

CITY COURT OF LAFAYETTE, LOUISIANA
FINANCIAL REPORT
OCTOBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To The Honorable Frances Bouillion and
The Honorable Doug Saloom
City Judges
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Lafayette, Louisiana, a component unit of the Lafayette City-Parish Consolidated Government, as of and for the year ended October 31, 2019, and the related notes to financial statements, which collectively comprise the Court's 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 an opinion 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 of 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.

Basis for Qualified Opinion on Governmental Activities

As explained in Note 1, the Court did not adopt the provisions of GASB 68 as amended by GASB 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.*" These statements require the Court to recognize within the governmental activities financial statements net pension liabilities, deferred inflows and deferred outflows related to its participation in the Parochial Employees Retirement System of Louisiana, the Municipal Employees' Retirement System of Louisiana and the Louisiana State Employees' Retirement System, all cost-sharing, multiple employer defined benefit pension plans. The amount by which this departure would affect deferred outflows, liabilities, deferred inflows, net position and expenses of the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the City Court of Lafayette, as of October 31, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of City Court of Lafayette, Louisiana as of October 31, 2019, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 7 and pages 32 through 37 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 the schedule of proportionate share of the net pension liability and schedule of contributions 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Lafayette, Louisiana's basic financial statements. The schedule of compensation, benefits and other payments to agency head on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of compensation, benefits and other payments to agency head has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is 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 April 01, 2020, on our consideration of City Court of Lafayette, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Lafayette's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Bousard Poché LLC".

Lafayette, Louisiana
April 01, 2020

CITY COURT OF LAFAYETTE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City Court of Lafayette, Louisiana's (the "Court") financial performance provides an overview of the Court's financial activities for the year ended October 31, 2019. Please read it in conjunction with the Court's financial statements that follow.

I. FINANCIAL HIGHLIGHTS

The Court's net position decreased by \$157,264 or 2.3% as a result of this year's operations.

The Court's total program revenues were \$3,075,340 compared to \$3,125,909 last year, a decrease of \$50,569 or 1.6%.

Total program expenses for the Court during the year ending October 31, 2019 were \$3,252,623, compared to \$3,103,892 during the year ending October 31, 2018, an increase of \$148,731 or 4.8%.

II. USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net position and the statement of activities (pages 10 and 11) provide information about the Court's activities as a whole and present a longer-term view of the Court's finances. Fund financial statements start on page 14. These statements tell how the services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Court's operations in more detail than the government-wide statements by providing information about the Court's most significant funds. The remaining statements provide financial information about activities for which the Court acts solely as a trustee or agent for the benefit of those outside of the government.

A. REPORTING THE COURT AS A WHOLE

1. THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

Our analysis of the Court as a whole begins on page 5. One of the most important questions asked about the Court's finances is, "Is the Court, as a whole, better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most commercial enterprises. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

We record the funds maintained by the Court as governmental activities in the statement of net position and the statement of activities.

B. REPORTING THE COURT'S MOST SIGNIFICANT FUNDS

1. FUND FINANCIAL STATEMENTS

The fund financial statements begin on page 14 and provide detailed information about the most significant funds, not the Court as a whole. The Court has also established other funds, which are for proceeds legally restricted to expenditures for special purposes.

All of the Court's expenditures are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Court's general operations and the expenditures paid from these funds. The information in the governmental funds helps determine if there are more or less financial resources to finance future Court expenditures. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations that follow the fund financial statements.

C. THE COURT AS A TRUSTEE

The Court is a trustee for agency funds for its civil and criminal divisions. All of the Court's fiduciary funds are reported in the combining statement of fiduciary net position on page 21. We exclude these activities from the Court's other financial statements because the Court cannot use these assets to finance its operations. The Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

III. REPORTING THE COURT AS A WHOLE

The following table reflects the condensed statement of net position for 2019, with comparative figures from 2018.

TABLE I
CITY COURT OF LAFAYETTE, LOUISIANA
CONDENSED STATEMENT OF NET POSITION
October 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets:		
Current assets	\$4,274,300	\$4,395,834
Capital assets	<u>2,330,546</u>	<u>2,393,967</u>
Total assets	<u>\$6,604,846</u>	<u>\$6,789,801</u>
Liabilities:		
Current liabilities	\$ 26,560	\$ 54,251
Net position:		
Net investment in capital assets	\$2,330,546	\$2,393,967
Restricted	619,479	629,719
Unrestricted	<u>3,628,261</u>	<u>3,711,864</u>
Total net position	<u>\$6,578,286</u>	<u>\$6,735,550</u>
Total liabilities and net position	<u>\$6,604,846</u>	<u>\$6,789,801</u>

Net position of the Court's governmental activities decreased by \$157,264 or 2.3% over the prior year. Unrestricted net position, the part of net position that can be used to finance the Court's expenses without constraints or other legal requirements, decreased from \$3,711,864 at October 31, 2018 to \$3,628,261 at October 31, 2019.

The following table provides a summary of the change in net position for the year ended October 31, 2019, with comparative figures from 2018.

TABLE II
CITY COURT OF LAFAYETTE, LOUISIANA
CHANGE IN NET POSITION
For the Years Ended October 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues –		
Fees, fines, and charges for services and operating contributions	\$3,075,340	\$3,125,909
General revenues –		
Investment income	14,803	13,858
Other income	<u>5,216</u>	<u>5,822</u>
Total revenues	<u>\$3,095,359</u>	<u>\$3,145,589</u>
Expenses:		
General government	\$3,252,623	\$3,103,892
Loss on disposal of capital assets	<u>-</u>	<u>862</u>
Total expenses	\$3,252,623	\$3,104,754
Change in net position	\$ (157,264)	\$ 40,835
Net position, beginning	<u>6,735,550</u>	<u>6,694,715</u>
Net position, ending	<u>\$6,578,286</u>	<u>\$6,735,550</u>

During the fiscal year ended October 31, 2019, program revenues decreased by \$50,569 or approximately 1.6%.

Expenses, including depreciation expense of \$297,994 and \$270,541 at October 31, 2019 and 2018, respectively, increased by \$148,731 or approximately 4.8%.

IV. GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for the General Fund operations is adopted by the Lafayette City-Parish Consolidated Government for its appropriations in accordance with its budgetary regulations and on a basis consistent with generally accepted accounting principles. Any comments regarding budget variances are included in the Lafayette City-Parish Consolidated Government Management's Discussion and Analysis.

V. CAPITAL ASSETS

At October 31, 2019, the Court had \$2,330,546 invested in capital assets. This amount represents a net decrease of \$63,421 or 2.6% from last year. The net change was due a large amount of disposals in the current year partially offset by new additions.

VI. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

As explained in Section IV, the General Fund budget is adopted by the Lafayette City-Parish Consolidated Government. For the other funds, the Court's management considered many factors when setting the operating budget for the fiscal year ending October 31, 2020. Management expects revenues and expenditures to remain consistent with levels in 2019.

VII. CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the funds maintained by the Court and to show the Court's accountability for the money it receives. If you have any questions or need additional financial information, contact City Court of Lafayette, Louisiana, Clerk/Court Administrator, at Post Office Box 3344, Lafayette, Louisiana 70502.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF LAFAYETTE, LOUISIANA

STATEMENT OF NET POSITION

October 31, 2019

ASSETS	Governmental Activities
CURRENT ASSETS	
Cash	\$ 4,259,660
Due from external parties	11,399
Prepaid expenses	<u>3,241</u>
Total current assets	\$ <u>4,274,300</u>
CAPITAL ASSETS	
Non-depreciable	898,254
Depreciable, net	<u>1,432,292</u>
Total capital assets	\$ <u>2,330,546</u>
Total assets	\$ <u>6,604,846</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	\$ <u>26,560</u>
NET POSITION	
Net investment in capital assets	\$ 2,330,546
Restricted	619,479
Unrestricted	<u>3,628,261</u>
Total net position	\$ <u>6,578,286</u>
Total liabilities and net position	\$ <u>6,604,846</u>

See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA

STATEMENT OF ACTIVITIES
For the Year Ended October 31, 2019

<u>Function/Program:</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Assets</u>
		<u>Fees, Fines</u> <u>and Charges</u> <u>for Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental activities:				
General government -	<u>\$3,252,623</u>	<u>\$ 496,121</u>	<u>\$ 2,579,219</u>	<u>\$ (177,283)</u>
General revenues:				
Investment earnings				\$ 14,803
Other income				<u>5,216</u>
Total general revenues and external appropriations				<u>\$ 20,019</u>
Change in net position				\$ (157,264)
Net position, beginning				<u>6,735,550</u>
Net position, ending				<u>\$ 6,578,286</u>

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

CITY COURT OF LAFAYETTE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
October 31, 2019

ASSETS	General Fund (Note 1)	Criminal Court Operating Fund	OWI Assessment Fund
Cash	\$ -	\$2,439,784	\$ 619,479
Due from agency funds	-	-	-
Prepaid expenses	-	3,241	-
Total assets	<u>\$ -</u>	<u>\$2,443,025</u>	<u>\$ 619,479</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 21,288</u>	<u>\$ -</u>
FUND BALANCES			
Restricted:			
Sobriety program	\$ -	\$ -	\$ 619,479
Assigned:			
Judicial expenditures	-	-	-
Criminal Court	-	2,421,737	-
Total fund balances	<u>\$ -</u>	<u>\$2,421,737</u>	<u>\$ 619,479</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$2,443,025</u>	<u>\$ 619,479</u>

See Notes to Financial Statements.

Judges' Fees Account - <u>Division A</u>	Judges' Fees Account - <u>Division B</u>	Total Governmental <u>Funds</u>
\$ 638,996	\$ 561,401	\$ 4,259,660
5,676	5,723	11,399
<u>-</u>	<u>-</u>	<u>3,241</u>
<u>\$ 644,672</u>	<u>\$ 567,124</u>	<u>\$ 4,274,300</u>
<u>\$ 2,639</u>	<u>\$ 2,633</u>	<u>\$ 26,560</u>
\$ -	\$ -	\$ 619,479
642,033	564,491	1,206,524
<u>-</u>	<u>-</u>	<u>2,421,737</u>
<u>\$ 642,033</u>	<u>\$ 564,491</u>	<u>\$ 4,247,740</u>
<u>\$ 644,672</u>	<u>\$ 567,124</u>	<u>\$ 4,274,300</u>

CITY COURT OF LAFAYETTE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

October 31, 2019

Total fund balances for governmental funds	\$4,247,740
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets, net	<u>2,330,546</u>
Net position of governmental activities	<u>\$6,578,286</u>

See Notes to Financial Statements.

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CITY COURT OF LAFAYETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended October 31, 2019

	General Fund (Note 1)	Criminal Court Operating Fund	OWI Assessment Fund
Revenues:			
Intergovernmental	\$ 2,569,756	\$ 9,463	\$ -
Charge for services	-	351,428	14,856
Investment earnings	-	11,869	318
Other income	-	2,828	-
	<u>\$ 2,569,756</u>	<u>\$ 375,588</u>	<u>\$ 15,174</u>
Total revenues			
Expenditures:			
Current –			
General government	\$ 2,569,756	\$ 306,334	\$ 25,414
Capital outlay	-	228,294	-
	<u>\$ 2,569,756</u>	<u>\$ 534,628</u>	<u>\$ 25,414</u>
Total expenditures			
Net change in fund balance	\$ -	\$ (159,040)	\$ (10,240)
Fund balance, beginning	-	2,580,777	629,719
Fund balance, ending	<u>\$ -</u>	<u>\$2,421,737</u>	<u>\$ 619,479</u>

See Notes to Financial Statements.

Judges' Fees Account - <u>Division A</u>	Judges' Fees Account - <u>Division B</u>	Total Governmental <u>Funds</u>
\$ -	\$ -	\$ 2,579,219
64,920	64,917	496,121
251	2,365	14,803
<u>918</u>	<u>1,470</u>	<u>5,216</u>
<u>\$ 66,089</u>	<u>\$ 68,752</u>	<u>\$ 3,095,359</u>
\$ 31,397	\$ 21,728	\$ 2,954,629
<u>3,389</u>	<u>2,890</u>	<u>234,573</u>
<u>\$ 34,786</u>	<u>\$ 24,618</u>	<u>\$ 3,189,202</u>
\$ 31,303	\$ 44,134	\$ (93,843)
<u>610,730</u>	<u>520,357</u>	<u>4,341,583</u>
<u>\$ 642,033</u>	<u>\$ 564,491</u>	<u>\$ 4,247,740</u>

CITY COURT OF LAFAYETTE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the Year Ended October 31, 2019

Net change in fund balances – total governmental funds	\$ (93,843)
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.

Capital outlay	\$ 234,573	
Depreciation expense	<u>(297,994)</u>	<u>(63,421)</u>

Changes in net position of governmental activities	<u>\$(157,264)</u>
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See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 October 31, 2019

ASSETS	Civil Court Operating Fund	Court Cost Bond Fund	Total Agency Funds
Cash held in trust	<u>\$1,576,284</u>	<u>\$135,507</u>	<u>\$1,711,791</u>
LIABILITIES			
Accounts payable	\$ 23,386	\$ -	\$ 23,386
Attorney's deposits	1,541,499	-	1,541,499
Bonds posted	-	135,507	135,507
Due to other funds	<u>11,399</u>	<u>-</u>	<u>11,399</u>
Total liabilities	<u>\$1,576,284</u>	<u>\$135,507</u>	<u>\$1,711,791</u>

See Notes to Financial Statements.

CITY COURT OF LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of City Court of Lafayette, Louisiana (the "Court"), are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Court's accounting policies are described below.

Reporting entity:

Included in the financial statements are all funding activities of the City Court of Lafayette, a component unit of Lafayette City-Parish Consolidated Government, including funding provided by the Lafayette City-Parish Consolidated Government which is also reported as departmental expenditures in the financial statements of that entity.

The City Marshal's office is administered by a separately elected City Marshal. These financial statements do not include separate funds received and administered directly by the City Marshal or by the Lafayette City-Parish Consolidated Government on behalf of the City Marshal's office.

Basis of presentation:

Government-wide Statements: The statement of net position and the statement of activities display information about the Court as a whole. These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities are generally financed through intergovernmental revenues and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Court's governmental activities. 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 fines paid by the recipients of goods or services offered by the programs, and (b) contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Court's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Court reports the following major governmental funds:

General Fund: The normal operating expenditures of the Court are the responsibility of the Lafayette City-Parish Consolidated Government and are included in the General Fund of that entity. The applicable portion of the financial report of that entity is reproduced for this report with offsetting appropriations shown as intergovernmental revenues. In addition, on-behalf payments made by the State for the Judges' salaries are reported in this fund.

NOTES TO FINANCIAL STATEMENTS

Criminal Court Operating Fund: This fund is used to account for various costs associated with the operation of the Court. Revenues consist of court costs levied in connection with non-civil cases.

OWI Assessment Fund: Revenues of this fund are derived from assessments levied in court cases to support the sobriety program and are transferred to that program as needed.

Judges' Fees Account - Division A: This fund is used to account for fees allocated to the Division A judge from civil cases. Resources of this fund are used by the judge as discretionary funds for payment of court related costs.

Judges' Fees Account - Division B: This fund is used to account for fees allocated to the Division B judge from civil cases. Resources of this fund are used by the judge as discretionary funds for payment of court related costs.

Additionally, the Court reports the following fund type:

Agency Funds: These funds account for monies held (bonds posted) by plaintiffs to cover estimated court costs in connection with criminal and civil suits. Any monies remaining after settlement of the suits are refunded to the plaintiffs.

Basis of accounting:

Government-wide Financial Statements: The government-wide financial statements are reported using the economic resources measurement focus, using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. All other receivables collected within 60 days after year-end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. Interest revenue is susceptible to accrual. Court costs are not susceptible to accrual because generally they are not measurable until received in cash.

Fiduciary Fund Financial Statements: Fiduciary funds are accounted for on the accrual basis of accounting.

Capital assets:

The majority of the fixed assets of the Court are purchased by the Lafayette City-Parish Consolidated Government and are accounted for in the government-wide financial statements of that entity.

NOTES TO FINANCIAL STATEMENTS

The Court's purchases of capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their fair value at the date of donation. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful lives by type of asset are as follows:

	<u>Years</u>
Building improvements	10 - 15
Equipment	5 - 15
Land improvements	25
Software	3 - 10

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Defined benefit multi-employer pension plans:

Generally accepted accounting principles require the Court to recognize the difference between the actuarial total pension liability and the fair value of the legally restricted plan assets related to its participation in the Parochial Employees Retirement System of Louisiana, the Municipal Employees' Retirement System of Louisiana and the Louisiana State Employees' Retirement System, all cost-sharing, multiple employer defined benefit pension plans, as a net pension liability on the statement of net position. In addition, the Court is required to recognize its share of the deferred outflows and deferred inflows associated with its participation in the plans. However, because the Court employees participate under the umbrella of Lafayette Consolidated Government (of which they are a component unit), their share of the net pension liability, deferred inflows and outflows are included in the Lafayette Consolidated Government amounts. Information specific to the Court needed to implement these accounting requirements is not readily available. As such, the Court did not apply the provisions as required by generally accepted accounting principles. Information related to participation in these retirement plans can be found in the financial statements of Lafayette Consolidated Government as of October 31, 2019, which includes the City Court of Lafayette.

Equity classifications:

Government-wide statements -

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulation of other governments.

The government-wide statement of net position reports \$619,479 of restricted net position all of which is restricted by enabling legislation.

NOTES TO FINANCIAL STATEMENTS

Fund financial statements –

In accordance with GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” the Court classifies fund balances in order to make the nature and extent of the constraints placed on the Court’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Court establishes (and modifies or rescinds) fund balance commitments. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Court through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

The Court first utilizes restricted resources to finance qualifying activities. Unrestricted resources are used in the following order: committed, assigned and then unassigned.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Custodial credit risk:

Deposits –

The Court is exposed to custodial credit risk as it relates to their deposits with financial institutions. The Court's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be pledged in the Court's name. At October 31, 2019, the Court had total bank deposits with a carrying value of \$4,259,660 and a bank balance of \$6,166,326. Of the bank balance, \$1,250,000 was secured by federal deposit insurance and the remainder by pledged securities held by custodial banks in the name the fiscal agent bank (GASB Category 3).

Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These are reported as "due to/from other funds."

Note 2. Interfund Balances

Interfund balances at October 31, 2019 consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Major Governmental Funds:		
Judges' Fees Account – Division A	\$ 5,676	\$ -
Judges' Fees Account – Division B	5,723	-
Agency Funds	<u>-</u>	<u>11,399</u>
Total interfund balances	<u>\$ 11,399</u>	<u>\$ 11,399</u>

Note 3. Employee Retirement Systems

Substantially, all Court employees participate in one of the following retirement systems. Retirement contributions to these plans are made by the Lafayette Consolidated Government through their general fund on behalf of the Court.

Municipal Employees' Retirement Systems (MERS)

Plan description:

Some of the Court's employees participate in the MERS, a multiple employer, cost-sharing pension plan established by the Louisiana Legislature. Employees are eligible to retire under Plan A of the System at age 60 with 10 years of creditable service, or at any age with 25 years of creditable service. Monthly benefits consist of 3% of a member's final compensation, multiplied by years of service with certain limitations. The System also provides disability and survivor benefits. All benefits are established by State statute. MERS issues a publicly available financial report that includes financial statements and required supplemental information.

NOTES TO FINANCIAL STATEMENTS

That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Funding policy:

Plan members were required to contribute 9.50% until October 31, 2019 of their annual covered salary to the plan and the Court is required to contribute at an actuarially determined rate. The rate was 26.00% thru June 30, 2019 and 27.75% from July 1 to October 31, 2019. The contribution requirements of plan members and the Court are established by statute. The Court's contribution to MERS for the years ended October 31, 2019, 2018 and 2017 were \$224,335, \$164,266 and \$146,353, respectively, equal to the required contribution for the year.

Parochial Employees' Retirement System (PERS)

Plan description:

The majority of employees of the Court participate in the PERS of Louisiana, a multiple-employer, cost-sharing pension plan. Members of the plan hired prior to January 1, 2007 may retire with 30 years of creditable service regardless of age, with 25 years of service at age 55, with 10 years of service at age 60, and with seven years of service at age 65. Members of the plan hired January 1, 2007 and later may retire with 30 years of creditable service at age 55, 10 years of service at age 62, and with seven years of service at age 67. The retirement allowance is equal to 3% of the member's final average compensation multiplied by their years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months salary for members hired prior to January 1, 2007. For members hired January 1, 2007 and later, final average compensation shall be defined as the average of the highest consecutive 60 months salary. The System also provides disability and survivor benefits. Benefits are established by State statute. PERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898.

Funding policy:

Plan members are required to contribute 9.50% of their annual covered salary to the plan and the Court is required to contribute at an actuarially determined rate. The rate was 12.25% in 2019 and 11.50% in 2018. The contribution requirements of plan members and the Court are established by statute. The Court's contribution to PERS for the years ended October 31, 2019, 2018 and 2017 were \$47,086, \$37,172 and \$44,782, respectively, equal to the required contribution for the year.

Louisiana State Employees' Retirement System (LASERS)

Plan description:

Two City Court judges participate in the Louisiana State Employees' Retirement System, a multiple-employer, cost-sharing pension plan established by the Louisiana Legislature. Members of the Judicial Plan may either participate in the Deferred Retirement Option Plan (DROP) or retire. Members have two available windows in which to participate in DROP, one resulting from the Judicial Plan and the other from the Regular Plan. Under the Judicial Plan, members of the System may retire at age 70 without regard to the number of years of creditable service as a judge, at age 55 with 12 years of creditable service as a judge, at age 50 with 20 years of

NOTES TO FINANCIAL STATEMENTS

creditable service (at least 12 years of which were as a judge), and at age 65 with 10 years of creditable service as a judge. In addition, any person who has accumulated a total of 18 years of creditable service as a judge can retire without regard to age. When a member has earned benefits equal to 100% of his average compensation, no further contribution is required by the member. The employer, however, must continue to pay to the System the employer's contribution. The System also provides disability and survivor benefits. Benefits are established by State statute. Under the Regular Plan, members of the plan hired on or before June 30, 2006 may retire with 30 years of creditable service regardless of age, with 25 years of service at age 55, and with 10 years of service at age 60. In addition, a person who has accumulated a total of 20 years of creditable service can retire without regard to age, exclusive of military service and unused annual and sick leave, subject to their benefits being actuarially reduced as provided by statute. Members of the plan hired on or after July 1, 2006 may retire with five years of creditable service at age 65. In addition, a person who has accumulated a total of 20 years of creditable service can retire without regard to age, exclusive of military service and unused annual and sick leave, subject to their benefits being actuarially reduced as provided by statute. LASERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804.

Funding policy:

Plan members are required to contribute 11.50% of their annual covered salary to the plan and the Court is required to contribute at an actuarially determined rate. The Court contributed 40.10% through June 30, 2019 and 42.40% from July 1 to October 31, 2019. The contribution requirements of plan members and the Court are established by statute. The Court's contribution to LASERS for the years ended October 31, 2019, 2018 and 2017 were \$84,783, \$83,133, and \$79,523, respectively, equal to the required contribution for the year.

As explained in Note 1, further information regarding these plans can be found in the Lafayette Consolidated Government's report as of October 31, 2019.

Note 4. Capital Assets

The amount of capital assets reported in the Lafayette City-Parish Consolidated Government's October 31, 2019 financial statements related to the Court is as follows:

Land	\$ 396,768
Buildings	3,438,675
Equipment	<u>1,057,333</u>
	<u>\$4,892,776</u>

NOTES TO FINANCIAL STATEMENTS

In addition, the Court purchases some of its own capital assets with Court funds. The Court accounts for these in its basic financial statements.

Capital assets activity for the year ended October 31, 2019 was as follows:

	<u>Balance</u> <u>10/31/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>10/31/19</u>
Governmental activities:				
Capital assets not being depreciated –				
Work in progress	\$ 1,036,560	\$ 182,576	\$ (320,882)	\$ 898,254
Capital assets being depreciated –				
Building improvements	\$ 642,040	\$ 112,823	\$ -	\$ 754,863
Equipment	2,446,679	260,056	(52,141)	2,654,594
Land improvements	17,759	-	-	17,759
Total capital assets being depreciated	\$ 3,106,478	\$ 372,879	\$ (52,141)	\$ 3,427,216
Less accumulated depreciation for –				
Building improvements	\$ (369,071)	\$ (54,237)	\$ -	\$ (423,308)
Equipment	(1,371,995)	(243,047)	52,141	(1,562,901)
Land improvements	(8,005)	(710)	-	(8,715)
Total accumulated depreciation	\$(1,749,071)	\$ (297,994)	\$ 52,141	\$(1,994,924)
Total capital assets being depreciated, net	\$ 1,357,407	\$ 74,885	\$ -	\$ 1,432,292
Governmental activities capital assets, net	\$ 2,393,967	\$ 257,461	\$ (320,882)	\$ 2,330,546

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 297,994

NOTES TO FINANCIAL STATEMENTS

Note 5. On-Behalf Payments for Salaries and Benefits

In accordance with GASB Statement No. 24, *"Accounting and Financial Reporting for Certain Grants and Other Financial Assistance,"* the Court reports in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the City Court Judges and salary and fringe benefits payments made by the Lafayette City-Parish Consolidated Government to the Judges and the Court's employees. Supplementary salary payments are made by the State directly to the City Court Judges and from the Lafayette City-Parish Consolidated Government to the Judges and Court's employees. The Court is not legally responsible for these salary and benefit supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the Lafayette City-Parish Consolidated Government. For the fiscal year ended October 31, 2019, the State and Lafayette City-Parish Consolidated Government paid \$2,218,548 in salary and benefit payments to the City Court Judges and the City Court's employees. These are reported in the General Fund expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended October 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$2,555,256	\$2,488,677	\$2,569,756	\$ 81,079
Expenditures:				
Current –				
General government	<u>2,555,256</u>	<u>2,488,677</u>	<u>2,569,756</u>	<u>(81,079)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
CRIMINAL COURT OPERATING FUND

For the Year Ended October 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charge for service	\$ 479,770	\$ 351,428	\$ 351,428	\$ -
Intergovernmental	9,000	10,050	9,463	(587)
Investment earnings	13,386	12,019	11,869	(150)
Other income	<u>1,500</u>	<u>2,842</u>	<u>2,828</u>	<u>(14)</u>
Total revenues	<u>\$ 503,656</u>	<u>\$ 376,339</u>	<u>\$ 375,588</u>	<u>\$ (751)</u>
Expenditures:				
Current –				
General government:				
Auto expenses and lease	\$ 22,930	\$ 22,475	\$ 21,383	\$ 1,092
Interpreter services	-	-	14,448	(14,448)
Legal fees	-	1,567	1,567	-
Office	105,573	124,945	118,635	6,310
Professional services	21,440	21,300	21,300	-
Repairs and maintenance	19,200	24,561	25,467	(906)
Security monitoring	5,000	6,241	6,181	60
Temporary judges' fees	21,500	21,152	21,152	-
Travel and seminars	22,000	18,303	18,303	-
Uniform fees	3,000	1,526	2,880	(1,354)
Volumes, dues, and subscriptions	45,000	45,192	47,410	(2,218)
Witness fees	4,500	4,300	3,965	335
Salary adjustments	-	3,374	3,374	-
Other	637	171	269	(98)
Capital outlay	<u>100,000</u>	<u>238,689</u>	<u>228,294</u>	<u>10,395</u>
Total expenditures	<u>\$ 370,780</u>	<u>\$ 533,796</u>	<u>\$ 534,628</u>	<u>\$ (832)</u>
Net change in fund balance	\$ 132,876	\$ (157,457)	\$ (159,040)	\$ (1,583)
Fund balance, beginning	<u>2,642,975</u>	<u>2,580,777</u>	<u>2,580,777</u>	<u>-</u>
Fund balance, ending	<u>\$2,775,851</u>	<u>\$2,423,320</u>	<u>\$2,421,737</u>	<u>\$ (1,583)</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE

OWI ASSESSMENT FUND

For the Year Ended October 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 17,843	\$ 14,856	\$ 14,856	\$ -
Investment income	<u>310</u>	<u>318</u>	<u>318</u>	<u>-</u>
Total revenues	<u>\$ 18,153</u>	<u>\$ 15,174</u>	<u>\$ 15,174</u>	<u>\$ -</u>
Expenditures:				
Current –				
General government	<u>\$ 370</u>	<u>\$ 25,414</u>	<u>\$ 25,414</u>	<u>-</u>
Net change in fund balance	\$ 17,783	\$ (10,240)	\$ (10,240)	\$ -
Fund balance, beginning	<u>630,192</u>	<u>629,719</u>	<u>629,719</u>	<u>-</u>
Fund balance, ending	<u>\$ 647,975</u>	<u>\$ 619,479</u>	<u>\$ 619,479</u>	<u>\$ -</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
 JUDGES' FEES ACCOUNT – DIVISION A
 For the Year Ended October 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 67,543	\$ 64,967	\$ 64,920	\$ (47)
Investment earnings	346	347	251	(96)
Other income	-	781	918	137
Total revenues	<u>\$ 67,889</u>	<u>\$ 66,095</u>	<u>\$ 66,089</u>	<u>\$ (6)</u>
Expenditures:				
Current –				
General government:				
Auto expenses and lease	\$ 5,425	\$ 11,744	\$ 12,272	\$ (528)
Office	210	2,036	2,036	-
Telephone	3,114	3,474	3,017	457
Travel and seminars	9,900	10,685	11,063	(378)
Volumes, dues, and subscriptions	1,400	1,145	1,145	-
Security monitoring	-	54	54	-
Salary adjustments	-	1,606	1,606	-
Other	204	205	204	1
Capital outlay	-	3,389	3,389	-
Total expenditures	<u>\$ 20,253</u>	<u>\$ 34,338</u>	<u>\$ 34,786</u>	<u>\$ (448)</u>
Net change in fund balance	\$ 47,636	\$ 31,757	\$ 31,303	\$ (454)
Fund balance, beginning	<u>610,654</u>	<u>610,730</u>	<u>610,730</u>	<u>-</u>
Fund balance, ending	<u>\$ 658,290</u>	<u>\$ 642,487</u>	<u>\$ 642,033</u>	<u>\$ (454)</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
 JUDGES' FEES ACCOUNT – DIVISION B
 For the Year Ended October 31, 2019

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Charges for service	\$ 67,543	\$ 64,870	\$ 64,917	\$ 47
Investment earnings	1,080	2,365	2,365	-
Other income	-	1,470	1,470	-
Total revenues	<u>\$ 68,623</u>	<u>\$ 68,705</u>	<u>\$ 68,752</u>	<u>\$ 47</u>
Expenditures:				
Current –				
General government:				
Auto expenses and lease	\$ 3,800	\$ 3,828	\$ 4,336	\$ (508)
Office	3,000	883	1,154	(271)
Telephone	1,700	1,802	1,737	65
Travels and seminars	5,290	12,355	12,269	86
Volumes, dues, and subscriptions	513	602	602	-
Security monitoring	-	24	24	-
Salary adjustments	-	1,606	1,606	-
Capital outlay	<u>-</u>	<u>3,161</u>	<u>2,890</u>	<u>271</u>
Total expenditures	<u>\$ 14,303</u>	<u>\$ 24,261</u>	<u>\$ 24,618</u>	<u>\$ (357)</u>
Net change in fund balance	\$ 54,320	\$ 44,444	\$ 44,134	\$ (310)
Fund balance, beginning	<u>521,404</u>	<u>520,357</u>	<u>520,357</u>	<u>-</u>
Fund balance, ending	<u>\$ 575,724</u>	<u>\$ 564,801</u>	<u>\$ 564,491</u>	<u>\$ (310)</u>

See Notes to Budgetary Comparison Schedules.

CITY COURT OF LAFAYETTE, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

Note 1. Budgets and Budgetary Accounting

The budget for General Fund operations is adopted by the Lafayette City-Parish Consolidated Government for its appropriations in accordance with its budgetary regulations and on a basis consistent with generally accepted accounting principles.

Budgets for the special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgets are prepared by the Court administrative staff and approved by the City Judges. Revisions to the budget after its original adoption must be approved by the City Judges.

All budget appropriations lapse at year end. The budgets presented are the original adopted and final amended budgets.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations. The following individual funds had actual expenditures in excess of appropriations for the year ended October 31, 2019:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	<u>\$2,555,256</u>	<u>\$2,488,677</u>	<u>\$2,569,756</u>	<u>\$ (81,079)</u>
Criminal Court - Operating	<u>\$ 370,780</u>	<u>\$ 533,796</u>	<u>\$ 534,628</u>	<u>\$ (832)</u>
Judges' Fees Account – Division A	<u>\$ 20,253</u>	<u>\$ 34,338</u>	<u>\$ 34,786</u>	<u>\$ (448)</u>
Judges' Fees Account – Division B	<u>\$ 14,303</u>	<u>\$ 24,261</u>	<u>\$ 24,618</u>	<u>\$ (357)</u>

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OTHER SUPPLEMENTARY INFORMATION

CITY COURT OF LAFAYETTE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended October 31, 2019

Agency Head: Judge Douglas Saloom

Purpose:

Salary	\$ 105,661
Benefits –	
Insurance	12,279
Retirement	44,075
Security	647
Vehicle provided by government	2,050
Cell phone	1,513
Dues	602
Per diem	2,215
Registration fees	3,715
Conference travel	<u>4,066</u>
	<u>\$ 176,823</u>

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

To The Honorable Frances Bouillion and
The Honorable Doug Saloom
City Judges
Lafayette, 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 Lafayette, Louisiana, a component unit of the Lafayette City-Parish Consolidated Government as of and for the year ended October 31, 2019, and the related notes to financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated April 01, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

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

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 Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Bernard Foch" followed by a stylized monogram or set of initials.

Lafayette, Louisiana
April 01, 2020

CITY COURT OF LAFAYETTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST
Year Ended October 31, 2019

We have audited the financial statements of City Court of Lafayette, Louisiana, as of and for the year ended October 31, 2019, and have issued our report thereon April 01, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 31, 2019 resulted in qualified opinion on the government-wide (governmental activities) financial statements and an unmodified opinion on the fund financial statements.

Section I. Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Control deficiencies identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
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Compliance

Compliance material to financial statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Section II. Financial Statement Findings

None

CITY COURT OF LAFAYETTE, LOUISIANA

SCHEDULE OF PRIOR FINDINGS
For the Year Ended October 31, 2019

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

#2018-1 Budget Violation

Recommendation: The budget should be review periodically during the year, and amended as necessary, to ensure compliance.

Current Status: Resolved.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To The Honorable Frances Bouillion and
The Honorable Doug Saloom
City Judges
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by the City Court of Lafayette, Louisiana (Entity), a component unit of the Lafayette City-Parish Consolidated Government and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period November 1, 2018 through October 31, 2019. The Entity's management is responsible for those control and compliance 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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

- 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.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

- 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.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:111-1121, (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.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

Not applicable for the Court

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

We obtained a copy of their Disaster Recovery/Business Continuity policy. All above Disaster Recovery/Business Continuity items were addressed in the policy obtained. However, this policy was not effective until after October 31, 2019.

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Not applicable for the Court.

- b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Not applicable for the Court

- c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Not applicable for the Court

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Collections

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

We obtained a list of all deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. There were 4 deposit sites listed.

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

We obtained a listing of collection locations and management's representation that the listing is complete. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties are properly segregated at each collection location.

- a. Employees that are responsible for cash collections do not share cash drawers/registers.
 - 1) Judge's Division A Deposits-Judge's Secretary Collection Location
 - a. There is only one employee responsible for collections at this collection location. All collections are checks; no cash collections.
 - 2) Judge's Division B Deposits-Judge's Secretary Collection Location
 - a. There is only one employee responsible for collections at this collection location. All collections are checks; no cash collections.
 - 3) Civil Office Deposits-Civil Department Collection Location
 - a. All Clerks have separate locked cash bags
 - 4) Finance Officer's Deposits-Traffic Violations Collection Location
 - a. All Clerks have separate cash drawers
- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - 1) Judge's Division A Deposits-Judge's Secretary Collection Location
 - a. There is only one employee responsible for collections at this collection location. All collections are checks; no cash collections. The Judge's Secretary receives the collections & makes the deposits.

- 2) *Judge's Division B Deposits-Judge's Secretary Collection Location*
 - a. *There is only one employee responsible for collections at this collection location. All collections are checks; no cash collections. The Judge's Secretary receives the collections & makes the deposits.*
 - 3) *Civil Office Deposits-Civil Department Collection Location*
 - a. *The Civil Officer makes some collections. At the end of the day the Civil Officer reconciles all Civil Department collections with computer system reports and prepares the deposit slip. The Finance Officer, who is not responsible for collections in the Civil Department, does a second reconciliation to the computer system reports before the deposit is made.*
 - 4) *Finance Officer's Deposits-Traffic Violations Collection Location*
 - a. *The Finance Officer makes Traffic Violation collections only when necessary. At the end of each day the Finance Officer reconciles the daily collections to the computer system reports and prepares the deposit slip. The Court Administrator, who is not responsible for Traffic Violation collections, does a second reconciliation of the collections to the computer system reports before the deposit is made.*
- c. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- 1) *Judge's Division A Deposits-Judge's Secretary Collection Location*
 - a. *There is only one employee responsible for collections at this collection location. All collections are checks; no cash collections. The Judge's Secretary is responsible for posting the collections to the general ledger and prepares the monthly bank reconciliations. The Administrative Assistant, who is not responsible for Judge's Division A collections reviews the monthly bank reconciliations.*
 - 2) *Judge's Division B Deposits-Judge's Secretary Collection Location*
 - a. *There is only one employee responsible for collections at this collection location. All collections are checks; no cash collections. The Judge's Secretary is responsible for posting the collections to the general ledger and prepares the monthly/quarterly bank reconciliations. The Administrative Assistant, who is not responsible for Judge's Division B collections reviews the monthly/quarterly bank reconciliations.*
 - 3) *Civil Office Deposits-Civil Department Collection Location*
 - a. *Each collection Clerk records the transactions into the system when the collections are made. The Civil Officer, who can also receive and record collections, and the Finance Officer perform daily reconciliations of collections to system reports.*
 - 4) *Finance Officer's Deposits-Traffic Violations Collection Location*
 - a. *Each collection Clerk records the transactions into the system when the collections are made. The Finance Officer, who can also receive and record collections when necessary, and the Court Administrator perform daily reconciliations of collections to system reports.*

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

1) *Judge's Division A Deposits-Judge's Secretary Collection Location*

- a. *The Judge's Secretary performs the monthly bank reconciliations and receives all collections for this location. The location only received check collections; no cash collections. The monthly bank reconciliations are reviewed by the Administrative Assistant, who is not responsible for collections in this location.*

2) *Judge's Division B Deposits-Judge's Secretary Collection Location*

- a. *The Judge's Secretary performs the monthly/quarterly bank reconciliations and receives all collections for this location. The location only received check collections; no cash collections. The monthly/quarterly bank reconciliations are reviewed by the Administrative Assistant, who is not responsible for collections in this location.*

3) *Civil Office Deposits-Civil Department Collection Location*

- a. *The Civil Officer, who can also receive collections, reconciles the collections daily to computer system reports. The Finance Officer, who is not responsible for collections in this location, performs a second reconciliation daily. The Administrative Assistant, who is not responsible for collections in this location, performs monthly bank reconciliations.*

4) *Finance Officer's Deposits-Traffic Violations Collection Location*

- a. *The Finance Officer, who can also receive collections when necessary, reconciles the collections daily to computer system reports. The Court Administrator, who is not responsible for collections in this location, performs a second reconciliation daily. The Administrative Assistant, who is not responsible for collections in this location, performs monthly bank reconciliations.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Employees responsible for collecting cash are bonded.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

Receipts are sequentially pre-numbered.

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

No exceptions noted.

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

No exceptions noted.

- d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

For 6 of the 8 deposits selected, there was no collection date note. These deposits were all checks written from the Civil or Fine & bond fiduciary funds of Lafayette City Court to the Special Revenue Funds of Lafayette City Court. The number of days between the check dates & the date of deposit ranges from 3 days to 17 days. The other 2 deposits selected were deposited within 1 business day of collection.

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

No exceptions noted.

Non-Payroll Disbursements (excluding Card purchases/payments, travel reimbursements, and pretty cash purchases)

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

The Entity has 6 locations that processes payments. The 5 locations selected for testing were the Court Administrator's Office, Judge Division A, Judge Division B, Finance Officer's Office and the General Fund (Lafayette City-Parish Consolidated Government processes payments for this location).

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

Obtained list of employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties.

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- i. *Court Administrator's Office-All purchases and invoices are approved by the Court Administrator and 1 of the Judges.*
 - ii. *Judge Division A-All purchases and invoices are approved by the Judge.*
 - iii. *Judge Division B-All purchases and invoices are approved by the Judge.*
 - iv. *Finance Officer's Office-No purchases are made in this location. This fund holds bond money that is disbursed. The Finance Officer prepares all checks and per the Entity's policy is allowed to sign and approve all checks under \$1,000 threshold. All checks over this threshold are sent to the Court Administrator or one of the Judge's for approval and signature.*
 - v. *General Fund-For items/supplies purchases, the Administrative Assistant prepares the purchase order/requisition using Lafayette City-Parish Consolidated Government's computer system & the Court Administrator electronically approves them. For items such as utility payments in the General Fund, a memorandum is signed and approved by the Court Administrator at the beginning of the fiscal year for the whole year.*

- b. At least two employees are involved in processing and approving payments to vendors.
 - i. *Court Administrator's Office-All purchases and invoices are approved by the Court Administrator and 1 of the Judges. The Administrative Assistant prepares all checks and they are signed by the Court Administrator or 1 of the Judges.*
 - ii. *Judge Division A-All purchases and invoices are approved by the Judge. The Judge's Secretary prepares all checks and they are signed by the Judge.*
 - iii. *Judge Division B-All purchases and invoices are approved by the Judge. The Judge's Secretary prepares all checks and they are signed by the Judge.*
 - iv. *Finance Officer's Office-No purchases are made in this location. This fund holds bond money that is disbursed. The Finance Officer prepares all checks and per the Entity's policy is allowed to sign and approve all checks under \$1,000 threshold. All checks over this threshold are sent to the Court Administrator or one of the Judge's for approval and signature.*
 - v. *General Fund-For items/supplies purchases, the Administrative Assistant prepares the purchase order/requisition using Lafayette City-Parish Consolidated Government's computer system & the Court Administrator electronically approves them. For items such as utility payments in the General Fund, a memorandum is signed and approved by the Court Administrator at the beginning of the fiscal year for the whole year. Lafayette City-Parish Consolidated Government processes all payments.*
- c. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - i. *Court Administrator's Office-The Administrative Assistant is responsible for adding new vendors. The Court Administrator can add vendors when necessary. The Administrative Assistant prepares all checks for this location and the checks are given to the Court Administrator or 1 of the Judges for approval and signature.*
 - ii. *Judge Division A-The Judge's Secretary is responsible for adding new vendors. The Judge's Secretary writes all checks for this location and the checks are given to the Judge for approval and signature.*
 - iii. *Judge Division B- The Judge's Secretary is responsible for adding new vendors. The Judge's Secretary writes all checks for this location and the checks are given to the Judge for approval and signature.*
 - iv. *Finance Officer's Office-The Finance Officer is responsible for adding new vendors. The Court Administrator can add vendors when necessary. For checks under \$1,000 the Finance Officer approves and signs checks. For checks over \$1,000 the Court Administrator or 1 of the Judges approves and signs the check.*
 - v. *General Fund-handled by Lafayette City-Parish Consolidated Government.*
- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - i. *Court Administrator's Office-The Administrative Assistant is responsible for mailing out the checks. Checks are prepared by the Administrative Assistant but she does not have signatory authority.*
 - ii. *Judge Division A-The Judge's Secretary is responsible for mailing out the checks. Checks are prepared by the Secretary but she does not have signatory authority.*
 - iii. *Judge Division B- The Judge's Secretary is responsible for mailing out the checks. Checks are prepared by the Secretary but she does not have signatory authority.*

- iv. *Finance Officer's Office-The Finance Officer is responsible for mailing out the checks. For checks under \$1,000 the Finance Officer approves and signs checks. For checks over \$1,000 the Court Administrator or 1 of the Judges approves and signs the check.*
 - v. *General Fund-handled by Lafayette City-Parish Consolidated Government.*
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- Obtained the non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete.*
- a. Observe that the disbursement matched the related original invoice/billing statement.

The disbursements selected for testing matched the related original invoice/billing statement.
 - b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For all disbursements selected, the documentation included evidence of all disbursements being handled in agreement with the Entity's disbursement/purchasing policy.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.*
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, 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.]]

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.
 - b. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

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

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Contracts

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

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

- c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Payroll and Personnel

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

- a. Observe that 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.)

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

- b. Observe that supervisors approved the attendance and leave of the selected employees/officials.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Ethics

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

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

Debt Service

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

Not applicable for the Court.

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

Not applicable for the Court.

Other

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

None in the current year.

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

No exceptions noted in Year 1 or Year 2 testing therefore testing excluded in Year 3.

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 control and compliance 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 control and compliance 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.



Lafayette, Louisiana
April 01, 2020