

City Court of Bogalusa  
(A Component Unit of the City of  
Bogalusa, Louisiana)

Annual Financial Statements

As of and for the Year Ended December 31, 2018  
With Supplemental Information Schedules

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**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**  
**ANNUAL FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Robert J. Black, Judge  
City Court of Bogalusa  
Bogalusa, Louisiana

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Bogalusa, a component unit of the City of Bogalusa, Louisiana as of and for the year ended December 31, 2018, and the related notes to the 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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the

City Court of Bogalusa, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 21 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. I 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. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basis 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 appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated June 23, 2019, on my consideration of the City Court of Bogalusa's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Bogalusa's internal control over financial reporting and compliance.

Minda Raybourn

Franklinton, La

June 23, 2019

## **Financial Statements**

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 11,935
Capital assets, net of accumulated depreciation	<u>-</u>
Total assets	<u>11,935</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	<u>-</u>
<b>LIABILITIES</b>	
Accounts payable	103
Accrued payroll liabilities	<u>6,398</u>
Total liabilities	<u>6,501</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	<u>-</u>
<b>NET POSITION</b>	
Net investment in capital assets	-
Unrestricted	<u>5,434</u>
Total net position	<u><u>\$ 5,434</u></u>

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

		<u>Program Revenues</u>		<u>Net (Expenses)</u>
	<u>Expenses</u>	<u>Fees, Fines, &amp; Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Functions/Programs				<u>Governmental Activities</u>
Governmental activities:				
Judicial	\$ 392,924	\$ 146,210	\$ 275,452	\$ 28,738
		General Revenues		
				-
				-
				-
			Total general revenues & transfers	-
			Change in net position	28,738
			Net position - beginning (Restated)	(23,304)
			Net position - ending	<u>\$ 5,434</u>

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

	General Fund
<b>ASSETS</b>	
Cash	\$ 11,935
Total assets	11,935
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	103
Accrued payroll liabilities	6,398
Total liabilities	6,501
Fund Balance:	
Unassigned	5,434
Total fund balance	5,434
Total liabilities and fund balance	\$ 11,935

Amounts reported for net position in the *governmental activities* statement of net position are different from fund balance reported above because:

Fund balance as reported above	\$ 5,434
Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements.	-
Net position of governmental activities.	\$ 5,434

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund
<b>REVENUES</b>	
Court fees	\$ 146,210
Intergovernmental	275,452
Restitution	-
Interest	-
	-
Total revenues	421,662
<b>EXPENDITURES</b>	
Judicial:	
Salaries	269,094
Fringe benefits and payroll taxes	84,536
Contract labor	6,031
Legal and professional	11,073
Bank Fees	302
Continuing education	770
Telephone and postage	-
Travel	10,510
Supplies and miscellaneous	2,963
Dues and subscriptions	850
Meals and entertainment	255
Service Contracts	4,666
Probation Fees	-
Capital Outlay	-
Seminars and conventions	800
	800
Total expenditures	391,850
Net change in fund balance	29,812
Fund balances - beginning	(24,378)
Fund balances - ending	\$ 5,434

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances - governmental funds	\$	29,812
<p>Amounts reported for <i>governmental activities</i> in the statement of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for Capital assets	-	
Current year's depreciation	(1,074)	(1,074)
Change in net position of government activities	\$	28,738

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 39,229
	<hr/>
Total assets	<u>39,229</u>
	<hr/>
<b>LIABILITIES</b>	
Liabilities:	
Bond forfeitures pending disbursement	18,057
Due to litigants and others	21,172
	<hr/>
Total liabilities	<u>\$ 39,229</u>
	<hr/>

The accompanying notes are an integral part of this financial statement.

## **Notes Financial Statements**

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**1. Summary of Significant Accounting Policies**

The City Court of Bogalusa (a component unit of the City of Bogalusa) is a court of limited jurisdiction created under the authority of Louisiana Revised Statutes (RS) 13:1952 and serves Ward 4 of Washington Parish, Louisiana, in civil, criminal, and juvenile judicial proceedings.

The Court's financial statements 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 accounting policies established in GAAP and used by the Court are discussed below.

**Reporting Entity**

According to Governmental Accounting Standards Board Statement (GASBS) No. 14 as amended by GASBS No. 61, the City of Bogalusa (the City) is the financial reporting entity for the Court. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Even though the City Court Judge is an independently elected official, and is legally separate from the City, the Court is considered a component unit of the City because of fiscal dependence. The City provides the courtroom and office space for the Court. The City also pays retirement and a portion of the salaries for the Court's clerks. The accompanying financial statements present information only on the funds maintained by the Court, and do not present information on the City, the general governmental services provided by the City, or the other governmental units that comprise the financial reporting entity of the City.

**Basic Financial Statements – Government-Wide Statements**

The Court's basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Court's general operations are classified as governmental activities. The Court's collections specifically related to civil, criminal, and bonding cases are classified as fiduciary activities and are not included in the government-wide financial statements.

In the government-wide Statement of Net Position, the Court's operating activities are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations.

**Basic Financial Statements – Government-Wide Statements**

The government-wide Statement of Activities reports both the gross and net cost of the Court's functions. The functions are also supported by general government revenues (fees, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, operating and capital grants. Program revenues must be directly associated with the function (court operations). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenue (fees, intergovernmental revenues, interest income, etc.) and the Court does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Court as an entity and the change in the Court's net position resulting from the current year's activities.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**Basic Financial Statements – Fund Financial Statements**

The financial transactions of the Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its applicable assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Court's only major fund is the general fund. There are no non-major funds in the fund financial statements. A description of the types of funds utilized by the Court is as follows:

**Governmental Funds** - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Court reports these major governmental funds and fund types:

The general fund is the Court's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.

The activities reported in this fund are included as governmental activities in the government-wide financial statements.

**Fiduciary (Agency) Funds**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Court programs. The reporting focus is on the assets held for others and liabilities to those other parties. These funds do not report net position. Agency funds utilize accounting principles similar to that found in the private sector which employ full accrual accounting.

The Court's fiduciary funds are presented in the fiduciary fund financial statements by type (agency only). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

**Civil Fund** - The civil fund maintains deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees and settlements in civil matters. As the suits are processed, the various fees and settlements collected are paid out on a monthly basis. After a case is dismissed, any excess deposit is refunded to the plaintiff.

Garnishments from civil suits are also maintained within the civil fund. Payments from third parties are received by the clerk and disbursed to the plaintiff. The activity in this account is not reflected in a statement of revenues collected and expenditures paid, but rather as an increase or decrease in cash and a corresponding change in liability.

**Bond Fund** - The bond fund is used to account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for criminal offenses. Bonds posted by violators are held until their cases are heard in the City Court of Bogalusa. At that time, the bonds for persons convicted of violations may be distributed to various agencies if the person elects to have their bond used for payment of fines. Otherwise, the bond is refunded to the defendant.

**Criminal Fund** - The criminal fund is used to account for the collection and disbursement to various agencies of monies paid to the Court for citations or criminal charges issued to defendants.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**Basis of Accounting**

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

The governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements (the Court's general fund) are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available.

Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

**Financial Statement Amounts**

**Cash and Investments** - Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. The Court is allowed, under state law, to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. The Court invests in certificates of deposit.

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 – 20 years

**Compensated Absences** - The salaries of Court employees are the responsibility of the City of Bogalusa. All related accruals for wages, vacations, or sick pay are reported on the City's financial statements.

**Government-Wide Net Position** - Government-Wide net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by outside parties or sources such as creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by contributors.
- Unrestricted—all other net position is reported in this category.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**Governmental Fund Balances** - In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by law. Commitments may be established, modified, or rescinded only with approval of the highest decision-making body for budgetary purposes.
- Assigned—Amounts that are designated for a particular purpose but are not spendable until a formal action by the Judge has been made.
- Unassigned—All amounts not included in other spendable classifications.

**Use of Restricted Resources** - When an expense or expenditure is incurred that can be paid using either restricted or unrestricted resources (net position), the Court's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Court's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

**Interfund Activity** - Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related net cost as a reimbursement. All other interfund transactions are treated as transfers.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

## **2. Stewardship, Compliance, and Accountability**

The budget was prepared on the modified accrual basis of accounting. Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**3. Cash and Cash Equivalents**

At December 31, 2018, the Court's general fund had cash and cash equivalents (book balance) totaling \$11,935 in non-interest bearing demand deposits through a local bank.

At December 31, 2018, the Court maintained cash (book) balances of \$ 39,229 in the agency funds, which were held in deposit accounts through a local bank as follows:

Interest bearing demand deposits	\$ 24,431
Non-interest bearing demand deposits	<u>26,733</u>
Total cash - agency funds	<u><u>\$ 51,164</u></u>

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

Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposit and Investment Risk Disclosures" requires disclosure of custodial credit risk for bank deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2018, the Court's deposits were secured from risk by federal deposit insurance.

**4. Capital Assets**

A summary of the capital asset and accumulated depreciation activity and the current year depreciation follows:

Capital assets being depreciated				
Equipment	<u>\$ 25,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,125</u>
Total capital assets being depreciated	<u>25,125</u>	<u>-</u>	<u>-</u>	<u>25,125</u>
Less accumulated depreciation for:				
Equipment	<u>(24,051)</u>	<u>(1,074)</u>	<u>-</u>	<u>(25,125)</u>
Total accumulated depreciation	<u>(24,051)</u>	<u>(1,074)</u>	<u>-</u>	<u>(25,125)</u>
Capital assets being depreciated, net	<u><u>\$ 1,074</u></u>	<u><u>\$ (1,074)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

For the year ended December 31, 2018, depreciation expense was \$1,074. The Court purchased no new assets.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**5. On Behalf Payments and Expenses Paid by Other Governmental Entities**

GASB Statement 24 establishes accounting and financial reporting standards for pass-through grants, food stamps, and on-behalf payments for fringe benefits, salaries, and other expenses. The following amounts were paid on-behalf of the Court for employee salaries and fringe benefits and other expenses for the Court during 2018:

Revenue:	
City of Bogalusa	\$ 172,252
State of Louisiana	60,606
Washington Parish Government	42,595
	<hr/>
Total	\$ 275,453
	<hr/>

In accordance with Statement No. 24, these compensation payments are included as revenue and expenditures in the accompanying financial statements.

**6. Pension Plans**

**City Judge**

**Plan Description** - The City Court Judge is a member of the Louisiana State Employees' Retirement System (LASERS). LASERS is the administrator of a single-employer defined benefit pension plan and is a component unit of the State of Louisiana and is included in the State's CAFR as a pension trust fund. The financial report may be obtained by writing the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, LA 70804-4213.

LASERS is one of several public retirement systems in Louisiana. Each has specific membership requirements established by legislation.

*Funding Policy.* Contribution rates for LASERS are established by Louisiana Revised Statute 11:62. Plan members contribute 11.5% of the annual covered salary and the Court, as the employer, is required to contribute at an actuarially determined rate which is re-set annually. The rate in effect for 2018 was 40.1% of annual covered payroll from January 1, 2018, to December 31, 2018. Member contributions are deducted from their salary and remitted to LASERS by participating employers. The Court's contribution for 2018 was \$11,803.

**Clerks**

**Plan Description** - City of Bogalusa Employees' Retirement System (COBERS) is a single-employer defined benefit pension plan that covers appointive officers and permanent employees of the City. The Court clerks participate in this plan. COBERS provides retirement, disability, and death benefits to plan members and their beneficiaries. COBERS financial statements are included in the basic financial statements of the City of Bogalusa. The financial report may be obtained by writing the City of Bogalusa Employees' Retirement System, Post Office Box 1179, Bogalusa, LA 70429-1179.

*Funding Policy.* Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the year ended December 31, 2018, the City contributed 11% of covered salaries, or \$14,201.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**8. Changes in Agency Funds**

The financial activity of agency funds does not represent revenues and expenditures of the Court, and as such, is not included in the general fund statement of revenues, expenditures, and changes in fund balance. These agency funds are used to account for the assets held by the Court in a fiduciary capacity and consist of cash on deposit for legal cases appearing before the Court that will be disbursed to fund certain costs of the case or returned to the parties involved upon resolution of the related litigation, citations, etc. Each case's balances and activities are accounted for separately but are reported in the aggregate within the Agency Fund Statement of Asset and Liabilities as amounts due litigants and others.

Activity for the year within the amounts due litigants and others account is summarized as follows:

	Civil Fund	Bond Fund	Criminal Fund	Total
Balance as of 12/31/17	\$ 20,863	\$ 2,558	\$ 14,997	\$ 38,418
Collections	124,511	66,472	255,787	446,770
Settlements	(135,385)	(36,531)	(255,986)	(427,902)
Bond forfeitures pending disbursemen	-	(18,057)		(18,057)
Transfers to/from other funds	-	-	-	-
Balance as of 12/31/18	<u>\$ 9,989</u>	<u>\$ 14,442</u>	<u>\$ 14,798</u>	<u>\$ 39,229</u>

**9. Fund Balance**

The general fund balance had a negative balance of \$24,378 at December 31, 2017. This was due to the costs associated with the lawsuit in the matter of Ebony Roberts, Rozzie Scott, Latasha Cook, and Robert Levi vs Robert J. Black, in his individual and official capacities, and Bogalusa City Court, Case 2:16-cv-11024, in the United States Court of the Eastern District of Louisiana. The Court, as part of a corrective action plan, implemented a plan to reduce expenses as much as possible. At the end of December 31, 2018, the general fund balance was \$5,434. The Court plans to keep hiring at a standstill, purchase no new equipment, and keep expenses to a minimum.

**CITY COURT OF BOGALUSA**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2018**

**11. Subsequent Events**

Subsequent events have been evaluated by management through June 23, 2019, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No events were noted that are required recording or disclosure in the financial statements for the fiscal year ending December 31, 2018.

## **Required Supplemental Information**

**CITY COURT OF BOGALUSA**  
**(a Component Unit of the City of Bogalusa, Louisiana)**

**GOVERNMENTAL FUND - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>REVENUES</b>				
Court fees	\$ 124,000	\$ 162,775	\$ 146,210	\$ (16,565)
Intergovernmental	273,500	300,916	275,452	(25,464)
Restitution	2,890	-	-	-
Interest	1	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	400,391	463,691	421,662	(42,029)
<b>EXPENDITURES</b>				
Judicial:				
Salaries	275,190	274,377	269,094	5,283
Fringe benefits and payroll taxes	65,000	96,841	84,536	12,305
Contract labor	300	-	6,031	(6,031)
Legal and professional	10,000	26,188	11,073	15,115
Bank Fees	650	-	302	(302)
Continuing education	845	624	770	(146)
Telephone and postage	60	189	-	189
Travel	15,000	9,934	10,510	(576)
Supplies, repairs and maintenance, miscellaneous	6,625	970	2,963	(1,993)
Dues and subscriptions	-	850	850	-
Meals and entertainment	180	252	255	(3)
Service Contracts	6,350	4,330	4,666	(336)
Probation Fees	3,400	3,000	-	3,000
Capital Outlay	1,000	-	-	-
Seminars and conventions	800	510	800	(290)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	385,400	418,065	391,850	26,215
Excess (deficiency) of revenues	14,991	45,626	29,812	(15,814)
Fund balances - beginning	(24,378)	(24,378)	(24,378)	-
Fund balances - ending	<u>\$ (9,387)</u>	<u>\$ 21,248</u>	<u>\$ 5,434</u>	<u>\$ (15,814)</u>

See independent auditor's report.

**City Court of Bogalusa**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Schedule of Compensation, Benefits, and  
Other Payments to Agency Head  
As of the Year Ended December 31, 2018**

Agency Head: Honorable Robert J. Black, Judge

Compensation	116,056
Fringe Benefits-Insurance	8,429
Fringe Benefits-Retirement	19,979
Employer Provided Medicare Taxes	1,683
Dues	850
Meals	64
Seminars	800
Travel	4,561
Total	<u>152,421</u>

Compensation & fringe benefit includes expenditures paid through the Court and on-behalf payments.  
See Note 5 for more detail related to on-behalf payments.

See independent auditor's report.

# *Minda B. Raybourn*

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Member  
AICPA

Member  
LCPA

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

To the Honorable Robert J. Black, Judge  
City Court of Bogalusa  
Bogalusa, Louisiana

I 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 the City Court of Bogalusa, a component unit of the City of Bogalusa, Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City Court of Bogalusa's basic financial statements and have issued my report thereon dated June 23, 2019.

### **Internal Control over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies (findings 2018-1 and 2018-3).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City Court of Bogalusa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses (finding 2018-2).

### **City Court of Bogalusa's Response to Findings**

City Court of Bogalusa's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. City Court of Bogalusa's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

## **Purpose of this Report**

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

*Minda Raybourn*

Franklinton, LA

June 23, 2019

**City Court of Bogalusa**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Summary of Current Year Audit Findings**  
**For the Year Ended December 31, 2018**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	_____ Yes <u>  X  </u> No
• Significant deficiencies identified that are not Considered to be material weaknesses?	<u>  X  </u> Yes _____ No
Noncompliance material to financial statements noted?	<u>  X  </u> Yes _____ No

**Internal Control Findings**

2018-1 Financing Reporting

**CRITERIA:** Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

**CONDITION AND CAUSE:** As common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Court’s annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with the notes, in accordance with generally accepted accounting principles have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued auditing standards require that I report the above condition as a control deficiency. The standards do not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

**POTENTIAL EFFECT OF CONDITION:** The financial reports will not be presented in accordance with generally accepted accounting principles.

**RECOMMENDATION:** As mentioned in the condition, whether or not it would be cost effective to cure a control deficiency is not a factor in applying auditing standards’ reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies an auditor reports under the auditing standards. In this case, I do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action necessary.

**CLIENT RESPONSE:** In response to this finding, the Court feels that is a prudent use of funds to engage the auditor to prepare the Court’s annual financial reports. We therefore agree with the auditor’s recommendation that no corrective action is necessary.

**City Court of Bogalusa**  
**(A Component Unit of the City of Bogalusa, Louisiana)**

**Summary of Current Year Audit Findings**  
**For the Year Ended December 31, 2018**

**Noncompliance Finding**

Item 2018-2 Local Government Budget Act

CRITERIA: Per the Local Government Budget Act (R:S: 39:1311), the state local government budget act dictates that actual revenues cannot be under budget by more than 5%.

CONDITION AND CAUSE: The Court actual revenues were under budget by 9%.

POTENTIAL EFFECT OF CONDITION: Violation of State Law.

RECOMMENDATION: The Court should periodically review interim finance data compared to the budget and amend the budget accordingly.

CLIENT RESPONSE: The Court revised it budget near year-end so that the budget might reflect the revenues and expenditures projected to occur at year's end, as required by the Local Government Budget Act (R.S. 39:1311). It is acknowledged that the actual revenues were under budget by more than 5%. However, the court's intergovernmental revenues include city, parish, and state wage and fringe benefits as required by GASB Statement No. 24 as described in Note 5. These revenues and related expenditures are hard to predict. We will review the actual to budget comparisons more closely at periodic times.

Item 2018-3 Federal Tax Deposit Payments

CRITERIA: Federal payroll tax payments that are less than \$2,500 are due the last day of the month following the quarter with the federal tax form 941. State tax deposits that are paid on a quarterly basis on due on the same date.

CONDITION AND CAUSE: The court paid the third quarter federal and state tax deposit on January 16, 2019. It was due October 31, 2018.

POTENTIAL EFFECT OF CONDITION: The effect of late payments are penalties and interest charged by the Internal Revenue Service.

RECOMMENDATION: The Court needs to have procedures in place to ensure compliance with the due date of all tax payments.

CLIENT REPOSENSE: We will in place procedures to have all tax payments paid by the required due date.

**City Court of Bogalusa  
(A Component Unit of the City of Bogalusa, Louisiana)**

**Summary of Current Year Audit Findings  
For the Year Ended December 31, 2018**

**Summary Status of Prior Year Findings  
(For the Year Ended December 31, 2017)**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	_____ Yes <u>  X  </u> No
• Significant deficiencies identified that are not Considered to be material weaknesses?	<u>  X  </u> Yes _____ No
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

**Internal Control Findings**

2017-1

**CRITERIA:** Management is responsible for developing internal controls related to the preparation of financial statements as well as preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

**CONDITION AND CAUSE:** As common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the Court’s annual financial statements. This condition is intentional by management based upon the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with the notes, in accordance with generally accepted accounting principles have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued auditing standards require that I report the above condition as a control deficiency. The standards do not provide exceptions to reporting deficiencies that are adequately mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

**POTENTIAL EFFECT OF CONDITION:** The financial reports will not be presented in accordance with generally accepted accounting principles.

**RECOMMENDATION:** As mentioned in the condition, whether or not it would be cost effective to cure a control deficiency is not a factor in applying auditing standards’ reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies an auditor reports under the auditing standards. In this case, I do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action necessary.

**CLIENT RESPONSE:** In response to this finding, the Court feels that is a prudent use of funds to engage the auditor to prepare the Court’s annual financial reports. We therefore agree with the auditor’s recommendation that no corrective action is necessary.

**STATUS:** This finding is an ongoing issue.

***Minda B. Raybourn***

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MEMBER  
A.I.C.P.A.

MEMBER  
L.C.P.A.

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Robert J. Black, Judge  
City Court of Bogalusa  
Bogalusa, LA  
And the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by City Court of Bogalusa (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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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  
**The court does not have budgeting policies and procedures.**
  - 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.

**The court does have written policies and procedures of how purchases are initiated. Purchase orders are not used due to the small size of the court. The policies do not address how vendors are added to the vendor list. Due to the small size of the court, this procedure is not warranted. Public bid law is not addressed.**

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

**The court has written policies and procedures on disbursements.**

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

**The court has written policies and procedures on receipts and collections.**

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

**Payroll processing is addressed.**

- 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

**The court does not have written policies and procedures on contracting.**

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

**The court does not use cards.**

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

**The court does not have travel policies and procedures. However, the court adheres to the travel policies and procedures from the State of Louisiana Supreme Court Judicial Administrator.**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

**The court does have some ethics policies.**

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

**This is not applicable.**

***Board or Finance Committee-This is not applicable as the court does not have a board.***

---

- 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.
  - 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.
  - 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.

***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:

**A listing of bank accounts and management's representation were obtained.**

- 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);  
**Bank reconciliations are prepared monthly.**
- 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  
**The judge reviews and initials each reconciliation each month.**

- 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.**

### *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).

**A listing of deposit sites and management's representation were obtained.**

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

**A listing of collection locations and management's representation were obtained. Written policies and procedures were obtained.**

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

**There is one cash drawer which is shared.**

- 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.

**The court has a court clerk, a civil clerk, and a criminal clerk that handle cash collections. Deposits are taken to the bank by an officer of the Marshal's office. The court clerk reconciles collection documentation to the deposit.**

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

**The court clerk (who also handles cash collections) is responsible for posting collection entries to the general ledger. Because of the court's small staff and budget constraints, it is not feasible to have another person handle the reconciling function.**

- 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.

**The court clerk (who also handles cash collections) is responsible for reconciling collections to the general ledger by revenue source and agency fund. Because of the**

**court's small staff and budget constraints, it is not feasible to have another person handle the reconciling function.**

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

**There is no coverage for bond or insurance policy for theft.**

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

**The software the court uses issues receipts that 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).

**No exceptions noted.**

- 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 petty cash purchases)***

---

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

**Locations that process payments and management's representation were obtained.**

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

of employees about their job duties), and observe that job duties are properly segregated such that:

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

**The court clerk can initiate a purchase request and place the order or make the purchase. The judge approves all purchases.**

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

**The court clerk processes payments to vendors. The payments are approved by the judge.**

- 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.

**The court clerk is responsible for processing payments and can modify or add vendor files. Because of the court's small staff, it is not feasible to have a separate person perform this function.**

- 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.

**Once the checks are signed, they are mailed the same day by another clerk in the court.**

- 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:

**The non-payroll disbursement transaction population and management's representation were obtained.**

- a) Observe that the disbursement matched the related original invoice/billing statement.

**No exceptions noted.**

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

**The disbursements are approved by the Judge.**

***Credit Cards/Debit Cards/Fuel Cards/P-Cards. This procedure is not applicable as the court does not use 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.

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

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

---

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

**A listing of travel expense reimbursements and management's representation were obtained.**

- 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](http://www.gsa.gov)).

**Per diems used for mileage were paid at \$0.576. It should have been \$0.54.**

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

**One reimbursement for a hotel charge did not include an original receipt. Receipts for tolls were not provided.**

- 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).

**Reimbursements were traced back to various conference documentation.**

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

**The judge approves all reimbursements.**

### ***Contracts***

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- 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 listing of contracts and management's representation were obtained. The court has one contract for court software support and updates.**

- 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.

**The contract is not subject to the public bid law.**

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

**Not applicable.**

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

**The contract was not amended.**

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

**No exceptions noted.**

### ***Payroll and Personnel***

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- 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.

**A listing of employees and management's representation were obtained.**

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.)

**The court did not maintain attendance records for the selected sample. The court clerk maintains leave records.**

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

**The judge approves leave.**

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

**The office manager accumulates leave manually. It was observed leave accrued or taken is updated.**

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 employees were terminated during the year.**

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.

**The third quarter federal and state taxes were paid in January 2019. First, second, and fourth quarter were paid timely. The judge's LASER contributions were done monthly. The court does not pay health insurance premiums or worker's compensation premiums. These are paid by the City of Bogalusa.**

### *Ethics*

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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.

**A search of ethics trainings on the state board of ethics website yielded no results.**

- 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.

**Signature verification was not obtained.**

### ***Debt Service***

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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.

**No debt was incurred during the fiscal year.**

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.

**This is not applicable.**

### ***Other***

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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.

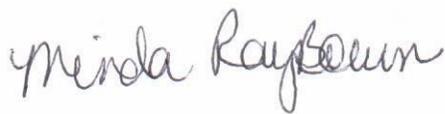
**Management asserted no misappropriations occurred during the fiscal year.**

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.**

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

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

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn CPA  
Franklinton, LA 70438

June 15, 2019