

***CITY COURT OF THIBODAUX,
LOUISIANA***

Annual Financial Report

For the Year Ended December 31, 2019

CITY COURT OF THIBODAUX, LOUISIANA

Annual Financial Report

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**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

This discussion and analysis of City Court of Thibodaux's (City Court) financial performance provides an overview of the financial activities for the year.

FINANCIAL HIGHLIGHTS

- The net position at the end of the year was \$518,293, a decrease of \$29,444 or 5% from the prior year.
- Total net position is comprised of the following:
 - Net invested in capital assets of \$72,141 consisting of equipment, furniture, leasehold improvements, and vehicles, net of accumulated depreciation.
 - Restricted for Marshal's fund of \$170,501, representing the portion restricted due to enabling legislation that authorizes the City Court to assess court costs for the Marshal to operate his office.
 - Unrestricted net assets of \$275,651 representing the portion available to maintain continuing obligations to citizens and creditors.
- Total spending for all judicial activities was \$951,262 for the year, which was \$36,937 more than the fines and costs charged for these activities and operating and capital grants and contributions totaling \$914,325, a decrease of \$16,310.
- The governmental funds reported total ending fund balance of \$591,486 – \$170,501 was considered restricted, \$26,600 was assigned for the Judicial Building Fund and the remaining \$394,385 was considered unassigned. This compares to the prior year ending fund balance of \$626,594, a decrease of \$35,108 during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities as a whole and present a longer-term view of the finances. Fund financial statements for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as a trustee or agent for the benefit of those outside of the government.

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing

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MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information about the entity as a whole. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report net position and changes in net position. You can think of the net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources—as one way to measure the financial health, or financial position of the entity. Over time, increases or decreases in the net position are indicators of whether the entity's financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the entity.

In the Statement of Net Position and the Statement of Activities all governmental activities are reported. Most of the basic judicial services are reported as this type. Fines and fees charged to the public and operating contributions finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the City Court as a whole. Some funds are required to be established by State laws. However, City Court establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like the Marshal's Fund).

City Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending.

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the judicial programs. 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 reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS OF THE CITY COURT AS A WHOLE

The net position of the Court decreased by \$29,444 as a result of this year's operations or approximately 5%. Unrestricted net position—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements absorbed the decrease. Net Invested in Capital Assets decreased by almost \$14,000 due to depreciation. Restricted net position decreased by \$21,920 from last year. The balance in net position represents the accumulated results of all past years' operations. Following is a condensed statement of Net Position:

Condensed Statement of Net Position	2018	2019	Dollar Change
Current and Other Assets	\$ 640,992	\$ 612,022	\$ (28,970)
Capital Assets	85,869	72,141	(13,728)
Total Assets	726,861	684,163	(42,698)
Deferred Outflows of Resources	12,994	16,707	3,713
Current Liabilities	14,397	20,535	6,138
Long Term Liabilities	175,750	161,706	(14,044)
Total Liabilities	190,147	182,241	(7,906)
Deferred Inflows of Resources	1,971	336	(1,635)
Net Invested in Capital Assets	85,869	72,141	(13,728)
Restricted	192,421	170,501	(21,920)
Unrestricted	269,447	275,651	6,204
Total Net Position	\$ 547,737	\$ 518,293	\$ (29,444)

The total revenues for the year in governmental activities were \$921,818 (\$914,325 in program revenues and \$7,493 in general revenues). The total cost of all judicial programs and services was \$951,262 with no new programs added this year.

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

Condensed Statement of Activities	2018	2019	Dollar Change
Total program expenses	\$ (915,865)	\$ (951,262)	\$ (35,397)
Total program revenues	930,635	914,325	(16,310)
Net program income	14,770	(36,937)	(51,707)
General revenues	3,843	7,493	3,650
Change in Net Assets	18,613	(29,444)	(48,057)
Net Position:			
Beginning of the year	529,124	547,737	18,613
End of the year	<u>\$ 547,737</u>	<u>\$ 518,293</u>	<u>\$ (29,444)</u>

FINANCIAL ANALYSIS OF THE CITY COURT'S FUNDS

As we noted earlier, funds are used to control and manage money for particular purposes. Looking at the individual funds helps you consider whether the City Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health. The following is information about the major funds.

At the end of the year, the General Fund reported an ending fund balance of \$420,985, a decrease of \$13,188 from the prior year. Revenues of \$717,824 decreased slightly from last year. Current expenditures of \$712,435 decreased slightly by 1%. Capital outlay of \$18,577 is significantly more than the prior year of \$2,060. At the end of the current year, unassigned fund balance for the General Fund was \$420,985, or 54% of total General Fund expenditures.

The Marshal's Fund had an ending fund balance of \$170,501. Revenues of \$203,994 increased slightly by 4%. Current expenditures were \$225,914.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was amended during the year. Revenues budgeted were amended by \$8,500 for decreases in court fees, fines and costs (\$6,000), Judge's supplemental pay (\$4,000) and interest earned and other fees increased by \$1,500. Current expenditures for the year were decreased from the original budget to the amended budget in the amount of \$13,900 mainly in personnel of \$13,800. The General Fund experienced favorable variances when comparing budget to actual. All funds followed the State and Local Budget laws.

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2019 and 2018 was \$72,141 and \$85,869, respectively. This year there was \$18,577 of additions of office equipment and police special equipment. Depreciation expense for the year was \$32,303 recorded in governmental activities. More detailed information about the capital assets is presented in Note 3 to the financial statements.

LONG TERM OBLIGATIONS

Net Pension Liability of \$161,706 was recorded as non-current liabilities. Deferred outflows of \$16,707 and inflows of \$336 were recognized in connection with the pension liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Historically, the office staff and costs remain stable and should continue to do so. Most capital asset purchases are absorbed by the City of Thibodaux in their current operating budget. If these estimates remain consistent, the General Fund balance is expected to decrease by the close of 2020, with adequate fund balance to absorb the expected loss. Highlights of next year's adopted budget for the general fund include:

Condensed Summary of Budgeted Finances	
	<u>2020</u>
Anticipated revenues	\$ 131,713
Expenditures:	
Current	189,813
Capital outlay	<u>5,000</u>
Anticipated expenditures	<u>194,813</u>
Deficit of revenues over expenditures	(63,100)
Fund Balance:	
Beginning of the year	<u>440,000</u>
End of the year	<u><u>\$ 376,900</u></u>

***CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019***

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

The Honorable Judge Mark Chiasson,
1309 Canal Blvd., Thibodaux, LA 70301
Phone (985) 446-7238.

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mark Chiasson, Judge
the Honorable Harley Gros, Marshal
City Court of Thibodaux, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Thibodaux, Louisiana, a component unit of the City of Thibodaux, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the 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 statement that are free of material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 risks of material misstatement of the financial statements, whether due to fraud or error.

To the Honorable Mark Chiasson, Judge
The Honorable Harley Gros, Marshal
City Court of Thibodaux, Louisiana
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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.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the City Court of Thibodaux, Louisiana as of December 31, 2019, 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 Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.



STAGNI & COMPANY, L.L.C

To the Honorable Mark Chiasson, Judge
The Honorable Harley Gros, Marshal
City Court of Thibodaux, Louisiana
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We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Compensation of Payments to the Agency Head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

This schedule is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 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 May 11, 2020, on our consideration of the 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 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 the internal control over financial reporting and compliance.

Stagni & Company

May 11, 2020
Thibodaux, Louisiana



STAGNI & COMPANY, LLC

CITY COURT OF THIBODAUX, LOUISIANA

Statement of Net Position - Governmental Activities

December 31, 2019

ASSETS

Cash and cash equivalents	\$ 503,513
Due to/from other funds	108,509
Capital assets, net of depreciation	<u>72,141</u>
Total assets	<u>684,163</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - contributions	8,741
Deferred outflows of resources - other	<u>7,966</u>
Total Deferred outflows of resources	<u>16,707</u>

LIABILITIES

Current:

Accounts payable and accrued expenses	6,058
Due to other governments	<u>14,477</u>
Total current liabilities	<u>20,535</u>

Noncurrent -

Net Pension Liability	<u>161,706</u>
Total liabilities	<u>182,241</u>

DEFERRED INFLOWS OF RESOURCES

Proportionate share	336
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NET POSITION

Net investment in capital assets	72,141
Restricted for Marshal Fund	170,501
Unrestricted	<u>275,651</u>
Total Net Position	<u>\$ 518,293</u>

See notes to the financial statements.

CITY COURT OF THIBODAUX, LOUISIANA

Statement of Activities - Governmental Activities

As of and for the year ended December 31, 2019

FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
General government - Judicial	\$ 951,262	\$ 162,059	\$ 752,266	\$ (36,937)
Total governmental activities:				<u>(36,937)</u>
General revenues:				
Unrestricted investment earnings				<u>7,493</u>
		Change in net position		(29,444)
Net Position:				
Beginning				<u>547,737</u>
Ending				<u><u>\$ 518,293</u></u>

See notes to the financial statements.

CITY COURT OF THIBODAUX, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General Fund	Marshal's Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 337,921	\$ 165,592	\$ 503,513
Due to/from other funds	103,197	5,312	108,509
Total assets	<u>\$ 441,118</u>	<u>\$ 170,904</u>	<u>\$ 612,022</u>
LIABILITIES & FUND BALANCE			
<i>Liabilities:</i>			
Accounts payable and accrued expenses	\$ 5,656	\$ 403	\$ 6,059
Due to other governments	14,477	-	14,477
Total liabilities	<u>20,133</u>	<u>403</u>	<u>20,536</u>
<i>Fund Balance:</i>			
Restricted	-	\$ 170,501	170,501
Assigned for Judicial Building Fund	26,600	-	26,600
Unassigned	394,385	-	394,385
Total equity	<u>420,985</u>	<u>170,501</u>	<u>591,486</u>
Total liabilities & fund balance	<u>\$ 441,118</u>	<u>\$ 170,904</u>	

RECONCILIATION TO THE STATEMENT OF NET POSITION:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Cost of Capital Assets	313,251	
less Accumulated Depreciation	<u>(241,110)</u>	72,141

Long term liabilities are not due and payable in the current period and therefore, are not report in the funds.

Net pension liability	(161,706)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:

Deferred outflows - contributions	8,741	
Deferred outflows - others	7,966	
Deferred inflows - proportionate share	<u>(336)</u>	16,372

Net assets of governmental activities	<u>\$ 518,293</u>
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See notes to financial statements.

CITY COURT OF THIBODAUX, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

As of and for the year ended December 31, 2019

	General Fund	Marshal's Fund	Total Governmental Funds
REVENUES			
Court fees, fines and costs	\$ 91,538	\$ 70,521	\$ 162,059
Grant Parish	5,413	-	5,413
Judge's supplemental compensation	42,887	-	42,887
On-behalf salaries and benefits received	572,045	131,921	703,966
Interest earned	5,941	1,552	7,493
Total revenues	<u>717,824</u>	<u>203,994</u>	<u>921,818</u>
EXPENDITURES			
General government - judicial:			
Current:			
Salaries & benefits	70,079	89,126	159,205
On-behalf salaries & benefits paid	572,045	131,921	703,966
Grant to FINS	12,000	-	12,000
Uniforms	1,589	-	1,589
Supplies	3,457	1,141	4,598
Dues	1,931	643	2,574
Meetings and conventions	2,071	-	2,071
Contract labor	19,418	-	19,418
Computer Services	20,926	-	20,926
Storage	4,249	-	4,249
Automobile - gas & service	438	2,096	2,534
Cell Phone	-	318	318
Other services and charges	4,232	669	4,901
Total current expenditures	<u>712,435</u>	<u>225,914</u>	<u>938,349</u>
Capital outlay	<u>18,577</u>	<u>-</u>	<u>18,577</u>
Total expenditures	<u>731,012</u>	<u>225,914</u>	<u>956,926</u>
Net change in fund balances	(13,188)	(21,920)	(35,108)
FUND BALANCES			
Beginning of year	434,173	192,421	626,594
End of year	<u>\$ 420,985</u>	<u>\$ 170,501</u>	<u>\$ 591,486</u>

See notes to financial statements.

CITY COURT OF THIBODAUX, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
As of and for the year ended December 31, 2019

Net change in fund balances - total governmental funds **\$ (35,108)**

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.

Capital outlay	\$ 18,577	
Depreciation Expense	<u>(32,303)</u>	
		(13,726)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions are reported as pension expense.

Increase in pension liability	14,044	
Change in deferred outflows and inflows	<u>5,346</u>	
		<u>19,390</u>

Change in net assets of governmental activities **\$ (29,444)**

CITY COURT OF THIBODAUX, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
December 31, 2019

	Civil Fund	Bond Fund	Garnishment Fund	Restitution Fund	Total
ASSETS					
Cash and cash equivalents	\$ 854,377	\$ 134,394	\$ 24,189	\$ 193	\$ 1,013,153
Total assets	<u>\$ 854,377</u>	<u>\$ 134,394</u>	<u>\$ 24,189</u>	<u>\$ 193</u>	<u>\$ 1,013,153</u>
LIABILITIES					
Fees payable	\$ 17,128	\$ -	\$ -	\$ -	\$ 17,128
Bonds payable	-	134,394	-	-	134,394
Marshall's Commission payable	-	-	22,797	-	22,797
Restitution payable	-	-	-	193	193
Bonds and other deposits	730,563	-	-	-	730,563
Due to Marshals Fund	-	-	1,391	-	1,391
Due to General Fund	106,687	-	-	-	106,687
Total liabilities	<u>\$ 854,378</u>	<u>\$ 134,394</u>	<u>\$ 24,188</u>	<u>\$ 193</u>	<u>\$ 1,013,153</u>

See notes to the financial statements

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

Article 7, Section 51, of the Louisiana Constitution of 1921, created the City Court of Thibodaux, Louisiana in 1953 under General Legislative authority provided. In 1960, Louisiana Revised Statutes 13:1951 was passed recognizing and continuing the existence of city courts created and established pursuant to this authority. The City Court of Thibodaux serves the people of the City of Thibodaux, Louisiana and all of Ward 2 of the Parish of Lafourche, Louisiana.

The financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

City Court is a component unit of the City of Thibodaux, Louisiana as defined by GASB 14. City Court's judge and marshal are independently elected officials. City Court is fiscally dependent on the City of Thibodaux, Louisiana for office space and courtrooms. The substance of the relationship between City Court and the City of Thibodaux, Louisiana is that the City of Thibodaux, Louisiana has approval authority over its capital budget.

B. Fund Accounting

Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is referred to as "Fund Balance."

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". City Court uses governmental and fiduciary funds in its operations. Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Fund Accounting, (Continued)

Governmental funds:

- *General fund* – The general fund is the general operating fund of the City Court. It accounts for all activities except those accounted for in other funds.
- *Special revenue funds* – are used to account for fees, fines and costs charged for court cases and expenditures for these court cases.

Fiduciary funds:

- *Agency funds* - are used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

"Basis of accounting" refers to when revenues, expenditures, expenses, and transfers-and assets, deferred outflows of resources, liabilities and deferred inflows of resources – are recognized in the accounts and reported in the financial statements.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resource measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Court fees, fines, and other revenues are recorded when collected and are considered susceptible to accrual.

D. Budgets

City Courts, as political subdivisions, are required according to LRS 39:1302 to adopt a budget. The City Court presents, adopts and amends an operating budget for the general fund and the marshal funds as required by the Louisiana Local Government Budget Act. The budget is prepared on a modified accrual basis of accounting. The budget presented in the Budget Comparison Schedules show the original and final amended budgets for the year. On-behalf payments were not budgeted in revenues or expenditures and are the only reconciling items from the actual on the budget statement to the actual for GAAP purposes.

Encumbrances represent commitments related to unperformed contracts for goods or services. The City Court does not use an encumbrance system.

E. Cash

Cash includes amounts in demand deposits as well as short-term investments (certificates of deposit) with a maturity date within a year of the date acquired. Under state law, the City Court of Thibodaux may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. Interfund Receivables/Payables and Transfers

During the course of operations transactions occur between individual funds. These receivables and payables are classified as "due to or due from other funds" on the balance sheet. All interfund transactions, except quasi-external transactions, are reported as operating transfers.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

F. Interfund Receivables/Payables and Transfers (Continued)

In the process of aggregating data for the statement of net position and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

G. Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. City Court maintains a threshold level of \$100 or more for capitalizing capital assets. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

- Equipment 3 - 10 years
- Furniture 5 - 10 years
- Law books 20 years

H. Compensated Absences

The City of Thibodaux, Louisiana primarily employs individuals who work at the City Court office. No liability for compensated absences is reflected on the financial statements. Vacation and sick leave do not accumulate.

I. On-behalf Payments and Expenses

Certain expenses of City Court are budgeted and paid for by the City of Thibodaux, Louisiana. These expenses consist of operating supplies, automobile expenses, equipment rental, telephone expenses, audit fees, insurance costs, publishing and other miscellaneous expenses. These expenses from the City of Thibodaux, not recognized on City Court's books, were \$136,404.

The Judge and City Court Employees received on-behalf payments from the State of Louisiana of \$49,756; Lafourche Parish of \$24,475 and the City of Thibodaux of \$504,058 for salaries and benefits.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

I. On-behalf Payments and Expenses (continued)

The Marshal received on-behalf payments from the State of Louisiana of \$6,000; Lafourche Parish of \$5,808; and the City of Thibodaux of \$119,678.

As required by GASB Statement 24, revenue and an expenditure of \$703,966 have been recognized in general fund (\$572,045) and the marshal fund (\$131,921) for these on-behalf payments.

Of the \$572,045 in the general fund, \$16,629 was paid for retirement benefits on behalf of the Judge to the Louisiana State Employees Retirement System. Of the \$122,391 in the marshal fund, \$21,681 was paid for retirement benefits to the Municipal Employees Retirement System on behalf of the Marshal.

J. Fund Equity

Government-Wide Financial Statements –

The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation. The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Financial Statements -

Governmental fund equity is classified as fund balance. Fund balance is further classified as *non-spendable*, *restricted*, *committed*, *assigned*, or *unassigned*. *Non-spendable fund balance* cannot be spent because of its form. *Restricted fund balance* has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. *Committed fund balance* is a limitation imposed by the City Court through formal action by the City Court Judge. *Assigned fund balances* is a limitation imposed by a designee of the City Court. *Unassigned fund balance* in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

K. Use of Estimates

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

L. Non-current Liabilities

In the GWFS non-current obligations to be repaid from governmental resources are reported as liabilities. Long-term obligations for governmental funds are not reported as liabilities in the FFS.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) - the Plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS

A summary of deposits are listed as follows:

	Reported Amount	Bank Balance
Cash – governmental funds	\$503,513	\$503,446
Cash – fiduciary funds	1,013,153	1,035,879
TOTAL DEPOSITS	\$1,516,666	\$1,539,326

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. At year end \$1,018,825 of the bank balance of deposits was exposed to custodial credit risk. These deposits were collateralized by securities purchased and pledged to City Court. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in City Court's name.

The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 3 - CAPITAL ASSETS

A schedule of changes in capital assets follows:

	BALANCE 12/31/2018	ADDITIONS	DELETIONS ADJUSTMENTS	BALANCE 12/31/2019
COST OF ASSETS:				
Non-Depreciable – Software Deposit	\$ -		\$ -	\$ -
DEPRECIABLE ASSETS:				
OFFICE EQUIPMENT	\$ 161,307	\$18,577		\$ 179,884
OFFICE FURNITURE	27,098	-	-	27,098
LAW BOOKS	5,844	-	-	5,844
LEASEHOLD IMPROVEMENTS	7,230	-	-	7,230
POLICE SPECIAL EQUIPMENT	18,910	-	-	18,910
VEHICLES	74,285	-	-	74,285
	294,674	18,577	-	313,251
ACCUMULATED DEPRECIATION:				
OFFICE EQUIPMENT	84,820	30,016	-	114,836
OFFICE FURNITURE	24,405	886	-	25,291
LAW BOOKS	5,844	-	-	5,844
LEASEHOLD IMPROVEMENTS	7,230	-	-	7,230
POLICE SPECIAL EQUIPMENT	12,223	1,401	-	13,624
VEHICLES	74,285	-	-	74,285
	208,807	32,303	-	241,110
CAPITAL ASSETS, NET	\$ 85,867			\$ 72,141

Depreciation expense for the year was \$32,303 recorded in governmental activities.

NOTE 4 - DUE TO OTHER GOVERNMENTS

Consist of amounts due to other governments for fines collected - to be remitted:

Entity	Amount Due
City of Thibodaux	\$7,133
Indigent Defender	4,950
Other miscellaneous	2,394
Totals	\$14,477

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS

Employees

All individuals who work at City Court are paid by the City of Thibodaux, Louisiana and are consequently members of the Municipal Employees Retirement System. GASB requires certain disclosures for employers who maintain retirement plans for their employees. All individuals employed at the City Court are primarily compensated by others who disclose the required retirement plan information in separately issued financial statements administered and controlled by a separate board of trustees. Payments made on behalf of the City Court employees for pension benefits to the Municipal Employees Retirement System by the City of Thibodaux for the year ending December 31, 2019 is \$118,699.

Judge

The City Court implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. That Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

The Judge is a member of the Louisiana State Employees' Retirement System (LASERS), a cost sharing, and multiple-employer defined benefit pension plan administered by a separate board of trustees. LASERS membership includes rank & file state employees and special plans for: judges, certain legislative officials and statewide elected officials, correctional officers in the Department of Safety and Corrections, bridge police for the Crescent City Connection, enforcement agents with the Department of Wildlife and Fisheries, Alcohol and Tobacco Control officers, and peace officers.

Governmental Accounting Standards Board (GASB) approved Statement No. 68, *Accounting and Financial Reporting for Pensions* requires governments providing pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and RSI.

Louisiana State Employees' State System

Plan Description – The City Court contributes to the Louisiana State Employees' State System (the System), a cost-sharing multiple-employer defined benefit pension plan established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) to provide retirement allowances and other benefits to eligible state officers, employees and their beneficiaries, which is controlled and administered by a separate Board of Trustees.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

The System provides retirement, deferred and disability benefits, survivor's benefits and permanent benefit increases and cost of living adjustments to plan members and beneficiaries.

The System is governed by Louisiana Revised Statutes 11:401, specifically, and other general laws of the State of Louisiana. The System issued a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided - LASERS membership has specific membership requirements established by legislation, with LASERS established for state officers, employees, and their beneficiaries which include judges. The age and years of creditable service required in order for a member to retire with full benefits are established by state statute, and vary depending on the member's hire date, employer, and job classification. The majority of our rank and file member may either retire with full benefits:

- 30 years of creditable service at any age, or
- 5-10 years of creditable service depending on their plan who has attained age 60, or
- 20 years of creditable service at any age with an actuarially reduced benefit.

The basic annual retirement benefit for members is equal to 2.5 to 3.5 of average compensation multiplied by the number of creditable years of service. Average compensation is defined as the member's average annual earned compensation for the highest consecutive months of employment for members employed prior to July 1, 2006.

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

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

Act 992 of the 2010 Louisiana Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire:

- 5 years of creditable service at age 60, or
- 20 years of creditable service at any age with an actuarially reduced benefit.

Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 23 years of creditable service at any age or with reduced benefits after 20 years or creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does to withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

Deferred Retirement Option Program (DROP) – The State Legislature authorized LASERS to established a deferred retirement option plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of ½% less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Initial Benefit Option Plan – Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of ½% less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits - All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor Benefits – Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child.

Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

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

Contributions – The employer contribution rate is established annually under LA RS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Actual Rates for the years ending June 30, 2019 for Judges hired before 1/01/11 was 40.1% for employer contributions and 11.5% for employee contributions which is the only class of member that the city contributes for the City Judge.

Employer contributions to the pension plan totaled \$17,782, for the year ended December 31, 2019.

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

As of June 30, 2019 (the measurement date), City Court reported a total of \$161,706 for its proportionate shares of the net pension liability of the LASERS Plan, reported as governmental activities. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. City Court's proportion of the net pension liability was based on a projection of the long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. City Court's proportions of the plan was as follows:

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

<u>Plan</u>	<u>Proportionate share</u>	
	<u>6/30/18</u>	<u>6/30/19</u>
LASERS	0.002580%	0.002230%

For the year ended June 30, 2019, City Court recognized \$20,850 as its proportionate share of pension expense for the LASERS plan.

In addition, the deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Plan</u>	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in assumption	\$ 1,386	\$ -
Differences between expected and actual experience	993	
		(336)
Net difference between projected and actual earnings on pension plan investments	5,587	
Contributions subsequent to the measurement date		
	8,741	-
TOTALS	<u>\$ 16,707</u>	<u>\$ (336)</u>

The deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date (June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

Year ended June 30:	
Amortization-1 st year	\$5,624
Amortization-2 nd year	\$(1,626)
Amortization-3 rd year	\$1,537
Amortization-4 th year	\$2,094

Actuarial assumptions:

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.50%
Discount rate used To measure pension liability	7.60%
Salary increases	Vary from 2.8% to 5.3% for Judges
Investment rate of return	7.60%
Actuarial cost method	Entry age normal
Expected remaining service lives	2 years
Cost of Living Adjustment	none

For LASERS, the long-term expected rate of return on the pension plan investments was determined using a building block method in which best estimates ranges of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50% and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 9.00% for the years ending June 30, 2019.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

The best estimates of real rates of return for each major asset class included in the pension plans' target asset allocation, as of June 30, 2018, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.24%
Domestic Equity	4.83%
International Equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total Fund	6.09%

Rates of return are presented as geometric means for LASERS.

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

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2019

NOTE 5 - PENSION PLANS, (Continued)

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

The following presents the proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate of 7.60%:

	1% Decrease	Current Discount Rate	1% Increase
LASERS	\$204,094	\$161,706	\$125,903

Pension plan fiduciary net position:

Detailed information about the Plans' fiduciary net position is available in the separate issued financial statements of the Plans.

Payables to the pension plans:

At December 31, 2019, there were no amounts due to the pension plans for employer and employee required contributions.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213, 225-922-0600.

NOTE 6 - RISK MANAGEMENT

The City Court is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; injuring to employees. The City Court or the City of Thibodaux purchases commercial insurance policies for any and all claims relating to the above types of risks. The City Court or the City of Thibodaux is only liable for the payment of the deductible associated with the above types of risks. Settlements have not exceeded insurance coverage in any of the three preceding years.

***REQUIRED SUPPLEMENTARY
INFORMATION***

CITY COURT OF THIBODAUX, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
Budget Comparison Schedule-General Fund
As of and for the year ended December 31, 2019

	Budgeted			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Court fees, fines and costs	\$ 90,000	\$ 84,000	\$ 88,218	\$ 4,218
Judge's supplemental pay	44,000	40,000	42,887	2,887
Grant from Parish	5,413	5,413	5,413	-
Grant from City	6,000	6,000	-	(6,000)
Other Fees	2,300	3,000	3,320	320
Interest earned	1,200	2,000	5,941	3,941
Total revenues	<u>148,913</u>	<u>140,413</u>	<u>145,779</u>	<u>5,366</u>
EXPENDITURES				
General government - judicial:				
Personnel	82,513	68,713	70,079	(1,366)
FINS Grant	12,000	12,000	12,000	-
Uniforms	2,200	1,700	1,589	111
Supplies	5,500	4,400	3,457	943
Dues	1,200	1,700	1,931	(231)
Meetings and conventions	4,000	2,100	2,071	29
Court reporter fees	32,000	28,000	19,418	8,582
Computer Services	17,500	22,000	20,926	1,074
Storage	5,000	4,600	4,249	351
Repair & Maintenance	3,000	600	438	162
Other services and charges	16,000	21,200	4,232	16,968
Total current expenditures	<u>180,913</u>	<u>167,013</u>	<u>140,390</u>	<u>26,623</u>
Capital outlay	<u>5,000</u>	<u>4,200</u>	<u>18,577</u>	<u>(14,377)</u>
Total expenditures	<u>185,913</u>	<u>171,213</u>	<u>158,967</u>	<u>12,246</u>
Net change in fund balances	<u>(37,000)</u>	<u>(30,800)</u>	<u>(13,188)</u>	<u>17,612</u>
FUND BALANCES				
Beginning of year	423,000	434,173	434,173	-
End of year	<u>\$ 386,000</u>	<u>\$ 403,373</u>	<u>\$ 420,985</u>	<u>\$ 17,612</u>

CITY COURT OF THIBODAUX, LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
Budget Comparison Schedule – Marshal Fund
As of and for the year ended December 31, 2019

	Budgeted			Variance -
	Original	Final (Not Amended)	Actual	Favorable
				(Unfavorable)
REVENUES				
Court fees, fines and costs	\$ 74,000	\$ 74,000	\$ 70,521	\$ (3,479)
Interest earned	200	200	1,552	1,352
Total revenues	<u>74,200</u>	<u>74,200</u>	<u>72,073</u>	<u>(2,127)</u>
EXPENDITURES				
General government - judicial:				
Current:				
Personnel	95,300	95,300	89,126	6,174
Bank charges	500	500	124	376
Supplies	1,200	1,200	1,017	183
Dues	1,000	1,000	643	357
Mileage	5,000	5,000	2,096	2,904
Cell Phone	500	500	318	182
Computer Service	300	300	-	300
Other services and charges	2,500	2,500	669	1,831
Total current expenditures	<u>106,300</u>	<u>106,300</u>	<u>93,993</u>	<u>12,307</u>
Capital outlay	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>108,300</u>	<u>108,300</u>	<u>93,993</u>	<u>14,307</u>
Net change in fund balances	<u>(34,100)</u>	<u>(34,100)</u>	<u>(21,920)</u>	<u>12,180</u>
FUND BALANCES				
Beginning of year	175,750	175,750	192,421	16,671
End of year	<u>\$ 141,650</u>	<u>\$ 141,650</u>	<u>\$ 170,501</u>	<u>\$ 28,851</u>

CITY COURT OF THIBODAUX
REQUIRED SUPPLEMENTARY INFORMATION
Louisiana State Employees Retirement System (LASERS)

Last Ten Fiscal Years**

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

Schedule 1

Measurement Date	Fiscal Year*	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered-employee payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2015	12/31/2015	0.00209%	\$ 142,084	\$ 38,005	374%	62.7%
6/30/2016	12/31/2016	0.00283%	\$ 222,070	\$ 45,100	492%	57.7%
6/30/2017	12/31/2017	0.00296%	\$ 208,068	\$ 43,450	479%	62.5%
6/30/2018	12/31/2018	0.00258%	\$ 175,750	\$ 50,826	346%	64.3%
6/30/2018	12/31/2019	0.00223%	\$ 161,706	\$ 44,618	362%	62.9%

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

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

Schedule of Employer Contributions

Schedule 2

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution Deficiency (Excess)	Agency's # covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
6/30/2015	\$ 15,180	\$ 15,222	\$ (42)	\$ 38,005	40.1%
6/30/2016	\$ 17,576	\$ 17,576	\$ -	\$ 46,174	38.1%
6/30/2017	\$ 17,743	\$ 17,743	\$ -	\$ 43,450	40.8%
6/30/2018	\$ 18,902	\$ 17,758	\$ 1,144	\$ 50,826	34.9%
6/30/2018	\$ 17,178	\$ 17,782	\$ (604)	\$ 44,618	39.9%

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

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

Notes to Required Supplementary Information

Changes of Benefit Terms

6/30/2016	NO CHANGE
6/30/2017	NO CHANGE
6/30/2018	NO CHANGE
6/30/2019	NO CHANGE

Changes of Assumptions

	Actuarial cost method	Inflation rate	Discount rate	Salary increases Vary from 3.0%-	Investment ROR	Expecting remaining service lives
6/30/2015	Entry Age Normal	3.00%	7.75%	5.5%	7.75%	3 years
6/30/2016	Entry Age Normal	3.00%	7.75%	5.5%	7.75%	3 years
6/30/2017	Entry Age Normal	2.75%	7.75%	5.5%	7.70%	3 years
6/30/2018	Entry Age Normal	2.75%	7.65%	5.3%	7.65%	3 years
6/30/2019	Entry Age Normal	2.50%	7.60%	5.3%	7.60%	2 years

OTHER INFORMATION

CITY COURT OF THIBODAUX, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
As of and for the year ended December 31, 2019

AGENCY HEAD: HONORABLE MARK CHIASSON, CITY JUDGE

Purpose	City of Thibodaux	Lafourche Parish	State of Louisiana	City Court of Thibodaux	
Salary	\$ 26,570	\$ 15,930	\$ 43,476	\$ 37,955	\$ 123,931
Benefits - insurance	21,155	0	0	0	21,155
Benefits - retirement	0	2070	5,649	4,932	12,651
Benefits - other (Medicare)	385	0	712	550	1,647
Benefits - other (Workers Compensation)	0	0	0	0	0
Benefits - other (EAP & CBS)	0	0	0	0	0
Benefits - other (Long Term Disability)	0	0	0	0	0
Car allowance	0	0	0	0	0
Vehicle provided by government	0	0	0	0	0
Cell phone	0	0	0	0	0
Dues	0	0	0	0	0
Vehicle rental	0	0	0	0	0
Per diem	0	0	0	236	236
Reimbursements	0	0	0	0	0
Mileage	0	0	0	35	35
Registration fees	0	0	0	425	425
Lodging	0	0	0	976	976
Continuing professional education fees	0	0	0	0	0
Housing	0	0	0	0	0
Unvouchered expenses	0	0	0	0	0
Special meals	0	0	0	0	0
Other	0	0	0	0	0
	<u>\$ 48,110</u>	<u>\$ 18,000</u>	<u>\$ 49,837</u>	<u>\$ 45,109</u>	<u>\$ 161,056</u>

AGENCY HEAD: HARLEY GROS, CITY MARSHAL

Purpose	City of Thibodaux	Lafourche Parish	State of Louisiana	City Court of Thibodaux	
Salary	\$ 78,529	\$5,800	\$0	\$0	\$ 84,329
Supplemental Pay (Paid by state)	0	0	6,000	0	6,000
Supplemental Pay (Civil Fund)	0	0	0	0	0
Supplemental Pay - Garnishment Commissions	0	0	0	0	0
Benefits - insurance	8590	0	0	0	8590
Benefits - retirement	0	0	0	0	0
Benefits - other (Medicare)	1139	84	0	0	1223
Benefits - other (SSI)	0	360	0	0	360
Benefits - other (EAP & CBS)	0	0	0	0	0
Benefits - other (Long Term Disability)	0	0	0	0	0
Benefits - other (Fitness Reimbursement)	0	0	0	0	0
Vehicle provided by government	0	0	0	0	0
Cell phone	0	0	0	318	318
Dues	0	0	0	643	643
Vehicle rental	0	0	0	0	0
Per diem	0	0	0	0	0
Reimbursements	0	0	0	0	0
Travel	0	0	0	0	0
Registration fees	0	0	0	0	0
Conference travel	0	0	0	321	321
Continuing professional education fees	0	0	0	0	0
Housing	0	0	0	0	0
Unvouchered expenses	0	0	0	0	0
Special meals	0	0	0	0	0
Other - Fuel	0	0	0	0	0
	<u>\$ 88,258</u>	<u>\$ 6,244</u>	<u>\$ 6,000</u>	<u>\$ 1,282</u>	<u>\$ 101,784</u>

EAP - Employee Assistance Program - \$3.50/mth
CBS - Ceridian (Cobra coverage) - \$0.72/mth

* Reimbursed to the City by City Court

This form is used to satisfy the supplemental reporting requirement of R.S. 24:513(A)(3)

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Honorable Mark Chiasson, Judge
Honorable Harley Gros, Marshal
City Court of Thibodaux, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major funds of the City Court of Thibodaux, Louisiana a component unit of the City of Thibodaux, Louisiana as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City Court of Thibodaux's basic financial statements and have issued our report thereon dated May 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A deficiency in internal controls 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 charge with governance.

To the Honorable Mark Chiasson, Judge
The Honorable Harley Gros, Marshal
City Court of Thibodaux, Louisiana
Page 2

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

Compliance and Other Matters

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

Purpose of this Report

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

Stagni & Company

May 11, 2020
Thibodaux, Louisiana



***CITY COURT OF
THIBODAUX, LOUISIANA***

**Statewide Agreed Upon
Procedures Report
With Schedule of Findings
and Management's Responses**

***As of and for the Year Ending
December 31, 2019***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

AGREED-UPON PROCEDURES REPORT

City Court of Thibodaux

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2019 – December 31, 2019

To the Honorable Mark Chiasson, Judge
the Honorable Harley Gros, Marshal
City Court of Thibodaux and
Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by City Court of Thibodaux 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, 2019 through December 31, 2019. The City Court'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 results 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
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **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)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the City Court address all the applicable functions listed, with the following exceptions.

- The policy for 1(a) Budgeting does not address 1) monitoring.
- The policy for 1(b) Purchasing does not address 1) how vendors are added to the vendor list or 2) the preparation process of purchase requisitions or 3) documentation required to be maintained for all bids and price quotes. The policy does, however note that the Court follows the City of Thibodaux policies on purchases.
- The policy for 1(d) Receipts does not address 1) recording.
- The policy for 1(f) Contracting does not address 1) standard terms and conditions or 2) legal review or 3) the monitoring process.
- The policy for 1(k) Disaster Recovery/Business Continuity does not address 3) periodic testing/verification that backups can be restored, or 5) timely application of all available system and software patches/updates.

Managements Response: The functions not addressed as listed above are not applicable or not possible with the size of the entity and would not be useful in assessing internal control and compliance in the City Court's operations.



Board or Finance Committee

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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the 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.

Results: *This procedure is not applicable to City 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:
 - 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);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*



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).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a 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.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*



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).
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.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement 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.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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.
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.)]

- b) 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).

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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



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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.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- 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.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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.
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.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
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.
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.



Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - 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.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

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.
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.

Results: *This procedure is not applicable to City 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.
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.

Results: *City Court did not have exceptions in this category in Year 2 (December 31, 2018), therefore was excluded from testing in Year 3 (December 31, 2019).*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified



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in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Stagni & Company

Thibodaux, LA
April 16, 2020



STAGNI & COMPANY, LLC
