

CITY COURT OF OPELOUSAS, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>PAGE</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-3
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements	
Balance Sheet – Governmental Funds	6
Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Assets and Liabilities - Agency Fund	10
Notes to Financial Statements	11-27
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Budgetary Comparison Schedule – General Fund	28-29
Budgetary Comparison Schedule – Judicial Building Fund	30
Budgetary Comparison Schedule – Juvenile Fund	31
Schedule of Employer's Share of Net Pension Liability	32
Schedule of Employer Contributions	33
Notes to Required Supplementary Information	34
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
General Fund	
Comparative Balance Sheet	35
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	36-38
Special Revenue Funds	
Judicial Building Fund	
Comparative Balance Sheet	39
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	40
Juvenile Fund	
Comparative Balance Sheet	41
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance	42
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	43

RELATED REPORTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	44-45
Schedule of Findings & Responses	46-47
Scheduel of Prior Year Findings	48
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	49-59

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

Van L. Auld, CPA

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

INDEPENDENT AUDITOR'S REPORT

Honorable Judge Vanessa Harris
 City Court of Opelousas
 Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining funds of City Court of Opelousas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise City Court of Opelousas' basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

P. O. Box 1549
 4766 I-49 North Service Road
 Opelousas, Louisiana 70570
 Phone: 337-948-4848
 Fax: 337-948-6109

112 Fountain Bend Dr.
 Lafayette, LA 70506
 Phone: 337-984-9717
 Fax: 337-984-5544

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Opelousas, as of December 31, 2017 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other MattersRequired Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of net pension liability, and the schedule of employer contributions on pages 28-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise City Court of Opelousas' basis financial statements. The accompanying individual governmental fund financial statements on pages 35-42 are presented for purposes of additional analysis and are not a part of the financial statements. The schedule of compensation, benefits and other payments to agency head on page 43, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a part of the financial statements.

This individual governmental fund financial statements and the schedule are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual governmental fund financial statements and the schedule of compensation, benefits and other payments are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 14, 2018, on our consideration of City Court of Opelousas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Court of Opelousas' 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 Opelousas' internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Matters

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 14, 2018 on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards. The purpose of that report is solely to describe the scope of testing performed on those controls and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing and not to provide an opinion on control or compliance.

John S. Dowling & Company

Opelousas, Louisiana

June 14, 2018

BASIC FINANCIAL STATEMENTS

City Court of Opelousas' basic financial statements comprise the following three components:

Government-wide financial statements - provide readers with a broad overview of City Court of Opelousas' finances in a manner similar to a private sector business.

Fund financial statements - provide readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting the near-term financial needs.

Notes to basic financial statements - provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2017

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash	\$ 50,348
Investments	80,000
Accounts receivable	141
Capital assets (net)	165,249
<u>Total assets</u>	<u>295,738</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources - pensions	<u>63,052</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	20,441
Salaries payable	11,210
Payroll taxes payable	422
Due to other governments	15,786
Non-current liabilities	
Due beyond 1 year	
Accrued compensatory pay	57,177
Accrued compensated absences	29,370
Net pension liability	220,527
<u>Total liabilities</u>	<u>354,933</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources - pensions	<u>5,387</u>
<u>NET POSITION</u>	
Net investment in capital assets	165,249
Restricted for:	
Juvenile docket	24,337
Unrestricted	<u>(191,116)</u>
<u>Total net position</u>	<u><u>(1,530)</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES)</u>
		<u>FEES, FINES AND CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>REVENUES AND CHANGES IN NET POSITION</u>
					<u>TOTAL GOVERNMENTAL ACTIVITIES</u>
Governmental Activities					
General government	\$ 1,395,120	\$ 611,856	\$ -	\$ -	\$ (783,264)
Judicial Building Fund	68,482	21,291	-	-	(47,191)
Juvenile Fund	28,959	8,567	-	-	(20,392)
<u>Total governmental activities</u>	<u>1,492,561</u>	<u>641,714</u>	<u>-</u>	<u>-</u>	<u>(850,847)</u>
General Revenues					
Intergovernmental					551,440
Civil reimbursements					129,549
Interest earned					544
Miscellaneous					13,658
<u>Total general revenues</u>					<u>695,191</u>
<u>Change in net position</u>					<u>(155,656)</u>
Net position – January 1, 2017					<u>154,126</u>
Net position – December 31, 2017					<u>(1,530)</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY COURT OF OPELOUSAS, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

<u>ASSETS</u>	<u>GENERAL</u>	<u>JUDICIAL BUILDING</u>	<u>JUVENILE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash	\$ 21,469	\$ 2,528	\$ 26,351	\$ 50,348
Investments	80,000	-	-	80,000
Due from other funds	2,859	-	-	2,859
Due from agency fund	141	-	-	141
<u>Total assets</u>	<u>104,469</u>	<u>2,528</u>	<u>26,351</u>	<u>133,348</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 18,237	\$ 1,236	\$ 968	\$ 20,441
Salaries payable	11,210	-	-	11,210
Payroll taxes payable	422	-	-	422
Due to other funds	-	1,813	1,046	2,859
Due to others	15,786	-	-	15,786
<u>Total liabilities</u>	<u>45,655</u>	<u>3,049</u>	<u>2,014</u>	<u>50,718</u>
 <u>FUND BALANCES</u>				
Fund balances				
Restricted	-	-	24,337	24,337
Unassigned	58,814	(521)	-	58,293
<u>Total fund balances</u>	<u>58,814</u>	<u>(521)</u>	<u>24,337</u>	<u>82,630</u>
<u>Total liabilities and fund balances</u>	<u>104,469</u>	<u>2,528</u>	<u>26,351</u>	<u>133,348</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total fund balances of governmental funds at December 31, 2017		\$ 82,630
Cost of capital assets at December 31, 2017	\$ 378,069	
Less: Accumulated depreciation as of December 31, 2017	<u>(212,820)</u>	165,249
Long-term liabilities at December 31, 2017		
Compensated absences	(29,370)	
Compensatory pay	(57,177)	
Net pension liability	<u>(220,527)</u>	(307,074)
Deferred outflows of resources related to net pension liability		63,052
Deferred inflows of resources related to net pension liability		<u>(5,387)</u>
Total net position of governmental funds at December 31, 2017		<u><u>(1,530)</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>GENERAL</u>	<u>JUDICIAL BUILDING</u>	<u>JUVENILE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Fines and fees	\$ 611,856	\$ 21,291	\$ 8,567	\$ 641,714
Intergovernmental	538,428	12,284	728	551,440
Interest earned	579	-	-	579
Civil Reimbursements	129,549	-	-	129,549
Miscellaneous	1,697	-	11,961	13,658
<u>Total revenues</u>	<u>1,282,109</u>	<u>33,575</u>	<u>21,256</u>	<u>1,336,940</u>
<u>EXPENDITURES</u>				
Current				
General government - judiciary	1,403,747	62,482	28,959	1,495,188
Capital outlay	-	6,000	-	6,000
<u>Total expenditures</u>	<u>1,403,747</u>	<u>68,482</u>	<u>28,959</u>	<u>1,501,188</u>
<u>NET CHANGE IN FUND BALANCES</u>	(121,638)	(34,907)	(7,703)	(164,248)
<u>FUND BALANCES, beginning of year</u>	<u>180,452</u>	<u>34,386</u>	<u>32,040</u>	<u>246,878</u>
<u>FUND BALANCES, end of year</u>	<u>58,814</u>	<u>(521)</u>	<u>24,337</u>	<u>82,630</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Total net change in fund balances for the year ended December 31, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (164,248)
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 6,000	
Depreciation expense for year ended December 31, 2017	<u>(31,659)</u>	(25,659)
The effect of recording net pension liability, deferred outflows and deferred inflows of resources as it relates to net pension liability:		
Increase in pension expense		28,633
Change in Long-term debt - Compensated absences		5,653
Change in accrued interest receivable		<u>(35)</u>
Total change in net position for the year ended December 31, 2017 per Statement of Activities		<u><u>(155,656)</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2017

ASSETS

Cash	\$ 136,188
Investments	106,318
Due from others	1,433
Accrued interest receivable	<u>78</u>
<u>Total assets</u>	<u><u>244,017</u></u>

LIABILITIES

Due to General Fund	\$ 141
Due to others	<u>243,876</u>
<u>Total liabilities</u>	<u><u>244,017</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City Court of Opelousas, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

A. FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The criteria for determining whether an entity is a primary government are as follows:

- a. It has a legally separate elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other state and local governments.

City Court of Opelousas, Louisiana is considered to be a primary government because:

- a. The City Judge is an independently elected official.
- b. City Court of Opelousas possesses the corporate powers that would distinguish it as being legally separate from any other government.
- c. City Court of Opelousas can determine its budget without approval of any other government and it can issue bonded debt without approval of any other government.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on other governmental units.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the City Court as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of City Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements report detailed information about City Court. As a general rule, interfund eliminations are not made in the fund financial statements.

The various funds of City Court of Opelousas, Louisiana are classified as governmental funds. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

The City Court of Opelousas, Louisiana reports the following major governmental funds:

General Fund. The general fund is the general operating fund of City Court of Opelousas, Louisiana. It is used to account for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds.

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

The Judicial Building Fund shall be used exclusively for the acquisition, leasing, construction, equipping, and maintenance of a new and/or existing city court building and for the maintenance and payment of any bond indebtedness on any such existing facilities.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

The Juvenile Fund shall be used to account for the juvenile fines and fees assessed, for the purpose of providing after-school training programs to equip youth with life skills and to address academic performance and delinquent behavior. The Juvenile Fund also accounts for the proceeds from the Community Based Family Resources Grant, which provides for an after-school training program to equip youth with vital decision making, conflict resolution, social, anger management, and goal setting skills along with promoting academic performance.

Fiduciary Fund (not included in government-wide statements).

The agency fund type is used to account for assets held by a government as a trustee or agent capacity for others. Agency funds generally serve as clearing accounts. City Court's Agency Fund is the Civil Docket Fund. It is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The fund financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when the related fund liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is the Judge's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Revenues

Court cost and fine revenue is recorded when received. Substantially all other revenues are recorded when received.

Expenditures

Expenditures for insurance and similar services, which extend over more than one accounting period, are accounted for as expenditures in the period of acquisition.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of year-end unless significant.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

D. ENCUMBRANCES

City Court does not employ the encumbrance system of accounting.

E. BUDGET

City Court legally adopted a budget for the General Fund and Special Revenue Fund for the year ended December 31, 2017. The budget for the General Fund is prepared on a modified accrual basis. At year-end all appropriations lapse. The budget presented in the Budgetary Comparison Schedule shows the original and final amended budget for the year.

F. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Under state law, City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana RS 33:2955 and City Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash. City Court's policy is to invest in 6 month and 1 year certificates of deposit. The certificates of deposit are stated at cost, which approximates market value.

G. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds" in the fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. RECEIVABLES AND PAYABLES (Continued)

In the fund financial statements, receivables consist of revenues that are both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

H. CAPITAL ASSETS

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation.

Capital assets are recorded in the government-wide financial statements. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Land improvements	40 years
Building and improvements	40 years
Furniture and equipment	5 – 40 years
Vehicles	10 – 12 years

In the fund financial statements, capital assets used in governmental fund activities are accounted for as capital outlay expenditures. City Court maintains a threshold level of \$500 or more for capitalized assets.

I. COMPENSATED ABSENCES

Annual and sick leave shall be simultaneously earned by full time employees based on a continuous service schedule. Upon death of the employee, annual leave at time of death shall be paid to the beneficiary of the employee. Upon separation of service, the Court shall pay for up to 240 hours of annual leave based on the regular rate of pay at time of separation.

J. COMPENSATORY TIME

Compensatory time not used accumulates and is paid upon termination, retirement or death. The Judicial Administrator is considered the department head and therefore, cannot be paid for overtime worked. The Judicial Administrator earns compensatory time for overtime worked. The entire amount of accrued compensatory pay is reported on the government-wide financial statements. Since none of the compensatory time is considered current, no accrual is included in the fund financial statements. Judge Harris has requested an Attorney General's opinion as to the validity of this liability. As of the statement date, no reply has been received. Suit was filed on April 27, 2010 with an answer timely filed shortly thereafter. No further activity after that date. Counsel believes that the liability recorded is sufficient.

K. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City Court of Opelousas, Louisiana does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

L. BAD DEBTS

City Court of Opelousas, Louisiana, does not record bad debts and has not established an allowance for bad debts because it is their policy to record fines and court costs as collected.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. EQUITY CLASSIFICATIONS

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

1. Net investment in capital assets - Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position - Consist of net position with constraints 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.
3. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted fund balance – Reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city judge – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the judge removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – Reflects the amounts constrained by the judge's "intent" to be used for specific purposes, but are neither restricted nor committed. The judge and the Clerk have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Judge considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Judge considers the amount to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Judge has provided otherwise in its commitment or assignment actions.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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. Actual results could differ from those estimates.

NOTE 2 -- CASH AND INVESTMENTS

Cash consists of cash on hand, demand deposits, and passbook savings accounts. At December 31, 2017, the carrying amount of City Court's cash was \$186,536 (\$50,348 in governmental funds and \$136,188 in fiduciary funds) and the carrying amounts of investments, which consisted of certificates of deposit, \$186,318 (\$80,000 in governmental funds and \$106,318 in fiduciary funds).

Under state law, the bank balances of cash and investments (certificates of deposit) must be secured by federal deposit insurance or the pledge of securities owned by the bank(s). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank(s). These securities are held in the name of the pledging bank(s) in a holding or custodial bank(s).

At December 31, 2017, City Court had \$372,754 (\$130,248 in governmental funds and \$242,506 in fiduciary funds) in bank deposits. These deposits are secured from risk by \$372,754 of federal deposit insurance.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, City Court's deposits may not be recovered or will not be able to recover collateral securities that are in possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. City Court does not have a policy for custodial credit risk.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2017 for the City Court of Opelousas, Louisiana are as follows:

	Balances 1/1/2017	Additions	Disposals	Balances 12/31/2017
Governmental activities				
Land improvements	\$ 4,000	\$ -	\$ -	\$ 4,000
Building improvements	10,490	-	-	10,490
Furniture and equipment	277,593	6,000	-	283,593
Vehicles	79,986	-	-	79,986
<u>Total</u>	<u>372,069</u>	<u>6,000</u>	<u>-</u>	<u>378,069</u>
Less accumulated depreciation				
Land improvements	(2,408)	(100)	-	(2,508)
Building improvements	(4,754)	(765)	-	(5,519)
Furniture and equipment	(134,376)	(22,795)	-	(157,171)
Vehicles	(39,623)	(7,999)	-	(47,622)
<u>Total</u>	<u>(181,161)</u>	<u>(31,659)</u>	<u>-</u>	<u>(212,820)</u>
	<u>\$ 190,908</u>	<u>\$ (25,659)</u>	<u>\$ -</u>	<u>\$ 165,249</u>

The land and building in which City Court of Opelousas, Louisiana operates are provided by and currently owned by the City of Opelousas, Louisiana and are not included in the capital assets of City Court of Opelousas.

NOTE 4 – RESTRICTED NET POSITION

Restricted net position described in Note 1 as of December 31, 2017 is as follows:

Cash:	
Juvenile Docket	\$24,337
Judicial Building Fund	
	<u>24,337</u>

NOTE 5 – RETIREMENT PLANS

Simple IRA

Effective July 1, 2012, City Court established a Simple IRA plan which is a defined contribution plan. This plan provides limited eligibility to employees who have received at least \$5,000 in compensation during any 2 calendar years preceding the calendar year. All contributions made under this plan are fully vested and non-forfeitable. The plan may not be amended except to modify entries inserted in blanks or boxes provided in general eligibility requirements, timing of salary reductions elections, procedures for withdrawals and transfers by the designated financial institution, and the plan effective date. Employees are allowed to contribute as an elective deferral \$12,000 with an additional \$3,000 if age 50 or older at the end of the year. City Court will match the contribution up to a limit of 3% of employee compensation for the year. There are no assets accumulated in a trust under this plan.

City Court's employer contributions for the years ended December 31, 2017 and 2016 were \$343 and \$3,415, respectively. The employee contributions for the years ended December 31, 2017 and 2016 were \$1,772 and \$19,660, respectively.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

Simple IRA (Continued)

At December 31, 2017 and 2016, City Court reported payables of \$0 and \$273, respectively for the employer's portion of the matching contribution to the plan.

Municipal Employees' Retirement System of Louisiana (MERS)

Plan Description

City Court provides pension benefits for substantially all of its full time employees through the Municipal Employees' Retirement System of Louisiana, Plan A. This plan is a cost-sharing, multiple-employer, statewide funded plan. In addition to employee payroll deductions, the funds are remitted to the retirement system and are recorded expenditures. The retirement system is administered and controlled by a separate board of trustees. Contributions of participating agencies are pooled with the system to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and Required Supplementary Information. The report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809 or by calling (225) 925-4810.

Funding Policy

Plan A members of the Municipal Employees' Retirement System are required by state statute to contribute 9.5 % of their annual covered salary and City Court (as the employer) is required to contribute at an actuarially determined rate. The rate for the fiscal year ending December 31, 2017 was 22.75% of annual covered payroll.

The contribution requirements of plan members and the employer are established by, and may be amended by state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is additionally funded by the State of Louisiana through the annual Legislative appropriation. City Court employer contributions to Municipal Employees' Retirement System for the year ended December 31, 2017 was \$60,369 and was equal to the required contribution for the year.

At December 31, 2017 City Court did not have a proportionate share of the net pension liability since they had just joined the retirement plan. At December 31, 2017 City Court reported deferred outflows of resources related to pensions from employer contributions subsequent to the measurement date of \$33,791. Deferred outflows of resources of \$33,791 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending December 31, 2018.

LASERS

Plan Description

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

Benefits Provided

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

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. 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. Additionally, members may choose to retire with 20 years of service at any age with an actuarially reduced benefit.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire within twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the members average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

Deferred Retirement Benefits

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

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

Disability Benefits

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

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

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

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship with the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

Permanent Benefit Increases / Cost-of-Living Adjustments

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2018 for the various plans follow:

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Appellate Law Clerks	Closed	7.50%	37.90%
Appellate Law Clerks hired on or after 7/1/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	32.70%
Bridge Police	Closed	8.50%	36.50%
Bridge Police hired on or after 7/1/06	Closed	8.50%	36.50%
Corrections Primary	Closed	9.00%	33.20%
Corrections Secondary	Closed	9.00%	37.60%
Harbor Police	Closed	9.00%	6.10%
Hazardous Duty	Open	9.50%	38.30%
Judges hired before 1/1/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.60%
Judges hired on or after 7/1/15	Open	13.00%	39.60%
Legislators	Closed	11.50%	41.70%
Optional Retirement Plan (ORP) before 7/1/06	Closed	7.50%	33.80%
Optional Retirement Plan (ORP) on or after 7/1/06	Closed	8.00%	33.80%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 7/1/06	Closed	7.50%	37.90%
Regular Employees hired on or after 7/1/06	Closed	8.00%	37.90%
Regular Employees hired on or after 1/1/11	Closed	8.00%	37.90%
Regular Employees hired on or after 7/1/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.70%
Wildlife Agents	Closed	9.50%	46.60%

City Court's contractually required composite contribution rate for the year ended June 30, 2017 was 40.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from City Court were \$21,617 for the year ended December 31, 2017.

Payable to the Pension Plan

At December 31, 2017, City Court reported a payable to LASERS of \$1,885 for the employer's portion of contractually required contributions to the pension plan for the month of December.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

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

At December 31, 2017 the Employer reported a liability of \$220,527 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. City Court's proportion of the Net Pension Liability was based on a projection of 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, 2017, City Court's proportion was .002992% which was an increase of .002990% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, City Court recognized pension expense of \$20,179 plus employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$(13,818) for a total of \$6,361.

At December 31, 2017, City Court reported deferred outflows of resources and deferred inflows of resources as 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	\$ -	\$ 4,046
Changes in assumptions	871	-
Net difference between projected and actual earnings on pension plan investments	7,171	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	9,951	1,341
Employer contributions subsequent to the measurement date	<u>11,268</u>	<u>-</u>
Total	<u>29,261</u>	<u>5,387</u>

\$11,268 reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For year ended December</u>	
2018	\$ 4,711
2019	9,464
2020	2,870
2021	<u>(4,440)</u>
Total	12,605

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 is as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.70% per annum
Inflation Rate	2.75% per annum
Mortality	

Non-disabled members: Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Disabled members: Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, & Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

Salary Increases

Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

Cost of Living Adjustments

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

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 – RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.69% for 2017. 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0%	-0.24%
Domestic equity	25%	4.31%
International equity	32%	5.35%
Domestic Fixed Income	8%	1.73%
International Fixed Income	6%	2.49%
Alternative Investments	22%	7.41%
Global Asset Allocation	7%	2.84%
Total	<u>100%</u>	<u>5.26%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. 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 contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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 Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.70%, as well as what the Employer'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:

	<u>1.0% Decrease (6.70%)</u>	<u>Current Discount Rate (7.70%)</u>	<u>1% Increase (8.70%)</u>
Employer's proportionate share of the net pension liability	\$ 276,847	\$ 220,527	\$ 172,642

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Comprehensive Annual Financial Report at www.lasersonline.org.

Payable to the Pension Plan

At December 31, 2017, City Court reported a payable to LASERS of \$1,885 for the employer's portion of contractually required contributions to the pension plan for the month of December.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 6 – OPERATING LEASES

On December 28, 2007, City Court, along with the City Marshal's office, entered into an operating lease for a telephone system. The operating lease is for 60 months with monthly payments of \$300 from City Court and \$222 from the Marshal's office. On December 4, 2012, City Court, along with the City Marshal's office, renewed the operating lease for 36 months with monthly payments of \$138.60 from City Court and \$138.60 from the Marshal's office. At the end of the lease, City Court does not have the option to purchase the equipment, but may upgrade the equipment and/or renew the lease.

Telephone rental expense for 2017 was \$2,375.

In June 2013, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$82.17. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In July 2014, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$39.06. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In August 2014, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$101.24. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In February 2017, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$131.53. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In February 2017, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$165.22. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

Copier rental expense for 2017 was \$10,558.

Following is a summary of future minimum rental payments required by the equipment leases:

2018	\$5,738
2019	4,504
2020	3,561
2021	3,561
2022	594

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 7 – LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations is as follows:

<u>Description of Debt</u>	<u>Balance 1/1/2017</u>	<u>Increase (Decrease)</u>	<u>Balance 12/31/2017</u>
Accrued compensatory pay	\$ 57,177	\$ -	\$ 57,177
Accrued compensated absences	35,023	(5,653)	29,370
	<u>92,200</u>	<u>(5,653)</u>	<u>86,547</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between funds that may result in amounts owed between funds. Those related goods and services type transactions are classified as "due to and from other funds" in the fund financial statements. In the government-wide financial statements, interfund receivables and payables are eliminated within the governmental activities. All of these accounts are expected to be repaid within one year from the date of the financial statements.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,000	\$ -
Agency Fund	-	141
Special Revenue Fund	-	2,859
	<u>3,000</u>	<u>3,000</u>

NOTE 9 – INTERFUND TRANSFERS

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. There were no interfund transfer balances at December 31, 2017.

NOTE 10 – ON BEHALF PAYMENTS

Several employees and the City Judge of City Court of Opelousas receive payments directly from the City of Opelousas and St. Landry Parish Government. Salaries paid to these employees and the City Judge includes \$323,229 from the City of Opelousas and \$11,795 from St. Landry Parish Government. The City of Opelousas and St. Landry Parish Government also pay for fringe benefits, retirement and payroll taxes. Payments made on behalf of City Court amounted to \$57,676 for group health insurance, \$78,875 for retirement to MERS and \$5,041 for payroll taxes by the City of Opelousas and \$4,540 for retirement to LASERS by St. Landry Parish Government. These expenditures have been recorded on the books of City Court and are presented in their appropriate accounts.

In addition to the expenditures recorded on the books of City Court as noted above, the City of Opelousas also made expenditures on behalf of City Court in the amount of \$57,271 for office supplies and expenses, insurance, maintenance and repairs, and detention center cost. City Court also occupies a building owned by the City of Opelousas.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through June 14, 2018 which is the date the financial statements were available to be issued. As of June 14, 2018, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Fines and fees				
Civil court fees	\$ 10,000	\$ 9,073	\$ 8,768	\$ (305)
Court costs and fines earned	480,000	441,083	402,329	(38,754)
Criminal Court Fees	63,000	50,332	48,769	(1,563)
Probation Evaluation fees	4,100	4,735	4,151	(584)
Driver's school	4,500	3,757	3,193	(564)
Community service	3,000	2,028	1,768	(260)
Drug testing	1,300	2,033	1,850	(183)
Subpoena fees	4,600	5,439	5,683	244
Court costs - bond forfeiture	3,000	1,740	1,305	(435)
JEU Application income	1,000	773	750	(23)
Department of Public Safety fees	6,700	3,717	3,788	71
District Court - DWI and probation fees	181,000	84,497	83,794	(703)
Restitution	-	-	-	-
Administrative cost fees	150,000	50,076	45,708	(4,368)
Intergovernmental				
St. Landry Parish Government reimbursement	2,600	-	-	-
On behalf payments				
City of Opelousas	560,000	523,576	522,092	(1,484)
St. Landry Parish Government	14,000	16,216	16,336	120
Investment earnings	700	677	579	(98)
Reimbursed expense for Judge from Civil	53,000	75,467	89,108	13,641
Reimbursed expense from Civil	10,000	25,532	40,441	14,909
Other	10,000	2,757	1,697	(1,060)
<u>Total Revenues</u>	<u>1,562,500</u>	<u>1,303,508</u>	<u>1,282,109</u>	<u>(21,399)</u>
<u>EXPENDITURES</u>				
General Government				
Current				
Accounting and auditing	51,000	57,568	49,754	7,814
Contract services - juveniles	7,500	6,759	5,275	1,484
Contract labor	-	-	1,019	(1,019)
Computer maintenance contracts	-	796	2,027	(1,231)
Refunds	1,000	296	197	99
Repairs and maintenance	-	-	34	(34)
Dues and subscriptions	3,000	2,629	3,485	(856)
Fuel cost	1,200	2,191	1,979	212
Insurance	20,000	12,075	12,449	(374)
Lease of equipment	10,300	11,094	12,933	(1,839)
Marshal's operating expenses	6,000	6,000	6,000	-
Mileage reimbursement	300	-	-	-
Miscellaneous	1,000	12	236	(224)
Office supplies	19,000	13,708	12,916	792
Printing jobs	2,000	824	618	206
Document storage	4,500	-	-	-
Payroll taxes	28,000	9,640	8,461	1,179
Salaries	406,000	376,042	359,346	16,696
Subpoenas	3,300	3,616	3,398	218
On behalf expenses				
City of Opelousas	560,000	523,576	522,092	1,484
St. Landry Parish Government	14,000	-	16,336	(16,336)
Travel and conventions	13,000	14,588	11,442	3,146
Telephone and internet	5,000	5,213	5,342	(129)
Auto repairs and maintenance	1,700	5,087	4,024	1,063

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
Uniforms	\$ 4,000	\$ 452	\$ 339	\$ 113
Utilities	10,000	9,133	9,634	(501)
Bank charges	2,600	3,981	3,802	179
Restitution expense	200	-	-	-
Employees' meals	1,000	913	677	236
Legal books	12,100	13,956	16,261	(2,305)
Retirement expense	23,675	82,304	82,328	(24)
Marshall fines	200	-	-	-
Allocation of court cost				
City Marshal	35,000	40,167	34,902	5,265
St. Landry Parish Indigent Fund	88,000	68,564	61,452	7,112
Acadiana Criminalistics Laboratory	48,000	38,733	35,171	3,562
District Attorney	17,000	12,721	11,400	1,321
City Treasurer	44,000	28,971	26,311	2,660
St. Landry Parish Government	77,000	59,996	53,762	6,234
LA Commission of Law Enforcement	4,500	5,077	4,393	684
District Attorney - 12% Fund	10,500	8,181	7,331	850
Crime Victims	2,500	2,313	2,062	251
State DWI machine fee	2,000	1,067	1,016	51
City test fee	1,200	619	532	87
Supreme Court CMIS cost	5,000	3,725	3,362	363
Act 654	100	2,459	-	2,459
District Attorney - worthless check fee	150	27	20	7
Officer subpoenas	2,100	2,713	2,745	(32)
Act 508 - P.T.	100	100	75	25
Act 832 - Drug Abuse Ed & Tx	1,600	552	430	122
Act 405 - Supreme Court - juv ed	400	568	515	53
ACT 895.4 - Crime Stoppers	3,200	-	2,219	(2,219)
City Marshall - bond forfeiture	2,700	1,620	1,215	405
District Attorney - bond forfeiture	2,700	1,620	1,215	405
IDB - bond forfeiture	2,700	1,620	1,215	405
<u>Total Expenditures</u>	<u>1,562,025</u>	<u>1,443,866</u>	<u>1,403,747</u>	<u>40,119</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>475</u>	<u>(140,358)</u>	<u>(121,638)</u>	<u>18,720</u>
<u>FUND BALANCE, beginning of year</u>			<u>180,452</u>	
<u>FUND BALANCE, end of year</u>			<u>58,814</u>	

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - JUDICIAL BUILDING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines and Fees	\$ 29,000	\$ 21,727	\$ 21,291	\$ (436)
St. Landry Parish Government Reimbursement	17,000	12,108	12,284	176
Interest income	10	-	-	-
<u>Total Revenues</u>	<u>46,010</u>	<u>33,835</u>	<u>33,575</u>	<u>(260)</u>
<u>EXPENDITURES</u>				
Bank service charges	100	151	160	(9)
Repairs and maintenance	55,100	57,099	57,960	(861)
Document Storage	-	4,640	3,480	1,160
Supplies	250	1,240	882	358
Capital outlay	12,000	8,000	6,000	2,000
<u>Total Expenditures</u>	<u>67,450</u>	<u>71,130</u>	<u>68,482</u>	<u>2,648</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(21,440)</u>	<u>(37,295)</u>	<u>(34,907)</u>	<u>2,388</u>
<u>FUND BALANCE</u> , beginning of year			<u>34,386</u>	
<u>FUND BALANCE</u> , end of year			<u>(521)</u>	

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - JUVENILE FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
State of LA Reimbursement	\$ 5,000	\$ 7,500	\$ -	\$ (7,500)
Reimbursements from other governments	-	1,269	728	(541)
Juvenile Fines	12,000	8,335	8,567	232
Miscellaneous	8,000	4,973	11,961	6,988
<u>Total Revenues</u>	<u>25,000</u>	<u>22,077</u>	<u>21,256</u>	<u>(821)</u>
<u>EXPENDITURES</u>				
Juvenile upkeep & expense	25,000	7,368	17,155	(9,787)
Contract services	-	6,763	3,000	3,763
Computer expense	-	3,667	2,750	917
Office supplies	-	-	223	(223)
Marshall subpoenas	300	43	74	(31)
FINS - 27th Judicial Expense Fund	5,000	5,400	5,400	-
Miscellaneous	500	213	357	(144)
<u>Total Expenditures</u>	<u>30,800</u>	<u>23,454</u>	<u>28,959</u>	<u>(5,505)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(5,800)</u>	<u>(1,377)</u>	<u>(7,703)</u>	<u>(6,326)</u>
<u>FUND BALANCE</u> , beginning of year			<u>32,040</u>	
<u>FUND BALANCE</u> , end of year			<u>24,337</u>	

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2017*

<u>Year ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2017	0.00313%	\$ 220,527	\$ 53,733	410%	62.5%
2016	0.00299%	\$ 234,948	\$ 53,000	443%	57.7%
2015	0.00286%	\$ 194,523	\$ 53,000	367%	62.7%

This 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.

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2017	\$ 21,617	\$ 21,617	\$ -	\$ 53,733	40.2%
2016	\$ 20,148	\$ 20,148	\$ -	\$ 53,000	38.0%
2015	\$ 21,094	\$ 21,094	\$ -	\$ 53,000	39.8%

This 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.

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2017

BUDGET

NOTE (1) BASIS OF ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE (2) BUDGETARY PRACTICES

The Court prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

PENSION PLAN

There were no changes of benefit terms for the plan year ended June 30, 2017. Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes in actuarial assumptions resulted in a deferred outflow of resources as of June 30, 2017 of \$871

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Cash	\$ 21,469	\$ 41,814
Investments	80,000	167,725
Due from other funds	2,859	2,800
Due from agency fund	141	10,768
	104,469	223,107
<u>Total Assets</u>	104,469	223,107
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 18,237	\$ 14,647
Salaries payable	11,210	13,403
Payroll taxes payable	422	494
Due to others	15,786	14,111
<u>Total Liabilities</u>	45,655	42,655
 <u>FUND BALANCE</u>		
Unassigned	58,814	180,452
<u>Total Fund Balance</u>	58,814	180,452
<u>Total Liabilities and Fund Balance</u>	104,469	223,107

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Fines and Fees		
Civil court fees	\$ 8,768	\$ 10,072
Court costs and fines earned	402,329	441,194
Probation Evaluation fees	4,151	4,250
Criminal Court Funds	48,769	63,321
Driver's school	3,193	4,185
Community service income	1,768	2,790
Drug testing	1,850	1,400
Subpoena fees	5,683	4,627
Court cost - bond forfeiture	1,305	2,142
JEU Application income	750	985
Department of Public Safety fees	3,788	5,775
District Court - DWI and probation fees	83,794	151,688
Administrative cost fees	45,708	121,074
Intergovernmental		
St. Landry Parish Government reimbursement	-	1,659
On behalf payments		
City of Opelousas	522,092	453,055
St. Landry Parish Government	16,336	16,221
CMIS Grant Revenue	-	93,698
Investment earnings	579	656
Reimbursed expense for Judge from Civil	89,108	91,899
Reimbursed expense from Civil	40,441	-
Other	1,697	3,907
<u>Total Revenues</u>	<u>1,282,109</u>	<u>1,474,598</u>
EXPENDITURES		
General Government		
Current		
Accounting and auditing	49,754	49,807
Contract services -probation	5,275	8,185
Contract labor	1,019	-
Computer expense	2,027	19,077
Refunds	197	812
Repairs and maintenance	34	-
Dues and subscriptions	3,485	4,379
Fuel cost	1,979	1,042
Insurance	12,449	14,365
Lease of equipment	12,933	10,286
Marshal's operating expenses	6,000	6,000
Miscellaneous	236	2,037
Office supplies	12,916	16,524
Printing jobs	618	-

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Document storage	\$ -	\$ 3,480
Payroll taxes	8,461	25,650
Salaries	359,346	378,176
Compensated absences	-	(342)
On behalf expenses		
City of Opelousas	522,092	453,055
St. Landry Parish Government	16,336	16,221
City Marshal subpoenas	3,398	3,816
Travel and conventions	11,442	10,342
Telephone and internet	5,342	5,244
Auto repairs and maintenance	4,024	1,359
Uniforms	339	3,815
Utilities	9,634	7,975
Bank charges	3,802	2,799
Employees' meals	677	501
Legal books	16,261	16,001
Retirement expense	82,328	23,564
Allocation of court cost		
Marshall fines	-	304
City Marshal	34,902	32,697
St. Landry Parish Indigent Fund	61,452	80,603
Acadiana Criminalistics Laboratory	35,171	45,026
District Attorney	11,400	15,453
City Treasurer	26,311	38,498
St. Landry Parish Government	53,762	68,466
LA Commission of Law Enforcement	4,393	4,833
District Attorney - 12% Fund	7,331	9,336
Crime Victims	2,062	2,433
State DWI machine fee	1,016	2,121
City test fee	532	1,140
Supreme Court CMIS cost	3,362	4,539
Act 654	-	72
District Attorney - worthless check fee	20	120
Officer subpoenas	2,745	2,224
Act 508 - P.T.	75	50
Act 832 - Drug Abuse Ed & Tx	430	1,469
Act 405 - Supreme Court - juv ed	515	409
ACT 895.4 - Crime Stoppers	2,219	2,984
City Marshall - bond forfeiture	1,215	2,281
District Attorney - bond forfeiture	1,215	2,052
IDB - bond forfeiture	1,215	2,052
Capital outlay	-	87,858
<u>Total Expenditures</u>	<u>1,403,747</u>	<u>1,491,190</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>NET CHANGE IN FUND BALANCE</u>	\$ (121,638)	\$ (16,592)
<u>FUND BALANCE</u> , beginning of year	<u>180,452</u>	<u>197,044</u>
<u>FUND BALANCE</u> , end of year	<u><u>58,814</u></u>	<u><u>180,452</u></u>

See independent auditor's report.

SPECIAL REVENUE FUND

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE BALANCE SHEET
JUDICIAL BUILDING FUND
DECEMBER 31, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Cash	\$ 2,528	\$ 36,246
<u>Total Assets</u>	2,528	36,246
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,236	\$ 329
Due to General Fund	1,813	1,531
<u>Total Liabilities</u>	3,049	1,860
 <u>FUND BALANCE</u>		
Restricted Fund Balance		34,386
Unassigned	(521)	
<u>Total Fund Balance</u>	(521)	34,386
<u>Total liabilities and fund balance</u>	2,528	36,246

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
JUDICIAL BUILDING FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>		
Fines and Fees	\$ 21,291	\$ 26,391
St. Landry Parish Government Reimbursement	12,284	11,153
<u>Total Revenues</u>	<u>33,575</u>	<u>37,544</u>
<u>EXPENDITURES</u>		
Bank service charges	160	116
Repairs and maintenance	57,960	33,856
Supplies	882	235
Document storage	3,480	1,725
Capital outlay	6,000	-
<u>Total Expenditures</u>	<u>68,482</u>	<u>35,932</u>
<u>NET CHANGE IN FUND BALANCE</u>	(34,907)	1,612
<u>FUND BALANCE</u> , beginning of year	<u>34,386</u>	<u>32,774</u>
<u>FUND BALANCE</u> , end of year	<u>(521)</u>	<u>34,386</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE BALANCE SHEET
JUVENILE FUND
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash	\$ 26,351	\$ 33,309
<u>Total Assets</u>	<u>26,351</u>	<u>33,309</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 968	\$ -
Due to General Fund	1,046	1,269
<u>Total Liabilities</u>	<u>2,014</u>	<u>1,269</u>
 <u>FUND BALANCES</u>		
Restricted	24,337	32,040
<u>Total Fund Balances</u>	<u>24,337</u>	<u>32,040</u>
 <u>Total liabilities and fund balances</u>	 <u>26,351</u>	 <u>33,309</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
JUVENILE FUND
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>REVENUES</u>		
State of LA Reimbursement Grant	\$ -	\$ 7,198
Reimbursements from other governments	728	1,498
Juvenile Fines	8,567	7,957
Miscellaneous	11,961	12,640
<u>Total Revenues</u>	<u>21,256</u>	<u>29,293</u>
<u>EXPENDITURES</u>		
Juvenile upkeep & expense	17,155	8,281
Contract services	3,000	-
Computer expense	2,750	-
Office Supplies	223	126
Marshall subpoenas	74	186
Repairs and maintenance	-	296
FINS - 27th Judicial Expense Fund	5,400	5,100
Operating Services	-	7,198
Miscellaneous	357	-
<u>Total Expenditures</u>	<u>28,959</u>	<u>21,187</u>
<u>NET CHANGE IN FUND BALANCE</u>	(7,703)	8,106
<u>FUND BALANCE</u> , beginning of year	<u>32,040</u>	<u>23,934</u>
<u>FUND BALANCE</u> , end of year	<u>24,337</u>	<u>32,040</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2017

Agency Head Name: Vanessa Harris, Judge
 Service Period: 12 Months

<u>Purpose:</u>	<u>Amount</u>
Salary	\$ 55,333
Retirement	21,922
Insurance	2,023
Reimbursements	590
Travel	832
Registration Fees	1,625
Convention Travel	2,583
Other (dues/memberships)	900
	<u>85,808</u>

See independent auditor's report.

RELATED REPORTS

James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
 www.jsdc-cpas.com

Van L. Auld, CPA

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1936-2005
 Chizal S. Fontenot, CPA
 1955-2012

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003
 Russell J. Stelly, CPA
 2005

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

Honorable Judge Vanessa Harris
 City Court of Opelousas
 Opelousas, 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, each major fund, and the aggregate remaining fund information of City Court of Opelousas, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise City Court of Opelousas' basic financial statements and have issued our report thereon dated June 14, 2018.

Internal Control over Financial Reporting

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

P. O. Box 1549
 4766 I-49 North Service Road
 Opelousas, Louisiana 70570
 Phone: 337-948-4848
 Fax: 337-948-6109

112 Fountain Bend Dr.
 Lafayette, LA 70506
 Phone: 337-984-9717
 Fax: 337-984-5544

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Opelousas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and responses as 2017-1.

Responses to Findings

City Court of Opelousas' responses to the findings identified in our audit is described in the accompanying schedule of findings and responses. City Court of Opelousas' responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

John S. Dowling & Company
Opelousas, Louisiana
June 14, 2018

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

Section I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of City Court of Opelousas.
2. No significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and on Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. One instance of noncompliance relating to the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
4. No management letter was issued for City Court of Opelousas as of and for the year ended December 31, 2017.
5. There was no single audit required under 2CFR 200.516(a) (Uniform Guidance).

Section II - FINDINGS - FINANCIAL STATEMENT AUDIT

2017-1 Actual Expenses Exceeded Budgeted Expenses by More Than 5 Percent

Condition: The budget was not properly amended for the Juvenile Fund.

Criteria: Louisiana Local Government Budget Act RS 39:1311(A)(2) states that the budget must be amended when actual expenses exceed budgeted expenses by 5 percent or more.

Cause: The budgets were not properly amended as required by Louisiana Local Government Budget Act for the Juvenile Fund.

Effect: Actual expenses exceeded budgeted expenses in the Juvenile Fund by 23.5%.

Recommendation: City Court of Opelousas should consult and follow the Louisiana Local Government Budget Act.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017

Section II – 2017 FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

Corrective Action Plan: The Opelousas City Court provides fiscal agency service to the St. Landry Parish Children and Youth Services Planning Board – an unfunded but mandated coalition established through an ordinance of the St. Landry Parish Government to comply with ACT 555 of the Louisiana Legislature. The referenced expenses that exceeded budgeted expenses in the Court's Juvenile Fund were encumbered with sponsorship funding the Court received, managed, and dispersed on behalf of the CYS Planning Board to support the Board's activities, events, and meetings and were, therefore, not budgeted as direct Court expenses or as part of the Court's operations and, thus, the Court's budget was not amended. Moving forward, the Court will amend its budget as required by the Louisiana Local Government Budget Act for the Juvenile Fund.

Contact Person: LaVonya Malveaux, Judicial Administrator

Section III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

N/A

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control

2016-1 Agency Fund – Reconciliation of Amounts Due to Others

RESOLVED

Compliance

2016-2 Budgeted Revenues Exceeded Actual Revenues by More Than 5 Percent

RESOLVED

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

James L. Nicholson, Jr., CPA
G. Kenneth Pavy, II, CPA
Michael A. Roy, CPA
Lisa Trouille Manuel, CPA
Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
www.jsdc-cpas.com

Van L. Auld, CPA

49
John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005
Chizal S. Fontenot, CPA
1955-2012

Retired
Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Lanclos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Honorable Judge Vanessa Harris
of City Court of Opelousas
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by City Court of Opelousas (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

There are no written policies and procedures addressing budgeting.

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.

There are no written policies and procedures addressing purchasing.

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

There are no written policies and procedures addressing disbursements.

- d) **Receipts**, including receiving, recording, and preparing deposits

There are no written policies and procedures addressing receipts.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

There are no written policies and procedures addressing payroll/personnel.

- 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

There are no written policies and procedures addressing contracting.

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

Written policies and procedures were obtained for credit cards and address all of the above functions.

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

Written policies and procedures were obtained for travel and expense reimbursement and address all of the above functions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

There are no written policies and procedures addressing ethics.

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

There are no written policies and procedures addressing debt service.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Not applicable because city court does not have a board.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Not applicable because city court does not have a board.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Not applicable because city court does not have a board.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We were provided with a listing from management and management's representation that the listing was complete.

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Obtained bank statements and bank reconciliations for all months in the fiscal period and noted that an outside CPA firm prepares the reconciliations each month.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

Bank reconciliations include evidence that the Judicial Administrator reviewed each bank reconciliation.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

The only cash account with outstanding items for more than 6 months, as of the end of the fiscal period, is the civil fund account. The clerk in that department researches the outstanding checks each year.

Collections

- 5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Obtained a listing of collection locations from management and management's representation that the listing was complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:*

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

There are three cash collection locations. Each person is bonded. There is an exception at only one location where the same person collects cash and records the transaction. They do not share the same cash register or drawer with another employee. Therefore, an alternate clerk reviews recorded transactions to verify collections in this location.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

There is no formal written process for reconciling cash collections to the general ledgers, however, an outside CPA firm reconciles each bank account on a monthly basis and they are not responsible for cash collections.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

There were a total of 17 deposits tested. All deposited tested were completely supported by documentation. All deposits were made within one day of collection.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

There is no written procedure to determine completeness of all collections, however, an outside CPA firm reconciles the collections on a monthly basis.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Obtained the general ledger for all funds and management's representation that the general ledger populations were complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The entity does not use a purchase order system. The Judicial Administrator initiates all purchases.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The entity does not use a purchase order system.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Payments for purchases are not processed without an approved invoice from the Judicial Administrator.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The Administrative Assistant cuts the checks and the Judicial Administrator signs the checks. The Judicial Administrator does not add vendors into their purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The Judge and the Judicial Administrator have signature authority and have responsibility for initiating purchases while the Administrative Assistant is the only individual that records purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supplies of unused checks are kept in a locked closet and a locked file cabinet by individuals who do not have signature authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The entity does not have a signature stamp. Checks are not signed until written and are approved by the Judicial Administrator.

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

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

Obtained from management a listing of all active credit cards, including card numbers and names of the persons who maintained possession of the cards.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Obtained the combined monthly statements of the two active credit cards with the largest dollar activity. The supporting documentation was reviewed and approved by the Judicial Administrator, who is also a credit card holder. If the Judicial Administrator incurs expenses on the credit card then the Judge approves those expenses

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There were no finance charges and/or late fees assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

All of the receipts were attached to the statements and there was documentation of the business purpose. No other documentation was required, as per the written policy.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted which would be in violation of Article 7, Section 14 of the Louisiana Constitution.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Obtained the general ledger to select travel and related expense reimbursements and management's representation that the general ledger was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

No exceptions noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

All of the selected expenses were reimbursed in accordance with Louisiana State Travel Guidelines and the reimbursements did not exceed those rates.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Each selected travel expense was supported by an original receipt and documentation of the business purpose. No other documentation was required.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each selected travel expense and related documentation was reviewed and approved by someone other than the individual receiving the reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained a listing of 17 contracts in effect during the fiscal period and management's representation that the listing was complete.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

All of the contracts were formal/written contracts and the 5 contracts selected support the service arrangement and the amounts paid.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Louisiana Public Bid Law does not apply and the entity did not solicit bids.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

The contracts were not amended during the fiscal period.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The invoices and related payments, for all 5 selected contracts, complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Obtained and reviewed the contract documentation and there is documentation approval by either the Judge or the Judicial Administrator on each selected contract.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained a listing of employees with their related salaries from the Administrative Assistant and management's representation that the listing was complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

No exceptions noted.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

All of the employees/officials daily attendance and leave was documented.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

There was written documentation that supervisors approved, in writing, the employees' attendance and leave records.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

There is written documentation that the entity maintains leave records.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Only one employee was terminated during the fiscal period. Payments for vacation and sick were made in strict accordance with the entity's policies and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions noted with regards to payroll taxes and retirement contributions.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Obtained ethics certificates from management noting that each employee completed ethics training.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

There were no ethics violations reported to the entity during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

There was not any debt issued during the fiscal period.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

There was not any debt outstanding during the fiscal period.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

The entity does not have tax millages.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Per management, there were no misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.lia.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

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

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

John S. Dowling & Company

Opelousas, Louisiana
June 14, 2018