amounts budgeted by more than 5%.

Corrective action taken – Condition is resolved; however, for the current year, budgeted revenues and expenditures were more than 5% of actual revenues and expenditures for the General Fund. See Finding 2021-004.

Section II - Internal Control and Compliance Material to Federal Awards

There were no federal awards in the year ended December 31, 2021.

Section III – Federal Awards Findings and Questioned Costs

There were no federal awards in the year ended December 31, 2021.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judge Gary Hays and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Finding: The written policies related to budgeting include information on all required elements.

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

Finding: The written policies related to purchasing include information on all required elements with the exception of the preparation and approval process. Purchase requisitions and purchase orders are not applicable.

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

Finding: The written policies related to disbursements include information on all required elements.

- d) **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).

Finding: The written policies related to receipts/collections include information on all required elements.

- e) **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(s) rate of pay or approval and maintenance of pay rate schedules.

Finding: The written policies related to payroll/personnel include information on all required elements.

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

Finding: The written policies related to contracting include information on all required elements.

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

Finding: The written policies related to credit cards include information on all required elements.

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

Finding: The written policies related to travel and expense reimbursements include information on all required elements.

- i) **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.

Finding: The written policies related to ethics include information on all required elements.

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

Finding: Not Applicable.

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

Finding: The written policies related to information technology disaster recovery/business continuity includes all required elements.

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

Finding: The written policies related to sexual harassment includes all required elements.

Bank Reconciliations

- 3. 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:

- a) 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);

Finding: Bank reconciliations observed include evidence they were prepared within 2 months of the related statement closing date excluding one fund where a bank reconciliation was not prepared.

Management's Response: Bank reconciliations will be prepared for all bank accounts within 2 months of the related statement closing date.

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

Finding: Four of the five bank reconciliations observed included evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. One reconciliation was not completed.

Management's Response: All bank reconciliations will be signed as reviewed by a member of management who does not handle cash, post ledgers, or issue checks.

- c) 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.

Finding: Management does not have documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date for one bank account, but those items have since been voided.

Management's Response: Management will research and document reconciling items that have been outstanding for more than 12 months.

Collections (excluding electronic funds transfers)

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

Finding: There is only one deposit site for the Entity where deposits for cash/checks/money orders (cash) are prepared. The representation provided by management was complete.

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

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

Finding: Employees that are responsible for cash collection do not share cash drawers/registers.

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

Finding: Each employee responsible for collecting cash is responsible for preparing/making bank deposits, but another employee/official is responsible for reconciling collection documentation to the deposit.

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

Finding: Each employee responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers, but another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

Finding: Each employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is responsible for collecting cash, but another employee/official verifies the reconciliation.

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

Finding: Employees who have access to cash are covered by a bond or insurance policy for theft and covered for the fiscal period.

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

- a) Observe that receipts are sequentially pre-numbered.

Finding: Deposit receipts are not sequentially pre-numbered.

Management's Response: Sequentially pre-numbered deposit receipts will be purchased for use on all bank accounts.

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

Finding: Collection documentation was successfully traced to the receipt for all bank accounts excluding one bank account.

Management's Response: Management will retain collection documentation for all deposits related to the Costs and Fines account.

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

Finding: Deposit slip totals were traced to the actual deposit for all bank accounts excluding one bank account.

Management's Response: Management will retain backup documentation on all collections including manual deposits and ACH deposits for the Costs and Fines account.

- d) Observe 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).

Finding: None of the deposits tested were made within one business day of receipt at the collection location. The bank is located less than 10 miles from the collection location of the entity.

Management's Response: Management will make all deposits within one business day of receipt at the collection location.

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

Finding: Deposits per the bank statement were traced to the general ledger, with the exception of the Civil Fees fund, which is not recorded on the general ledger.

Management's Response: Management will maintain a general ledger for the Civil Fees fund.

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

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

Finding: All payments for the Entity are processed at one location.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Finding: At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

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

Finding: At least two employees are involved in processing and approving payments to vendors.

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

Finding: The employee responsible for processing payments can add/modify vendor files. However, all transactions are reviewed by someone who is not responsible for processing payments.

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

Finding: Multiple employees are responsible for signing checks. The employee that signs a check will give the signed check to another employee to mail. An additional employee who did not sign or mail the check will process the payment.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Finding: All disbursements selected for testing were matched to the related invoice or supporting documentation and indicated the deliverables were received by the entity.

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

Finding: Only one disbursement of the observed disbursement documentation included evidence of segregation of duties tested under #9.

Management's Response: Management will require written policies for segregation of duties be followed by having an employee approve all invoices.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) 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.

Finding: There are two credit cards utilized by Pineville City Court. One of these cards was under the name of a former employee. When the former employee left, this card was shredded; therefore, no card number was obtained. This card is still used for automatic and recurring drafts. The other card number was provided. This card is kept in the Judge's desk drawer in his locked office.

Management's Response: Management will transfer all recurring charges to the valid card and have the previous employee's card number cancelled.

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

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

Finding: The Court has all supporting documentation for all charges on the credit cards. These charges were reviewed and approved in writing by someone other than the authorized card holder.

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

Finding: No finance charges or late fees were assessed on the selected statement.

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

Finding: Supporting documentation was available for all transactions subject to testing.

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

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

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

Finding: Per diem reimbursement rates issued by the Entity agreed with the rates established by the State of Louisiana or the U.S. General Services Administration for all but one selected travel-related reimbursements.

Management’s Response: Management will adhere to per diem reimbursement rates established by the State of Louisiana or the U.S. General Services Administration for all travel-related reimbursements.

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

Finding: The actual costs travel-related reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Finding: Each reimbursement tested was supported by documentation of the business/public purpose. Two items did not have a signature of approval per written policy.

Management's Response: Management will approve all reimbursements per the Pineville City Court's written policies.

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

Finding: Only one of the five tested travel-related disbursements were reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Management's Response: Management will approve all reimbursements per the Pineville City Court's written policies.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

Finding: All of the contracts selected for testing were below the dollar threshold and, therefore, not subject to the Louisiana Public Bid Law.

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

Finding: All contracts were approved by the Judge as required by the Entity's written policy.

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

Finding: No contracts subject to testing were amended.

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

Finding: All payments selected for testing had proper supporting documentation and invoices agree to the contract terms and conditions. All payments agree to the contract.

Payroll and Personnel

16. 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.

Finding: There are four employees at Pineville City Court. The representation provided by management was complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Finding: No documentation of daily attendance and leave was maintained for any of the employees.

Management's Response: Daily attendance and leave will be maintained for every employee.

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

Finding: Supervisors do not approve the attendance and leave of employees.

Management's Response: Supervisors will approve the attendance and leave of employees.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Finding: There were no records of leave accrued for the pay period. There was no leave taken during the pay period.

Management's Response: Daily attendance and leave will be maintained for every employee.

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

Finding: There is no authorized salary/pay rate documentation for employees within the personnel file.

Management's Response: Management will keep authorized salary/pay rate within the employee personnel files.

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

Finding: No termination payments were issued during the year.

19. 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.

Finding: Management represented that employer and employee portions of third-party payroll related amounts have been paid and any associated forms have been filed by the required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. **Finding:** Each employee/official completed one hour of ethics training during the fiscal period.
- c. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Finding: There were no changes to the Entity's ethics policy during the fiscal period.

Debt Service

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

Finding: Not applicable.

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

Finding: Not applicable.

Fraud Notice

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

Finding: Management states that there are no misappropriations on public funds or assets during the fiscal period.

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

Finding: The notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds is posted on the premises, but is not posted on the website.

Management's Response: Management will post the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds on the website.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored

on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Finding: We performed the procedure and discussed the results with management.

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

Finding: We performed the procedure and discussed the results with management.

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

Finding: We performed the procedure and discussed the results with management.

Sexual Harassment

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Finding: Each employee selected for testing had documentation of completing at least one hour of sexual harassment training during the year.

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

Finding: The entity does not have its sexual harassment policy and complaint procedure on its website.

Management's Response: Management will have the sexual harassment policy and complaint procedure posted on its website.

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

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

Finding: The entity does not have an annual sexual harassment report for the fiscal period.
Management's Response: Pineville City Court will complete the annual sexual harassment report.

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

Finding: The entity does not have an annual sexual harassment report for the fiscal period.
Management's Response: Pineville City Court will complete the annual sexual harassment report.

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

Finding: The entity does not have an annual sexual harassment report for the fiscal period.
Management's Response: Pineville City Court will complete the annual sexual harassment report.

- d) Amount of time it took to resolve each complaint.

Finding: The entity does not have an annual sexual harassment report for the fiscal period.
Management's Response: Pineville City Court will complete the annual sexual harassment report.

We were engaged by Pineville 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 Pineville 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.

Oestriecher & Company

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

June 28, 2022