

CITY COURT OF EAST ST. TAMMANY
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
Slidell, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of East St. Tammany (the City Court) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise of the 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 City Court, as of December 31, 2022, and the respective changes in financial position for the year then ended in conformity 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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; this includes 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 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.



To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 28, 2023

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, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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



To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 28, 2023

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, statement of revenues, expenditures, and changes in fund balance - budget to actual - government funds, schedule of proportionate share of the net pension liability, schedule of contributions - retirement plan, and the related notes to the required supplementary information on pages 5 through 9 and 32 through 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of East St. Tammany's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements. The accompanying schedules of justice system funding schedules are presented to comply with Act 87 of the 2020 Louisiana Legislative Session and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of compensation, benefits, and other payments to agency head and schedules of justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 28, 2023

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2023, on our considerations of City Court of East St. Tammany's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court of East St. Tammany's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of East St. Tammany's internal control over financial reporting and compliance.

June 28, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

As financial management of City Court of East St. Tammany (the "City Court"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City Court for the fiscal year ending December 31, 2022. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets of the City Court exceeded its liabilities by \$1,513,211 at December 31, 2022. Of this amount, \$1,378,832 is the City Court's net investment in capital assets and the remaining \$134,379 in net position is unrestricted. The total net position of the City Court increased by \$33,318 or 2.3%.

The City Court's total revenue was \$1,318,134 in 2022 compared to \$1,460,633 in 2021, which is a decrease of \$142,499 or 9.8%.

Total expenses for the City Court during the year ended December 31, 2022 were \$1,284,816 including depreciation expense and on-behalf payments. These expenses compared to total expenses of \$1,359,247 during the year ended December 31, 2021. This represented a decrease of \$74,431 or 5.5%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the City Court's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City Court also includes in this report required additional supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City Court's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City Court's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the City Court's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City Court as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the City Court's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 10 and 11 of this report.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City Court uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City Court's most significant funds rather than the City Court as a whole.

The City Court uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City Court's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 12 – 15 of this report.

Fiduciary funds are reported in a separate Statement of Fiduciary Net Position. Activities from fiduciary funds are not included in the government-wide financial statements because the City Court cannot use these assets for its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements are presented on pages 16 – 17 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the Budgetary Comparison Schedule, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Contributions—Retirement Plan, and the related Notes to the Required Supplementary Information. Required supplementary information can be found on pages 32 - 35 of this report.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. The following table provides a summary of the City Court's net position:

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 3,072,348	\$ 3,665,265
Capital assets	<u>1,378,832</u>	<u>1,421,371</u>
Total assets	<u>4,451,180</u>	<u>5,086,636</u>
Deferred outflows of resources	<u>54,089</u>	<u>29,579</u>
Current and other liabilities	2,715,192	3,386,303
Non-current liabilities	<u>276,866</u>	<u>206,866</u>
Total liabilities	<u>2,992,058</u>	<u>3,593,169</u>
Deferred inflows of resources	<u>-</u>	<u>43,153</u>
Net position:		
Investment in capital assets	1,378,832	1,421,371
Restricted for special revenue fund	-	-
Unrestricted	<u>134,379</u>	<u>58,522</u>
Total net position	<u>\$ 1,513,211</u>	<u>\$ 1,479,893</u>

Total assets decreased by \$635,456 (12.5%) primarily due to the change in the value of deferred compensation investments. The increase in deferred outflows are primarily due to the net difference between projected and actual earnings on the pension plan investments in accordance with GASB Statement No. 86. Total liabilities decreased by \$601,111 (16.7%) primarily due to increases in deferred compensation due to employees.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

FINANCIAL ANALYSIS (CONTINUED)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
<u>Revenues:</u>		
Program:		
Fees, fines, and charges for services	\$ 706,503	\$ 955,966
Grants	-	4,749
General:		
On-behalf payments	210,301	200,900
Intergovernmental	141,139	71,000
Interest income	25,860	2,988
Other	234,331	225,030
Total revenues	1,318,134	1,460,633
 <u>Expenses:</u>		
Program:		
City Court	1,284,816	1,359,247
Change in net position	33,318	101,386
Net position, beginning of year	1,479,893	1,378,507
Net position, end of year	\$ 1,513,211	\$ 1,479,893

BUDGETARY HIGHLIGHTS

The original budget adopted by the City Court was amended during the fiscal year. The City Court does not budget on-behalf payments and related revenues for the salaries and related benefits of the City Court’s staff which are paid directly by other governmental agencies.

CAPITAL ASSETS

The City Court’s investment in capital assets, net of accumulated depreciation, amounts to \$1,378,832 as of December 31, 2022. Capital assets include equipment, furniture and fixtures, land, and leasehold improvements. During 2022, the City Court had asset additions of \$24,788 which primarily consisted of preparation for case management software conversion.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

The City Court is benefiting from increased efficiencies from the use of an updated case management system and is currently evaluating further software changes to enhance its ability to achieve its goals of being responsive and efficient in serving the community of East St. Tammany Parish.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2022

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City Court's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Sherry Philips, Clerk of Court, City Court of East St. Tammany, 501 Bouscaren Street, Slidell, LA 70458.

BASIC FINANCIAL STATEMENTS

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 1,378,707
Restricted assets:	
Deferred compensation investments	1,681,839
Prepaid expenses	11,732
Deposits	70
Capital assets, net of accumulated depreciation	<u>1,378,832</u>
 Total assets	 <u>4,451,180</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pensions	<u>54,089</u>
 Total deferred outflows of resources	 <u>54,089</u>
<u>LIABILITIES:</u>	
Accounts payable	38,582
Salaries and related benefits payable	31,181
Net pension liability	258,695
Due to custodial funds	391,579
Registry deposits	40,309
Compensated absences	18,171
Appearance bonds pending	88,680
Fines pending	443,022
Payable from restricted assets:	
Deferred compensation due employees	<u>1,681,839</u>
 Total liabilities	 <u>2,992,058</u>
<u>NET POSITION:</u>	
Net investment in capital assets	1,378,832
Unrestricted	<u>134,379</u>
 Total net position	 <u>\$ 1,513,211</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Function/Programs	Expenses	Program Revenues		Net (Expense)
		Court Costs Assessed, and Charges for Services	Capital Grants and Contributions	Revenue and Changes in Net Position
<u>Governmental activities:</u>				
City Court	\$ 1,284,816	\$ 706,503	\$ -	\$ (578,313)
Total governmental activities	<u>\$ 1,284,816</u>	<u>\$ 706,503</u>	<u>\$ -</u>	(578,313)
General revenues:				
Intergovernmental				
On-behalf payments				
Interest income				
Other				
<u>Total general revenues</u>				
Change in net position				
Net position - beginning				
<u>Net position - ending</u>				
				<u>\$ 1,513,211</u>

The accompanying notes are an integral part of this statement

CITY OF EAST ST. TAMMANY
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2022

ASSETS

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental</u>
Cash and cash equivalents	\$ 1,303,343	\$ 75,364	\$ 1,378,707
Restricted assets:			
Deferred compensation investments	1,681,839	-	1,681,839
Prepaid expenses	3,025	8,707	11,732
Deposits	<u>70</u>	<u>-</u>	<u>70</u>
 Total assets	 <u>\$ 2,988,277</u>	 <u>\$ 84,071</u>	 <u>\$ 3,072,348</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 5,231	\$ 33,351	\$ 38,582
Salary and related benefits payable	31,181	-	31,181
Due to custodial funds	369,508	-	369,508
Registry deposits	40,309	-	40,309
Due to General Fund	-	-	-
Appearance bonds pending	88,680	-	88,680
Fines pending	443,022	-	443,022
Payable from restricted assets:			
Deferred compensation due employees	<u>1,681,839</u>	<u>-</u>	<u>1,681,839</u>
 Total liabilities	 <u>2,659,770</u>	 <u>33,351</u>	 <u>2,693,121</u>

FUND BALANCES:

Nonspendable	3,025	8,707	11,732
Unassigned	<u>325,482</u>	<u>42,013</u>	<u>367,495</u>
 Total fund balances	 <u>328,507</u>	 <u>50,720</u>	 <u>379,227</u>
 Total liabilities and fund balances	 <u>\$ 2,988,277</u>	 <u>\$ 84,071</u>	 <u>\$ 3,072,348</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST, TAMMANY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2022

Fund balances at December 31, 2022 - total governmental funds	\$	379,227
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		1,378,832
<p>Deferred outflows of resources related to pensions are not reported in governmental funds</p>		54,089
<p>Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:</p>		
<p>Net pension liability</p>		(258,695)
<p>Due to agencies</p>		(22,071)
<p>Compensated absences payable</p>		<u>(18,171)</u>
<p>Net position of governmental activities as of December 31, 2022</p>	\$	<u>1,513,211</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>General</u> Fund	<u>Special Revenue</u> Fund	<u>Total</u> Governmental
<u>REVENUES:</u>			
Court costs assessed	\$ 334,273	\$ -	\$ 334,273
Charges for services	372,230	-	372,230
Intergovernmental	109,686	31,453	141,139
Interest income	24,775	1,085	25,860
On-behalf payments	210,301	-	210,301
Gain on sale of assets		-	-
Other	<u>167,964</u>	<u>66,367</u>	<u>234,331</u>
Total revenues	<u>1,219,229</u>	<u>98,905</u>	<u>1,318,134</u>
<u>EXPENDITURES:</u>			
Current:			
Personnel costs through on-behalf payments	210,301	-	210,301
Personnel services and benefits	809,559	-	809,559
Telephone	4,106	3,662	7,768
Insurance, net of refunds	350	15,245	15,595
Repairs and maintenance	156	8,580	8,736
Conferences and seminars	2,982	-	2,982
Dues, subscriptions, and licenses	12,716	-	12,716
Community relations	166	-	166
Professional fees	36,582	-	36,582
Office supplies and library	26,431	54	26,485
Computer services	-	16,927	16,927
Leases	6,791	7,200	13,991
Witness fees	6,248	-	6,248
Filing/processing fees	11,953	-	11,953
Payroll taxes	13,474	-	13,474
Postage	8,310	-	8,310
Travel	1,587	-	1,587
Janitorial service	-	13,200	13,200
Other, net of refunds	7,240	(2,680)	4,560
Capital outlays	<u>24,788</u>	<u>-</u>	<u>24,788</u>
Total expenditures	1,183,740	62,188	1,245,928
Excess of revenues over expenditures	35,489	36,717	72,206
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers out	-	(32,019)	(32,019)
Transfers in	<u>32,019</u>	<u>-</u>	<u>32,019</u>
Total other financing sources (uses)	32,019	(32,019)	-
Net change in fund balances	67,508	4,698	72,206
FUND BALANCES, BEGINNING	<u>260,999</u>	<u>46,022</u>	<u>307,021</u>
FUND BALANCES, ENDING	<u>\$ 328,507</u>	<u>\$ 50,720</u>	<u>\$ 379,227</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds	\$	72,206
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		(42,539)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Decrease in compensated absences		<u>3,651</u>
Change in net position of governmental activities	\$	<u><u>33,318</u></u>

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2022

	Custodial Funds		
	Civil Docket	Criminal Docket	Total
<u>ASSETS:</u>			
Due from general fund	\$ 320,893	\$ 70,686	\$ 391,579
Total assets	320,893	70,686	391,579
<u>LIABILITIES:</u>			
Due to others	320,893	70,686	391,579
Total liabilities	320,893	70,686	391,579
<u>NET POSITION</u>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Civil Docket</u>	<u>Criminal Docket</u>	<u>Total</u>
<u>ADDITIONS:</u>			
Fines and fees collected	\$ 266,512	\$ 821,886	\$ 1,088,398
<u>DEDUCTIONS:</u>			
City of Slidell	-	285,734	285,734
Department of Public Safety/Machine	-	10,177	10,177
District Attorney	-	39,816	39,816
Indigent Defender	-	128,584	128,584
Juvenile Detention Center	-	13,905	13,905
Louisiana Law Enforcement	-	10,179	10,179
Parish of St. Tammany	-	111,112	111,112
Slidell City Marshal	-	90,042	90,042
State Treasurer	-	300	300
Traumatic Head & Spinal Cord Injury	-	5,626	5,626
Crimestoppers	-	5,558	5,558
Criminalistics Lab	-	75,850	75,850
Department of Public Safety/Services	-	27,194	27,194
Louisiana Supreme Court	-	9,727	9,727
Curator	1,211	-	1,211
Garnishee	45	-	45
Judge Fee	140,693	-	140,693
Judge Supplemental Compensation Fund	58,782	-	58,782
Refunds of Unused Court	5,287	-	5,287
Secretary of State	200	-	200
Service Marshal	780	-	780
Service Sheriff	1,233	-	1,233
Judicial College Fund	1,087	-	1,087
	<u>209,318</u>	<u>813,804</u>	<u>1,023,122</u>
Total deductions			
Net change	57,194	8,082	65,276
Fiduciary liabilities, beginning	<u>263,699</u>	<u>62,604</u>	<u>326,303</u>
Fiduciary liabilities, ending	<u>\$ 320,893</u>	<u>\$ 70,686</u>	<u>\$ 391,579</u>

The accompanying notes are an integral part of this statement

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Operations

The City Court of East St. Tammany (the “City Court”) was created by a special legislative act. Its jurisdiction extends throughout all of Wards 8 and 9 of St. Tammany Parish. The City Court handles civil suits up to \$50,000, certain criminal matters and collects certain funds pursuant to state statute, which are under the control of the City Court and are reported in the accompanying financial statements. On June 12, 2020, the governor of Louisiana signed ACT 205-HB 757 that changed the City Court of Slidell’s name to the City Court of East St. Tammany.

Reporting Entity

The City Court of East St. Tammany is composed of a City Judge, a Marshal, and a Clerk of Court. The Judge and the Marshal are elected at the Congressional election every six years.

The financial statements include all organizations, activities, and functions that comprise the City Court. Component units are legally separate entities for which the City Court (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the City Court’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City Court. Using these criteria, the City Court has no component units.

Basis of Presentation

The accompanying financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Government-Wide Financial Statements-(GWFS)

The statement of net position and the statement of activities display information about the City Court as a whole. These statements include all of the financial activities of the City Court. Information contained in these columns reflects the economic resources measurement and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50 (GASB 34, as amended by GASB 63).

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS) (continued)

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and building are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements, or construction in progress. Depreciable assets are presented net of accumulated depreciation in the statement of net position.

The statement of activities presents a comparison between direct expenses and program revenues for the activities of the City Court. Program revenues are derived directly from Court users as fees for services; program revenues reduce the cost of the function to be financed from the City Court's general revenues. Program revenues also consist of operating grants and contributions which are resources restricted for operating purposes of a program.

Fund Financial Statements (FFS)

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities of attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The various kinds in the financial statements in this report are grouped into three broad categories as follows:

General Fund Type

Governmental funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. During 2022, the City Court maintained a General Fund to account for all these general activities.

Special Revenue Fund

The City Court's special revenue fund accounts for the Judicial Building Funds and other intergovernmental revenues that are restricted to be used for improvements to and upkeep of the court house.

Fiduciary Fund Type

Custodial funds are used to account for assets held by the City Court of East St. Tammany in Slidell, Louisiana as an agent for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature (assets equals liabilities) and do not involve the measurement of results of operations.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types and custodial funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt and compensated absences are recorded as fund liabilities when due. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures when incurred. Court fines and fees and interest are recorded when earned and measurable.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the general fund. The City Court of East St. Tammany presents, adopts, and amends an operating budget as required by the Louisiana Local Government Budget Act. The budget is prepared on a modified accrual basis of accounting. All appropriations, which are not expended, lapse at year-end. Unexpended appropriations and any excess revenues over expenditures are carried forward to subsequent year as beginning fund balance.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, certificates of deposit, and money market accounts. It is the policy of the City Court to treat these asset types and highly liquid investments with a maturity of ninety (90) days or less as cash equivalents.

Louisiana revised statutes authorize the City Court to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded as expenditures at the time of purchase and the related assets are capitalized. All purchased fixed assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated fixed assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets over \$5,000 are capitalized. Depreciation is computed using the straight-line method over estimated lives of 5 years for furniture, fixtures, and equipment, 20 years for the criminal case management system, and 25 years for leasehold improvements.

Prepaid Expenses

Prepaid expenses represent the unused portion of insurance and equipment maintenance policies in effect at the balance sheet date.

Use of Estimates in the Preparation of Financial Statements

The preparation of the City Court’s 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in 2022 financial statements.

Compensated Absences

The City Court’s policy permits all full time City Court employees who are paid on a salary basis and work a regular full-time work week earn paid time off (“PTO”). An employee may accumulate up to a maximum of thirty days of PTO. Any earned time in excess of thirty days shall be paid to the employee on their anniversary date.

The following is a schedule of the rates for paid time off:

<u>Service</u>	<u>Paid Time-Off Days</u>
< 1 year	0
1 - 5 years	15
6 - 10 years	20
>10 years	25

The cost of current leave privileges is recognized as a current-year expenditure in the General Fund when the leave is actually taken. At December 31, 2022, the City Court recognized \$18,171 of accrued compensated absences on the statement of net position.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fines Pending and Civil Fees on Deposit

Fines pending represent partial payments on fines collected by the Probation Department. Once fines have been collected in full, the City Court records its share of the fines as revenues and distributes the remaining amounts that are collected for other agencies.

Deposits on pending civil cases represent deposits received until a disposition of a case is finalized at which point the deposits are distributed.

Appearance bonds pending

Appearance bonds pending represent amounts collected for cases that have not been settled at year end. When these cases are settled, the City Court will record its share of these amounts as revenues and the remaining amounts will be distributed to other agencies.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. The Judge, as the highest level of decision-making authority, can establish, modify, or rescind a fund balance commitment. For assigned fund balance the Judge authorizes management to assign amounts for a specific purpose.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

When both restricted and unrestricted fund balances are available for use, it is the City Court's policy to use restricted resources first, then unrestricted as needed. When committed, assigned, or unassigned fund balances are available for use, it is the City Court's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

New Accounting Standards Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet. The adoption of these Updates had no material impact on the City Court.

Date of Management Review

Management has evaluated subsequent events through June 28, 2023, the date which the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

At December 31, 2022, the City Court had cash and cash equivalents (book balances) totaling \$1,378,707. These deposits are stated at cost. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. 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.

At December 31, 2022, the City Court had \$1,392,931 in deposits (collected bank balances). These deposits are secured from custodial credit risk by \$250,000 of federal deposit insurance (GASB Category 1) and the remaining deposits of \$1,142,931 are covered by, pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(2) CASH AND CASH EQUIVALENTS (CONTINUED)

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

(3) CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	<u>Balance</u> <u>1/1/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2022</u>
Capital assets not being depreciated:				
Land	\$ 138,023	\$ -	\$ -	\$ 138,023
Construction in progress	<u>119,763</u>	<u>24,788</u>	<u>-</u>	<u>144,551</u>
Total capital assets not being depreciated	<u>257,786</u>	<u>24,788</u>	<u>-</u>	<u>282,574</u>
Capital assets being depreciated				
Furniture, fixtures and equipment	462,359	-	-	462,359
Leasehold improvements	<u>1,264,161</u>	<u>-</u>	<u>-</u>	<u>1,264,161</u>
Total capital assets being depreciated	1,726,520	-	-	1,726,520
Less accumulated depreciation				
	<u>(562,935)</u>	<u>(67,327)</u>	<u>-</u>	<u>(630,262)</u>
Total capital assets being depreciated, net	<u>1,163,585</u>	<u>(67,327)</u>	<u>-</u>	<u>1,096,258</u>
Total capital assets, net	<u>\$ 1,421,371</u>	<u>\$ (42,539)</u>	<u>\$ -</u>	<u>\$ 1,378,832</u>

For the year ended December 31, 2022, \$67,327 in depreciation expense was allocated to judicial activities.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) RETIREMENT PLANS

Deferred Compensation Plan

In 1991, the City Court adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency.

The City Court funds all amounts of compensation deferred under the Plan at the direction of the covered employees through investments in annuity contracts underwritten by Empower Retirement, which is the plan administrator. The City Court contributes a certain percentage of the employees' gross salary to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the City Court subject only to the claims of the City Court's general creditors. Participants' rights under the plan are equal to those of general creditors of the City Court in an amount equal to the fair value of the deferred account for each participant. The City Court has no liability for losses under the plan but does have the duty of due care. The City Court contributed \$62,283 to the plan in 2022. The market value of the plan assets as of December 31, 2022, is \$1,681,839.

Description - LASERS

The City Judge is a member of the Louisiana State Employees' Retirement System (LASERS), a cost-sharing, multiple-employer defined benefit plan administered by a separate board of trustees.

Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Funding Policy - LASERS

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

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) RETIREMENT PLANS (CONTINUED)

Contributions – LASERS

For the LASERS system, contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Under the terms of the plan, the Judge contributes a specified percentage of his gross earnings and the City Court also contributes a specified percentage. For the year ending December 31, 2022, the actual employer contribution rate and the actuarially determined employer contribution rate are listed below.

	Required by Statute	Actual Contribution
Contributions:		
Employees	13.00% \$ 9,456	13.00% \$ 9,456
Employers	<u>43.41%</u> <u>31,572</u>	<u>43.41%</u> <u>31,572</u>
	<u>55.80%</u> <u>\$ 41,028</u>	<u>55.80%</u> <u>\$ 41,028</u>

The City Court’s contributions to the LASERS system for the year ending December 31, 2022 were approximately \$31,572 equal to the required contribution for the year.

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

At December 31, 2022, the City Court reported a liability totaling \$258,695 representing its proportionate share of the net pension liability for the LASERS systems. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The City Court’s proportion of the Net Pension Liability was based on a projection of the City Court’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City Court’s proportion was .00342% for the LASERS system, which was an increase of .00006% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City Court recognized pension payments in its custodial funds for LASERS systems totaling \$37,550. Added to pension expense is the employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$5,988.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – LASERS (Continued)

At December 31, 2022, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 706	\$ -
Change in assumptions	4,704	-
Net difference between projected and actual earnings on pension plan investments	20,838	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,675	-
Employer contributions subsequent to the measurement date	<u>16,166</u>	<u>-</u>
Total	<u>\$ 54,089</u>	<u>\$ -</u>

Employer contributions subsequent to the measurement date totaling \$16,166 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the next fiscal year. 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:

2023	\$	24,600
2024		4,305
2025		(5,269)
2026		<u>14,284</u>
Total	\$	<u>37,920</u>

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System

The total pension liability in the June 30, 2022, actuarial valuations for the LASERS System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.25% per annum
Inflation	2.3% per annum
Expected Remaining Service Lives	2 years
Mortality Rates	Non-disabled members – Mortality rates based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System’s members.
Salary increases	Salary increases were projected based on a 2014-2018 experience study of the System’s members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.39%
Domestic equity	4.57%
International equity	5.76%
Domestic Fixed Income	1.48%
International Fixed Income	5.04%
Alternative Investments	8.30%
Total fund	5.91%

Discount Rate

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

Sensitivity of the City Court’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(4) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

The following presents the City Court’s proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the City Court’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	LASERS System		
		Current	
	1% Decrease	Discount Rate	1% Increase
	<u>6.40%</u>	<u>7.40%</u>	<u>8.40%</u>
Court’s proportionate share of the Net Pension Liability \$	325,513	\$ 258,695	\$ 197,765

Detailed information about the pension plan’s fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2022. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.la.gov.

(5) LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations:

	Balance at January 1, <u>2022</u>	Net Increase (Decrease) <u>(Decrease)</u>	Balance at December 31, <u>2022</u>
Compensated absences	\$ 21,822	\$ (3,651)	\$ 18,171
Net pension liability	<u>185,044</u>	<u>73,651</u>	<u>258,695</u>
Total	<u>\$ 206,866</u>	<u>\$ 70,000</u>	<u>\$ 276,866</u>

(6) LEASES

The City Court has cancelable and non-cancelable leases for the rental of office equipment. All lease terms have expired and are month to month. The total amount charged to lease expense as a result of all leases was \$13,991 for the year ended December 31, 2022.

(7) EXPENSES OF THE CITY COURT PAID BY OTHERS

The accompanying financial statements do not include certain portions of the City Court’s expenses paid directly by other governmental entities. In compliance with Louisiana Revised Statute 13:2487.16, the City of Slidell furnishes a suitable court room and offices for the Clerk of Court, and the expenses of operation and maintenance of the City Court room and offices are legislatively mandated to be borne by the City of Slidell and St. Tammany Parish equally.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022

(7) EXPENSES OF THE CITY COURT PAID BY OTHERS (CONTINUED)

Compensation paid to the Judge and the Clerk of Court, has been prepared in compliance with Louisiana Revised Statute 13:1875 and 13:1874. Under statute 13:1875 the City of Slidell and St. Tammany Parish paid salaries and fringe benefits totaling \$135,018 on behalf of the City Court. Under statute 13:1874 the State of Louisiana paid annual salary and fringe benefits totaling \$77,283 on behalf of the City Court. The fringe benefits paid by the state include contributions of \$22,784 to LASERS. On-behalf payments totaling \$210,301 are included in the General Fund as revenues and personnel cost in the accompanying financial statements.

(8) INTERFUND TRANSFER

Operating transfers between funds occur to provide reimbursement of certain operating costs and are not expected to be repaid. Transfers between funds during 2022 occurred as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfers To</u>
General	\$ -	\$ 32,019
Special Revenue Fund	<u>32,019</u>	<u>-</u>
Total	<u>\$ 32,019</u>	<u>\$ 32,019</u>

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund						Special Revenue Funds			
	Original Budget	Final Budget	Actual Amounts (GAAP)	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES:										
Court costs assessed	\$ 405,000	\$ 333,000	\$ 334,273	\$ -	\$ 334,273	\$ 1,273	\$ -	\$ -	\$ -	\$ -
Charges for services	570,000	367,000	372,230	-	372,230	5,230	-	-	-	-
Grants	-	-	-	-	-	-	10,000	-	-	-
Intergovernmental	41,000	109,500	109,686	-	109,686	186	30,000	31,500	31,453	(47)
Interest	3,440	24,000	24,775	-	24,775	775	60	1,000	1,085	85
On-behalf payments	-	-	210,301	(210,301)	-	-	-	-	-	-
Other	119,000	167,000	167,964	-	167,964	964	70,000	65,000	66,367	1,367
Total revenues	1,138,440	1,000,500	1,219,229	(210,301)	1,008,928	8,428	110,060	97,500	98,905	1,405
EXPENDITURES:										
Current:										
Personnel costs through on-behalf payments	-	-	210,301	(210,301)	-	-	-	-	-	-
Personnel services and benefits	926,000	812,225	809,559	-	809,559	2,666	-	-	-	-
Telephone	5,960	4,100	4,106	-	4,106	(6)	1,040	3,700	3,662	38
Insurance	1,800	350	350	-	350	-	15,500	15,325	15,245	80
Repairs and maintenance	-	150	156	-	156	(6)	14,500	8,950	8,580	370
Conferences & seminars	16,250	4,000	2,982	-	2,982	1,018	-	-	-	-
Dues, subscriptions, and licenses	14,500	12,550	12,716	-	12,716	(166)	-	-	-	-
Community relations	500	200	166	-	166	34	-	-	-	-
Professional fees	32,500	36,750	36,582	-	36,582	168	-	-	-	-
Office supplies and library	37,000	27,988	26,431	-	26,431	1,557	2,500	52	54	(2)
Computer services	10,000	-	-	-	-	-	5,000	17,000	16,927	73
Operating leases	6,300	6,700	6,791	-	6,791	(91)	7,700	7,300	7,200	100
Witness fees	4,000	1,800	6,248	-	6,248	(4,448)	-	-	-	-
Filing/processing fees	14,500	12,000	11,953	-	11,953	47	-	-	-	-
Payroll taxes	16,500	14,500	13,474	-	13,474	1,026	-	-	-	-
Postage	12,000	8,500	8,310	-	8,310	190	-	-	-	-
Travel	100	-	1,587	-	1,587	(1,587)	-	-	-	-
Janitorial service	-	-	-	-	-	-	13,200	13,200	13,200	-
Other	2,750	4,931	7,240	-	7,240	(2,309)	-	-	(2,680)	2,680
Capital outlays	40,000	25,000	24,788	-	24,788	212	40,000	-	-	-
Total expenditures	1,140,660	971,744	1,183,740	(210,301)	973,439	(1,695)	99,440	65,527	62,188	3,339
Excess (deficiency) of revenues over (under) expenditures	(2,220)	28,756	35,489	-	35,489	6,733	10,620	31,973	36,717	4,744
Intergovernmental transfers	-	-	32,019	-	32,019	32,019	-	-	(32,019)	32,019
FUND BALANCE, BEGINNING	260,999	260,999	260,999	-	260,999		46,022	46,022	46,022	
FUND BALANCE, ENDING	\$ 258,779	\$ 289,755	\$ 328,507	\$ -	\$ 328,507		\$ 56,642	\$ 77,995	\$ 50,720	

(See Independent Auditors' Report)

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2022*

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>Louisiana State Employees' Retirement System</u>									
City Court's Proportion of the Net Pension Liability	0.003420%	0.003360%	0.003090%	0.003469%	0.003599%	0.003614%	0.003759%	0.003522%	0.003604%
City Court's Proportionate Share of the Net Pension Liability	\$ 258,695	\$ 185,044	\$ 255,564	\$ 251,859	\$ 245,449	\$ 254,382	\$ 295,177	\$ 239,549	\$ 225,354
City Court's Covered-Employee Payroll	\$ 72,737	\$ 70,815	\$ 68,012	\$ 66,240	\$ 65,928	\$ 66,073	\$ 66,779	\$ 65,089	\$ 64,495
City Court's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	355.66%	261.31%	375.76%	380.22%	372.30%	385.00%	442.02%	368.03%	349.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.65%	72.78%	58.00%	62.90%	64.30%	62.54%	57.73%	62.66%	65.02%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**The amounts presented have a measurement date of June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.*

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>Louisiana State Employees' Retirement System</u>									
Contractually Required Contribution	\$ 31,572	\$ 30,663	\$ 28,855	\$ 27,933	\$ 26,398	\$ 25,108	\$ 25,377	\$ 27,012	\$ 23,412
Contributions in Relation to the Contractually Required Contribution	<u>(31,572)</u>	<u>(30,663)</u>	<u>(28,855)</u>	<u>(27,933)</u>	<u>(26,398)</u>	<u>(25,108)</u>	<u>(25,377)</u>	<u>(27,012)</u>	<u>(23,412)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Court's Covered-Employee Payroll	\$ 72,737	\$ 70,815	\$ 67,416	\$ 67,688	\$ 65,830	\$ 65,791	\$ 66,694	\$ 65,089	\$ 64,495
Contributions as a Percentage of Covered-Employee Payroll	43.41%	43.30%	42.80%	41.27%	40.10%	38.16%	38.05%	41.50%	36.30%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY COURT OF EAST ST. TAMMANY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2022

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

During the year ended December 31, 2022, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.40% to 7.25%.

During the year ended December 31, 2021, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.55% to 7.40%.

During the year ended December 31, 2020, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.60% to 7.55%. LASERS lowered its inflation rate assumption from 2.50% to 2.30%. Additionally, mortality rates used changed from RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 to RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.2% – 14.0% to 3.0% – 13.8%.

During the year ended December 31, 2019, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.4% – 14.3% to 3.2% – 14.0%.

During the year ended December 31, 2018, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.70% to 7.65%.

During the year ended December 31, 2017, the LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.75% to 7.70%. LASERS lowered its inflation rate assumption from 3.0% to 2.75%. Additionally, LASERS adjusted the ranges of its salary increase assumptions from 3.6% – 14.5% to 3.4% – 14.3%.

There were no changes in assumptions during any other years presented.

OTHER SUPPLEMENTARY INFORMATION

CITY COURT OF EAST ST. TAMMANY **Schedule "A-4"**
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Judge Bryan Haggerty</u>
Salary	\$ 72,737
Benefits - insurance (life and disability)	663
Benefits - retirement defined benefit plan	31,572
Benefits - retirement defined contribution plan	8,728
Per diem	606
Registration fees	2,250
Conference travel	627
Continuing professional education fees	1,875
Housing	1,687
Business meals	45
 Total compensation, benefits, and other payments	 \$ 120,790

CITY COURT OF EAST ST. TAMMANY
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2022

<i>Cash Basis Presentation</i>	<u>First Six Month Period</u> <u>End June 30, 2022</u>	<u>Second Six Month Period</u> <u>End December 31, 2022</u>
Beginning balance of amounts collected (i.e. cash on hand)	\$ 822,215	\$ 910,547
Add: collections		
Civil fees	196,277	235,432
Bond fees \$15 per bond	3,570	4,293
Criminal court costs/agency fees	351,778	324,105
Criminal fines - contempt	121,248	107,802
Criminal fines - other - criminal court fund, city fines & state fines	268,429	210,852
Probation/Parola/Supervision fees	106,800	82,516
Service/collection fees - 5% credit card processing fees	8,562	7,664
Interest earnings on collected balances	149	684
Other	88,486	71,491
Other - cash bonds	-	-
Other - registry of the court	-	-
	<hr/>	<hr/>
Total collections	1,145,299	1,044,839
Less: disbursements to governments & nonprofits:		
City of Slidell, Criminal Fines - Other	124,724	108,488
City of Slidell, Criminal Court Costs/Fees	24,912	23,970
City of Slidell, Bond Fees	1,680	1,960
Department of Public Safety, Criminal Court Costs/Fees	19,186	18,186
District Attorney, Criminal Court Costs/Fees	13,580	11,357
District Attorney, Criminal Fines - Other	8,506	6,373
Public Defender, 22nd JDC, Criminal Court Costs/Fees	67,396	60,148
Public Defender, 22nd JDC, Bond Fees	480	560
Florida Parish Juvenile Detention Center, Criminal Court Costs/Fees	7,507	6,398
Louisiana Commission Law Enforcement, Criminal Court Costs/Fees	5,415	4,764
Parish of St. Tammany, Criminal Fines - Other	63,048	47,513
Parish of St. Tammany, Criminal Court Costs/Fees	275	275
Slidell City Marshal, Criminal Court Costs/Fees	47,471	42,571
Slidell City Marshal, Civil Fees	390	390
LA State Treasurer, Criminal Court Costs/Fees	4,705	3,935
LA State Treasurer, Civil Fees	25,192	33,590
Louisiana Department of Health and Hospitals, Criminal Court Costs/Fees	2,977	2,650
Crimestoppers, Criminal Court Costs/Fees	2,998	2,560
STPSO Criminalistic Lab, Criminal Court Costs/Fees	40,552	34,259
STPSO Criminalistic Lab, Bond Fees	480	560
Louisiana Supreme Court, Criminal Court Costs/Fees	748	638
Louisiana Supreme Court, Civil Fees	476	610
Garnishee, Civil Fees	45	-
Judge Fee, Civil Fees	67,446	67,259
Refunds of Civil, Civil Fees	4,517	770
Secretary of State, Civil Fees	-	200
Sheriff, E. Baton Rouge Parish, Civil Fees	270	180
Sheriff, Orleans Parish, Civil Fees	30	135
Sheriff, Rapides Parish, Civil Fees	-	45
Sheriff, St. Bernard Parish, Civil Fees	45	-
Sheriff, St. Landry Parish, Civil Fees	2	-

CITY COURT OF EAST ST. TAMMANY
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DIBURSING ENTITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

<i>Cash Basis Presentation</i>	<u>First Six Month Period</u> <u>End June 30, 2022</u>	<u>Second Six Month Period</u> <u>End December 31, 2022</u>
Sheriff, St. Tammany Parish, Civil Fees	180	315
Less: amounts retained by collecting agency		
Self-Disbursed to CCEST - criminal court costs/fees	112,977	116,462
Self-Disbursed to CCEST - criminal fines - contempt	118,240	111,963
Self-Disbursed to CCEST - criminal fines - other	62,781	59,114
Self-Disbursed to CCEST - probation/parole/supervision fees	100,503	85,057
Self-Disbursed to CCEST - civil fees	61,241	102,250
Less: disbursements to individuals/3rd party collection or processing agencies		
Other disbursements to individuals	59,768	17,439
Payments to 3rd party collection/processing agencies	6,224	5,834
Total disbursements/retainage	<u>1,056,967</u>	<u>978,778</u>
Total: ending balance of amounts collected but not disbursed/retained (i.e. cash on hand)	<u>\$ 910,547</u>	<u>\$ 976,608</u>
Ending balance of "partial payments" collected but not disbursed	<u>\$ -</u>	<u>\$ -</u>
Other information:		
Ending balance of total amounts assessed but not yet collected	* <u>\$ -</u>	* <u>\$ -</u>
Total waivers during the fiscal period	* <u>\$ -</u>	* <u>\$ -</u>

* Due to lack of case management reporting capabilities, this amount is not obtainable at the present time.

CITY COURT OF EAST ST. TAMMANY
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2022

<i>Cash Basis Presentation</i>	<u>First Six Month Period</u> <u>End June 30, 2022</u>	<u>Second Six Month Period</u> <u>End December 31, 2022</u>
Receipts from:		
LA Department of Public Safety & Corrections, Public Safety Services, Criminal Court Costs/Fees	\$ <u>88</u>	\$ <u>62</u>
Total Receipts	\$ <u><u>88</u></u>	\$ <u><u>62</u></u>
Ending balance of amounts assessed but not received	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>



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

To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
Slidell, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of City Court of East St. Tammany, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City Court of East St. Tammany's basic financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 28, 2023

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of East St. Tammany's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Accordingly, this communication is not suitable for any other purpose.

June 28, 2023
New Orleans, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the City Court of East St. Tammany.
2. No material weaknesses or significant deficiencies in internal control relating to the audit of the financial statements are reported in the Independent Auditors' 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. No instances of noncompliance material to the financial statements of the City Court of East St. Tammany were reported in the Independent Auditors' 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*.
4. No management letter was issued for the year ended December 31, 2022.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no financial statement findings related to the year ended December 31, 2022.

CITY COURT OF EAST ST. TAMMANY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2021.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

11. DEBT SERVICE

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

Results: Not applicable. No bond/notes and other debt instruments were issued during the year.

- B. **Procedure:** 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).

Results: Not applicable. No bonds/notes were outstanding at the end of the fiscal period.

12. FRAUD NOTICE

- A. **Procedure:** 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.

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

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

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

13. INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

- A. **Procedures:** 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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

13. INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY (CONTINUED)

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures and discussed the results with management.

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

Results: We performed the procedures and discussed the results with management.

14. SEXUAL HARASSMENT

- A. Procedures:** Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

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

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

- C. Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that 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;

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

14. SEXUAL HARASSMENT(CONTINUED)

- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and amount of time it took to resolve each complaint.

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

CITY COURT OF EAST ST. TAMMANY

SLIDELL, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED

DECEMBER 31, 2022



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judge Bryan D. Haggerty
and Management of City Court of East St. Tammany
Slidell, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified by the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2022. City Court of East St. Tammany's management is responsible for those C/C areas identified in the agreed-upon procedures.

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

Our procedures and associated findings are detailed in Schedule "1".

We were engaged by the City Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable 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 agreed-upon procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the agreed-upon procedures, 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.

June 28, 2023
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2022

1) **WRITTEN POLICIES AND PROCEDURES**

- A. **Procedures**: Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all 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).
 - 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.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - h) ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - 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.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

1. WRITTEN POLICIES AND PROCEDURES (CONTINUED)

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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

2. BOARD OR FINANCE COMMITTEE

- A. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

2. BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: Not applicable. No board or finance committee.

3. BANK RECONCILIATIONS

A. Procedures: 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 five additional accounts (or all accounts if less than five). 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 two months of the related statement closing date (e.g., initialed and dated or electronically logged).
- 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
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

4. COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFER)

A. Procedure: 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 five deposit sites (or all deposit sites if less than five).

B. Procedures: 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. five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

4. COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)
(CONTINUED)

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

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

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

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

- D. Procedures:** Randomly select two deposit dates for each of the five bank accounts selected for procedure #3A 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). Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the ten deposits and:

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

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

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

5. NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)

- A. Procedure:** 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 five).
- B. Procedures:** For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, 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.
 - b) 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.
 - 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.
 - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

- C. Procedures:** For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

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

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

5. **NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

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

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

6. **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**

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

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

B. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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 that 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of the Lawrason Act municipality, should not be reported); and

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

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

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

6. **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**
(CONTINUED)

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

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

7. **TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)**

A. **Procedures:** 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

8. CONTRACTS

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

Results: Not applicable. No agreements/contracts were initiated or renewed during the fiscal period.

9. PAYROLL AND PERSONNEL

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

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

- B. Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

9. PAYROLL AND PERSONNEL (CONTINUED)

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

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

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

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

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

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

10. ETHICS

- A. **Procedures:** Using the five randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period, as applicable.
- b) Observe that 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.

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

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

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

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

11. DEBT SERVICE

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

Results: Not applicable. No bond/notes and other debt instruments were issued during the year.

- B. **Procedure:** 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).

Results: Not applicable. No bonds/notes were outstanding at the end of the fiscal period.

12. FRAUD NOTICE

- A. **Procedure:** 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.

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

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

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

13. INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

- A. **Procedures:** 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 (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

13. INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY (CONTINUED)

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedures and discussed the results with management.

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

Results: We performed the procedures and discussed the results with management.

14. SEXUAL HARASSMENT

- A. Procedures:** Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

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

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

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

- C. Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that 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;

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

14. SEXUAL HARASSMENT(CONTINUED)

- b. Number of sexual harassment complaints received by the agency;
- c. Number of complaints which resulted in a finding that sexual harassment occurred;
- d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and amount of time it took to resolve each complaint.

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