

**CITY COURT OF RAYNE, LOUISIANA**

**Financial Report**

**Year Ended September 30, 2019**

# CITY COURT OF RAYNE, LOUISIANA

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# THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

The Honorable James M. Cunningham, III  
City Judge  
City Court of Rayne  
Rayne, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City Court of Rayne, Louisiana, a component unit of City of Rayne, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Rayne, as of September 30, 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.

MEMBER OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## **Other Matters**

### ***Required Supplementary Information***

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

Accounting principles generally accepted in United States of America require that the budgetary comparison information on page 25, the schedule of employer contributions on page 26 and the schedule of employer's share of net pension liability on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

The schedule of expenditures on page 29 and the schedule of compensation, benefits and other payments to agency head or chief executive officer on page 30 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and the schedule of compensation, benefits and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the City Court of Rayne, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Court's internal control over financial reporting and compliance.

  
**Thibodeaux Accounting Company**  
A Limited Liability Company

Rayne, Louisiana  
April 30, 2020



## **Basic Financial Statements**

## CITY COURT OF RAYNE, LOUISIANA

## STATEMENT OF NET POSITION

September 30, 2019

	General Fund	TOTALS	
		2019	(Memo Only) 2018
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 90,988	\$ 90,988	\$ 99,756
Receivables	-	-	-
Total Current Assets	<u>\$ 90,988</u>	<u>\$ 90,988</u>	<u>\$ 99,756</u>
Noncurrent Assets			
Capital assets (net)	<u>\$ 24,515</u>	<u>\$ 24,515</u>	<u>\$ 31,099</u>
Total Assets	<u>\$ 115,503</u>	<u>\$ 115,503</u>	<u>\$ 130,855</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension related	<u>\$ 40,577</u>	<u>\$ 40,577</u>	<u>\$ 28,180</u>
Total Deferred Outflows of Resources	<u>\$ 40,577</u>	<u>\$ 40,577</u>	<u>\$ 28,180</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 156,080</u></u>	<u><u>\$ 156,080</u></u>	<u><u>\$ 159,035</u></u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	<u>\$ 42,774</u>	<u>\$ 42,774</u>	<u>\$ 41,627</u>
Total Current Liabilities	<u>\$ 42,774</u>	<u>\$ 42,774</u>	<u>\$ 41,627</u>
Noncurrent Liabilities			
Net Pension Liability	<u>\$ 227,635</u>	<u>\$ 227,635</u>	<u>\$ 178,955</u>
Total Liabilities	<u>\$ 270,409</u>	<u>\$ 270,409</u>	<u>\$ 220,582</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources, pension related	<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ 3,099</u>
Total Deferred Inflows of Resources	<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ 3,099</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 24,515	\$ 24,515	\$ 31,099
Unrestricted	<u>(140,944)</u>	<u>(140,944)</u>	<u>(95,745)</u>
Total Net Position	<u>\$ (116,429)</u>	<u>\$ (116,429)</u>	<u>\$ (64,646)</u>
Total Liabilities and Net Position	<u><u>\$ 156,080</u></u>	<u><u>\$ 156,080</u></u>	<u><u>\$ 159,035</u></u>

The accompanying notes are an integral part of this statement.

## CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES  
Year Ended September 30, 2019

Function / Program	Expenses	Program Revenues Charges for Services, Fines, and Forfeits	Net (Expense) Revenue and Change in Net Position	
			2019 Governmental Activities	(Memo Only) 2018
Governmental activities:				
General government	<u>590,344</u>	<u>\$530,488</u>	(\$59,856)	(\$48,343)
General revenues:				
Transfers			<u>8,073</u>	<u>6,390</u>
Change in net position			\$ (51,783)	\$ (41,953)
Net position, beginning			<u>(64,646)</u>	<u>(22,693)</u>
Net position, ending			<u>\$ (116,429)</u>	<u>\$ (64,646)</u>

The accompanying notes are an integral part of this statement.

## **Basic Financial Statements**

CITY COURT OF RAYNE, LOUISIANA  
GOVERNMENTAL FUND BALANCE SHEET  
September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

	General Fund	TOTALS	
		2019	(Memo Only) 2018
<b>ASSETS</b>			
Cash and cash equivalents	\$ 90,988	\$ 90,988	\$ 99,756
Receivables	-	-	-
Total Assets	<u>\$ 90,988</u>	<u>\$ 90,988</u>	<u>\$ 99,756</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 42,774	\$ 42,774	\$ 41,627
Total Liabilities	<u>\$ 42,774</u>	<u>\$ 42,774</u>	<u>\$ 41,627</u>
<b>FUND BALANCE</b>			
Unassigned	<u>\$ 48,214</u>	<u>\$ 48,214</u>	<u>\$ 58,129</u>
Total Liabilities and Fund Balances	<u>\$ 90,988</u>	<u>\$ 90,988</u>	<u>\$ 99,756</u>

The accompanying notes are an integral part of this statement.



CITY COURT OF RAYNE, LOUISIANA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2019

Fund Balances - Total Governmental Funds	\$ 48,214
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Amounts reported for governmental activities in the  
statement of net assets are different because:

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

Building Improvements, net of \$9,675

accumulated depreciation

19,549

Equipment, net of \$19,949

accumulated depreciation

4,966

Deferred Outflows

40,577

Net Pension Liability

(227,635)

Deferred Inflows

(2,100)

(164,643)

Net Position of Governmental Activities

\$ (116,429)

The accompanying notes are an integral part of this statement.

## CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE  
September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

	<b>General Fund</b>	
	2019	(Memo Only) 2018
Revenues:		
Criminal Fees	\$ 424,227	\$ 332,973
Civil Court Fees	106,261	98,274
Miscellaneous	-	-
Total Revenues	<u>\$ 530,488</u>	<u>\$ 431,247</u>
Expenditures:		
General Government		
Judicial	\$ 548,476	\$ 447,633
Capital Outlay	-	-
Total Expenditures	<u>\$ 548,476</u>	<u>\$ 447,633</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (17,988)	\$ (16,386)
Other Sources (Uses)		
Transfers In	<u>\$ 8,073</u>	<u>\$ 6,390</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (9,915)	\$ (9,996)
Prior Period Adjustment	\$ -	\$ -
Fund Balance, Beginning of Year	<u>58,129</u>	<u>68,125</u>
Fund Balance, End of Year	<u><u>\$ 48,214</u></u>	<u><u>\$ 58,129</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO CHANGE IN NET POSITION FOR THE STATEMENT OF ACTIVITIES

SEPTEMBER 30, 2019

Net Change in Fund Balances - Total Governmental Funds	\$ (9,915)
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Amounts reported for governmental activities in the  
statement of activities are different because:

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

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	-	
Depreciation expense for the year then ended	<u>(6,584)</u>	(6,584)
Net change in pension liability and deferred inflows/outflows of resources		<u>(35,284)</u>

Change in Net Position of Governmental Activities	<u>\$ (51,783)</u>
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The accompanying notes are an integral part of this statement.

## CITY COURT OF RAYNE, LOUISIANA

## STATEMENT OF FIDUCIARY NET POSITION

September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

	Agency Fund	TOTALS	
		2019	(Memo Only) 2018
<b>ASSETS</b>			
Cash and cash equivalents	\$ 145,881	\$ 145,881	\$ 149,065
Accounts receivable	37,636	37,636	20,417
Total Assets	<u>\$ 183,517</u>	<u>\$ 183,517</u>	<u>\$ 169,482</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 846	\$ 846	\$ -
Checks written in excess of cash balances	-	-	-
Held for others pending court action	182,671	182,671	169,482
Total Liabilities	<u>\$ 183,517</u>	<u>\$ 183,517</u>	<u>\$ 169,482</u>

The accompanying notes are an integral part of this statement.

## **Notes to the Financial Statements**



## **CITY COURT OF RAYNE, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2019**

#### **Note 1. Summary of Significant Accounting Policies**

##### **Basis of Presentation**

The accompanying basic financial statements of the City Court of Rayne, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the guidance set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

##### **Financial Reporting Entity:**

The City Court Judge is an independently elected official and is a part of the operations of the City Court system. The City Court of Rayne is fiscally dependent on the City of Rayne for office space and courtrooms. The City of Rayne also has approval authority over the City Court's capital budget. For these reasons, the City Court of Rayne is a component unit of the City of Rayne.

##### **Fund Accounting:**

The accounting system of the City Court of Rayne is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on certain activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The funds maintained by the Court consist of the following major categories:

##### **Governmental Funds**

Governmental Funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies and the general operating expenses of the court.

General Fund—The general fund derives its revenues from charges made through the criminal court system and the civil court system, and expends these funds for certain operations of the court.

##### **Fiduciary Funds**

Fiduciary Funds—Fiduciary funds are used to account for assets held by the Court as an agent for other governments, individuals, or funds. The court maintains two agency funds:

Trust Fund—The Trust Fund collects on judgments, traffic fines and receives traffic bonds pending final settlement. The Trust Fund makes payments in settlements of suits, and the traffic bonds are either refunded, or paid out as fines and court costs. The court costs are paid to the General Fund and the fine portion is paid to another government agency on traffic fines and forfeited traffic bonds.

Marshall's Trust Fund—This agency fund accounts for the collection of worthless checks and fines and court costs on State charges. Payments are made to other governmental agencies and for restitution on the worthless checks.

## CITY COURT OF RAYNE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

#### Basis of Accounting:

The modified accrual basis of accounting is utilized for the General Fund whereby revenues are recognized when they become available and measurable and expenditures when they are incurred. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

#### Vacation and Sick Leave:

The City Court of Rayne has no vacation or sick leave policies as of September 30, 2019. City Court employees are paid by the City of Rayne, therefore all payroll and related liabilities are accounted for on the city's books.

#### Equity Classifications:

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

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - Consist of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

1. Restricted fund balance - This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Judge - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Judge removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance - This classification reflects the amounts constrained by the Court's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Court of Rayne and the Judge have the authority to assign amounts to be used for specific

## CITY COURT OF RAYNE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

Fund balances for the period September 30, 2019 are as follows:

For year ended September 30, 2019		
	General Fund	Total
Unassigned	48,214	48,214
Total Fund		
Balances	\$ 48,214	\$ 48,214

#### Net Position - Government-Wide Statements:

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Court reports three categories of net position as follows:

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, constructions, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
2. Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Court's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the Court.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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

## **CITY COURT OF RAYNE, LOUISIANA**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2019**

#### **Note 2. Government-Wide Financial Statements (GWFS)**

The column labeled Statement of Net Position (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the court as a whole. These statements include all the financial activities of the court. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

#### **Note 3. Budgets**

The City Court is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended prior to year end.

#### **Note 4. Cash and Cash Equivalents**

Cash consists of funds in non-interest bearing checking accounts and interest bearing passbook accounts. The City Court of Rayne has no cash equivalents such as time deposits and money market accounts.

#### **Note 5. 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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

#### **Note 6. Deposits with Financial Institutions**

The City Court of Rayne's bank balances of deposits with financial institutions amounted to \$223,850 at September 30, 2019 and are fully insured.

#### **Note 7. Capital Assets**

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

# CITY COURT OF RAYNE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2019

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	5-10
Equipment	5-10

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

The City of Rayne maintains and owns the majority of the capital assets utilized by The City Court.

Capital assets and depreciation activities as of and for the year ended September 30, 2019 are as follows:

	2019		
	Balance 9/30/2018	Additions	Balance 9/30/2019
Governmental activities:			
Capital assets being depreciated			
Building Improvements	\$ 29,225	\$ -	\$ 29,225
Equipment	24,913	-	24,913
Total capital assets being depreciated	\$ 54,138	\$ -	\$ 54,138
Less accumulated depreciation for:			
Building Improvements	\$ 6,861	\$ 2,701	\$ 9,562
Equipment	16,178	3,883	20,061
Total accumulated depreciation	\$ 23,039	\$ 6,584	\$ 29,623
Total capital assets	\$ 31,099	\$ (6,584)	\$ 24,515

Depreciation expense for the year ended September 30, 2019 was charged as follows:

Governmental Activities:	
General government	<u>\$6,584</u>

### Note 8. Expenses of City Court of Rayne Not Included in This Report

The City Court's administrative office is located in a building owned by the City of Rayne. The City of Rayne made on-behalf payments for the Court for salaries and fringe benefits and they are recorded as expenditures in the General Fund. The costs of maintaining and operating the building, as required by statute are paid by the City government and are not included in the accompanying financial statements.



## CITY COURT OF RAYNE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

#### Note 9. Related Party Transactions

At September 30, 2019, there are no related party transactions or related amounts receivable or payable.

#### Note 10. Litigation

The City Court of Rayne has no threatened or pending litigation against it at September 30, 2019.

#### Note 11. Retirement Benefits

##### *Plan Description*

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

##### *Benefits Provided*

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

##### *Retirement*

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit,

## CITY COURT OF RAYNE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

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

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not 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 Benefits*

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

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

#### *Disability Benefits*

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

## CITY COURT OF RAYNE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

#### *Survivor's 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 a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

#### *Permanent Benefit Increases/Cost-of-Living Adjustments*

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

#### *Contributions*

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with the employer portion of the contribution.

The rates in effect during the year ending June 30, 2020 and during the year ended June 30, 2019 related to the City Court were as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2019	Employer Contribution Rate 2020
Judges hired before 1/1/11	Closed	11.5%	40.1%	42.4%

The City Court's contractually required composite contribution rate for the period from October 1, 2018 to June 30, 2019 was 40.1%, and for the period from July 1, 2019 to September 30, 2019 was 42.4%, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City Court were \$23,203 for the year ended September 30, 2019.

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

At September 30, 2019, the City Court reported a liability of \$227,635 for its proportionate share of the net pension liability. 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. The City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share

# CITY COURT OF RAYNE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2019

of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City Court's proportion was 0.003142%, which was an increase of 0.000518% from its proportion measured as of June 30, 2018.

For the year ended September 30, 2019, the City Court recognized pension expense of \$29,351 plus the City Court's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$7,481.

At September 30, 2019, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,398	\$ 473
Net difference between projected and actual earnings on pension plan investments	7,864	-
Changes in assumptions	1,951	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	23,004	2,048
Employer contributions subsequent to the measurement date	6,360	-
Total	\$ 40,577	\$ 2,100

Deferred outflows of resources of \$6,360 related to pensions resulting from the City Court's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending September 30, 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:

### Years ending September 30:

2020	\$ 29,294
2021	(2,289)
2022	2,164
2023	2,948

### Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years.
Investment Rate of Return	7.6% per annum.
Inflation Rate	2.5% per annum.
Mortality	Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

# CITY COURT OF RAYNE, LOUISIANA

## NOTES TO FINANCIAL STATEMENTS

September 30, 2019

### Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

### Salary Increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Judges	2.8%	5.3%

### Cost of Living Adjustments

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	0%	0.24%
Domestic equity	23%	4.83%
International equity	32%	5.83%
Domestic fixed income	6%	2.79%
International fixed income	10%	4.49%
Alternative investments	22%	8.32%
Risk Parity	7%	5.06%
Total	100%	6.09%

### Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



## CITY COURT OF RAYNE, LOUISIANA

### NOTES TO FINANCIAL STATEMENTS

September 30, 2019

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

The following presents the City Court's proportionate share of the Net Pension Liability using the discount rate of 7.60%, as well as what the City Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.60%) or one percentage-point higher (8.60%) than the current rate:

	<b>1.0% Decrease (6.60%)</b>	<b>Current Discount Rate (7.60%)</b>	<b>1.0% Increase (8.60%)</b>
City Court's proportionate share of the net pension liability	\$ 287,305	\$ 227,635	\$ 177,235

#### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2019 Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org).

#### *Payable to the Pension Plan*

As of September 30, 2019, the City Court had a payable due to LASERS totaling \$2,120. Payables are the City Court's legally required contributions to the pension plans. Outstanding balances will be applied the City Court's required monthly contributions.

#### **Note 12.** Deficit in Net Position

The Court has a deficit in net position of (\$116,429) caused by the net pension liability of \$227,635.

#### **Note 13.** Evaluation of Subsequent Events

The Organization has evaluated subsequent events through April 30, 2020 the date which the financial statements were available to be issued.

## **Required Supplemental Information**

CITY COURT OF RAYNE, LOUISIANA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended September 30, 2019

With Comparative Actual Amounts for Year Ended September 30, 2018

	2019				2018
	Budget		Actual	Variance-- Positive (Negative)	Actual
	Original	Final			
Revenues:					
Criminal fees	\$ 387,440	\$ 439,983	\$ 424,227	\$ (15,756)	\$ 332,973
Civil court fees	102,167	101,381	106,261	4,880	98,274
Miscellaneous	-	-	-	-	-
Total Revenues	<u>\$ 489,607</u>	<u>\$ 541,364</u>	<u>\$ 530,488</u>	<u>\$ (10,876)</u>	<u>\$ 431,247</u>
Expenditures:					
General government--judicial					
Indigent defender	\$ 67,652	\$ 83,027	\$ 76,122	\$ 6,905	\$ 58,151
Crime lab	44,479	54,457	50,182	4,275	37,153
Witness fund	8,435	10,301	9,664	637	7,023
District Attorney	2,199	2,925	2,773	152	3,613
Law enforcement commission	3,857	5,357	4,687	670	3,611
City of Rayne fines	113,973	134,405	34,606	99,799	27,140
City of Rayne LACE tickets	-	-	88,342	(88,342)	71,240
DWI fees	6,147	7,539	7,179	360	4,883
Retirement	13,835	17,109	21,082	(3,973)	18,646
Marshall services	63,572	78,862	76,330	2,532	55,926
Other fees	8,346	9,912	9,553	359	7,391
Compensation	51,848	63,900	57,980	5,920	51,847
Clerk fees	38,839	39,000	35,201	3,799	30,633
Building and maintenance	75	-	8,061	(8,061)	6,744
Convention and meetings	24,993	24,342	24,216	126	24,992
Recording fees	22,491	20,732	21,108	(376)	22,624
Dues and subscriptions	1,267	2,080	1,560	520	950
Office expense	4,307	3,397	3,899	(502)	3,549
Refunds	7,825	8,899	10,313	(1,414)	7,737
Miscellaneous	3,516	3,385	5,618	(2,233)	3,780
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>\$ 487,656</u>	<u>\$ 569,629</u>	<u>\$ 548,476</u>	<u>\$ 21,153</u>	<u>\$ 447,633</u>
Excess Revenues over Expenditures	\$ 1,951	\$ (28,265)	\$ (17,988)	\$ 10,277	\$ (16,386)
Other sources (uses):					
Operating transfers in-					
Fiduciary fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,073</u>	<u>\$ 8,073</u>	<u>\$ 6,390</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 1,951	\$ (28,265)	\$ (9,915)	\$ 18,350	\$ (9,996)
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year	<u>\$ 68,125</u>	<u>\$ 68,125</u>	<u>\$ 58,129</u>	<u>\$ -</u>	<u>\$ 68,125</u>
Fund Balance, End of Year	<u>\$ 72,027</u>	<u>\$ 11,595</u>	<u>\$ 48,214</u>	<u>\$ 36,700</u>	<u>\$ 58,129</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Employer Contributions  
For the year ended September 30, 2019

Louisiana State Employees' Retirement System (LASERS)

Fiscal Year ended September 30,	(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 % of Covered Employee Payroll
2019	\$ 23,203	\$ 23,203		\$ -	\$ 57,000	40.7%
2018	\$ 18,648	\$ 18,648		\$ -	\$ 46,500	40.1%
2017	\$ 15,801	\$ 15,801		\$ -	\$ 41,000	38.5%
2016	\$ 12,942	\$ 12,942		\$ -	\$ 34,000	38.1%
2015	\$ 14,944	\$ 14,944		\$ -	\$ 36,500	40.9%
2014	\$ 18,462	\$ 18,462		\$ -	\$ 50,000	36.9%

\* Amounts presented were determined as of the end of the fiscal year (September 30).

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

**Notes to Required Supplementary Information**

***Change of Benefit Terms***

Changes of benefit terms include a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

***Changes of Assumptions***

The investment rate of return was decreased from 7.65% to 7.60%, the inflation rate was decreased from 2.75% to 2.50%, the average remaining services lives decreased from 3 years to 2 years, and the mortality table for non-disabled members changed to the RP-2014 Healthy Mortality Table for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Employer's Proportionate Share of the Net Pension Liability  
For the year ended September 30, 2019

Louisiana State Employees' Retirement System (LASERS)					
Fiscal Year ended June 30	Agency's Proportion of the Net Pension Liability (Asset)	Agency's Proportionate Share of the Net Pension Liability (Asset)	Agency's Covered Payroll	Agency's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	.003142%	\$ 227,635	\$ 54,000	421.5%	62.9%
2018	.002624%	\$ 178,955	\$ 45,000	397.7%	64.3%
2017	0.002383%	\$ 167,735	\$ 39,500	424.6%	62.5%
2016	0.00203%	\$ 159,564	\$ 31,000	514.7%	57.7%
2015	0.00130%	\$ 88,080	\$ 36,500	241.3%	62.7%
2014	0.00133%	\$ 83,414	\$ 51,000	163.6%	65.0%

\* Amounts presented were determined as of the measurement date (fiscal year ended June 30)

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

**Notes to Required Supplementary Information**

***Change of Benefit Terms***

Changes of benefit terms include a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

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The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

The accompanying notes are an integral part of this statement.

## **Other Supplemental Information**

## CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF EXPENDITURES - GENERAL FUND  
September 30, 2019

With Comparative Amounts for Year Ended September 30, 2018

	<b>General Fund</b>	
	2019	(Memo Only) 2018
Expenditures:		
General government--judicial		
Indigent defender	\$ 76,122	\$ 58,151
Crime lab	50,182	37,153
Reparation fund	-	-
Witness fund	9,664	7,023
District Attorney	2,773	3,613
Law enforcement commission	4,687	3,611
City of Rayne fines	34,606	27,140
City of Rayne LACE tickets	88,342	71,240
DWI fees	7,179	4,883
Retirement	21,082	18,646
Marshall services	76,330	55,926
Other fees	9,553	7,391
Compensation	57,980	51,847
Clerk fees	35,201	30,633
Building and maintenance	8,061	6,744
Convention and meetings	24,216	24,992
Recording fees	21,108	22,624
Dues and subscriptions	1,560	950
Office expense	3,899	3,549
Refunds	10,313	7,737
Miscellaneous	5,618	3,780
Total General Government	548,476	447,633
Capital Outlay	\$ -	\$ 7,188
Total Expenditures	\$ 548,476	\$ 454,821

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

September 30, 2019

Agency Head Name: James M. Cunningham, III

Purpose	Amount
Salary*	\$ 90,661
Benefits-insurance	2,616
Benefits-retirement*	34,315
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	1,988
Reimbursements	4,596
Travel	1,181
Registration fees	2,995
Conference	-
Continuing professional education fees	-
Dues and subscriptions	985
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
	<hr/>
	\$ 139,337

\*Includes amounts from the Acadia Parish Police Jury and the City of Rayne.

The accompanying notes are an integral part of this statement.



**Compliance, Internal Control  
and Other Information**

# THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

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P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

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## **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***

The Honorable James M. Cunningham, III  
City Judge  
City Court of Rayne  
Rayne, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Rayne, Louisiana as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City Court of Rayne Louisiana's basic financial statements and have issued our report thereon dated April 30, 2020.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan at 2019-1 and 2019-2 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City Court of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **City Court of Rayne Louisiana's Response to Findings**

The City Court of Rayne Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and corrective action plan. The City Court of Rayne Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

This report is intended solely for the information and use of management, others in the organization and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Therefore, its distribution is not limited.

  
**Thibodeaux Accounting Company**  
A Limited Liability Company

Rayne, Louisiana  
April 30, 2020

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings  
Year Ended September 30, 2019

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the City Court of Rayne, Louisiana's basic financial statements as of and for the year ended September 30, 2019.

Internal Control - Financial Reporting

There were two significant deficiencies in internal control on financial reporting that was disclosed by the audit of the financial statement.

Material Noncompliance – Financial Reporting

The results of our tests did not disclose any instances of noncompliance required to be reported under *Government Auditing Standards*.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2019-1 Finding: Financial Statements Not in Accordance With GAAP

The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Criteria:

The reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Cause of Condition:

The City Court does not have the funds to hire someone or to outsource this function.

Effect of Condition:

The financial statements may not be prepared in accordance with GAAP.

Recommendation:

We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings (Continued)  
Year Ended September 30, 2019

2019-2 Finding: Citations not recorded in system.

A citation issued by the police department was not recorded in the court system.

Criteria:

Every ticket must be accounted for and the disposition recorded to ensure that all laws and regulations are adhered to.

Cause of Condition:

The police department keeps a log of all citations given to the City Court. The log was signed by the Court's employee when delivered but one ticket failed to be entered into the court system.

Effect of Condition:

Citations could be disposed of in a manner which is not in compliance with state and local ordinances or the prosecution of the citation could be overlooked.

Recommendation:

The City Court should have policies and procedures in place to ensure that all tickets are accounted for, all state and local ordinances and laws are complied with and dispositions recorded.

CITY COURT OF RAYNE, LOUISIANA

Corrective Action Plan  
Year Ended September 30, 2019

Response to Findings:

- 2019-1 City Court has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Judge James M. Cunningham, III is the responsible party. There is no estimated date of completion.

- 2019-2 The city court will ensure that all tickets are accounted for, all state and local ordinances and laws are complied with and dispositions are recorded.

Judge James M. Cunningham, III is the responsible party. The estimated date of completion is September 30, 2020.

CITY COURT OF RAYNE, LOUISIANA

Summary Schedule of Prior Audit Findings  
Year Ended September 30, 2019

- 2018-1 The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Recommendation: We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

Status: Unresolved

- 2018-2 City Court did not properly amend their budget.

Recommendation: City Court should comply with Louisiana Revised Statute 39:1309 and amend its budget upon a change in operations or conditions.

Status: Resolved

- 2018-3 The Clerk did not forward outstanding checks to the State Treasury as unclaimed property in accordance with state law.

Recommendation: The Clerk should investigate outstanding checks and either reissue the checks or remit funds to the State Treasury as unclaimed property. The Clerk should remove outstanding checks remitted to the State Treasury from the Clerk's accounting system.

Status: Resolved.

## **City Court of Rayne, Louisiana**

Statewide Agreed-Upon Procedures

Fiscal period October 1, 2018- September 30, 2019



# THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES ON CONTROL AND COMPLIANCE AREAS IDENTIFIED BY THE LOUISIANA LEGISLATIVE AUDITOR

The Honorable James M. Cunningham, III  
City Judge  
City Court of Rayne  
Rayne, Louisiana

April 30, 2020

We have performed the procedures enumerated below, which were agreed to by the management of the City Court of Rayne, Louisiana (Court) and the 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 October 1, 2018 through September 30, 2019. The 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 the applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the Court's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the Court's operations):

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

*No exceptions noted.*

- 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.

*Exception noted. The policy does not address how vendors are added to the vendor list.*

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

*No exceptions noted.*

- 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).

*No exceptions noted.*

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

*Not applicable.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*No exceptions noted.*

- 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).

*Not applicable.*

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

*No exceptions noted.*

- 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.

*Exception noted. There are no written policies and procedures.*

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

*Not applicable.*

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

*Exception noted.*

**Board (or Finance Committee, if applicable)**

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- 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 documents.

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

### **Bank Reconciliations**

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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 Court's main operating account. Select the Court'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 each selected account, and observe that:

*Obtained a listing of client bank accounts for the fiscal period and management's representation that the listing is complete. Management identified the Court's main operating account and four (4) additional accounts were randomly selected.*

- 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);

*Observed that all of the selected accounts included evidence that the bank reconciliations were prepared within two (2) months of the related statement closing date.*

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

*No exceptions noted.*

- 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.

*Observed that two (2) of the selected accounts had outstanding items greater than 12 months. Documentation reflecting research of these items could not be obtained.*

### **Collections**

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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).

*The City Court only has one deposit site. Management's representation was obtained.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site, obtain and inspect written policies and procedures relating to employee job duties at each collection location, and observe that job duties are properly segregated at each collection location such that:

*The City Court only has one collection location. Management's representation that the listing is complete was obtained.*

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

*Exception noted. Employees 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. prenumbered receipts) to the deposit.

*No exceptions noted.*

- 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.

*No exceptions noted.*

- d) The employees 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.

*No exceptions noted.*

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

*As per inquiry of management, all employees who are responsible for collecting cash are bonded.*

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

*Randomly selected two (2) deposit dates for the bank accounts selected under procedures #3.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

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

*The City Court of Rayne only has one location. We obtained management's representation that the listing is complete.*

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

*Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Inquired of employees about their job duties.*

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

*No exceptions noted.*

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

*No exceptions noted.*

- 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.

*No exceptions noted.*

- 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.

*No exception noted.*

10. For each location selected under #8 above, obtain the Court's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*Obtained the Court's disbursement transaction population and excluded cards, travel reimbursements and payroll.*

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

*No exceptions noted.*

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

*Two out of the five items tested did not include evidence of segregation of duties.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

*Not applicable.*

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:

*Not applicable.*

- 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)]

*Not applicable.*

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

*Not applicable.*

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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*Not applicable.*

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

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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:

*Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing is complete. Selected five of the reimbursements and obtained supporting documentation.*

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

*Exception noted. One of the reimbursements was more than the per diem rate.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

***Contracts***

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

*The City Court had no contracts.*

- 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.

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

- 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.

*Not applicable.*



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

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

*Not applicable. The Court's employees are employed and paid by the City of Rayne.*

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.)

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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.

*Not applicable.*

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.

*Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, and associated forms, have been filed by required deadlines.*

### ***Ethics (excluding nonprofits)***

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

*Obtained ethics documentation for the employees selected under Procedures #16.*

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

*No exceptions noted.*

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

*Exception noted. The Court does not have an ethics policy.*

### ***Debt Service (excluding nonprofits)***

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

*Not applicable.*

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 (including contingency funds, short-lived, or other funds required by the debt covenants).

*Not applicable.*

### ***Other***

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

*Not applicable.*

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

*No exception noted.*

### **Management's Response**

*The management of The City Court of Rayne, Louisiana concurs with the exceptions and are working to address the deficiencies identified.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we did 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. This report is intended solely for use by the Court's management and the LLA. Accordingly, this report is not suitable for any other purpose and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

### ***Thibodeaux Accounting Company***

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