

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

FINANCIAL STATEMENTS
(Audited)

JUNE 30, 2017

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R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A
New Iberia, Louisiana 70560-3885

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

INDEPENDENT AUDITOR'S REPORT

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), a component unit of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Jeanerette City 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 the financial statements in accordance with accounting principles generally accepted in United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Court'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 Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
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Opinions

In my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters *Required Supplementary Information*

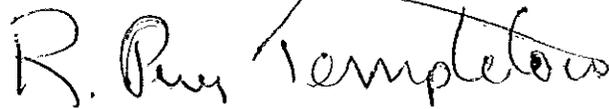
Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the budgetary comparison information on page 37 because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana
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Other Reporting Requirements Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have issued my report dated December 18, 2017, on my consideration of the Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "R. Perry Templeton". The signature is written in a cursive style with a large, sweeping initial "R".

New Iberia, Louisiana
December 18, 2017

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF NET POSITION
June 30, 2017

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 430,066
Accounts Receivable	43,981

Non Current Assets:

Capital Assets, Net	<u>96,507</u>
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Total Assets	<u>570,554</u>
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DEFERRED OUTFLOWS OF RESOURCES	<u>10,789</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	6,672
Other Current Liabilities	39,750

Long Term Liabilities

Pension Plan Payable	<u>65,490</u>
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Total Liabilities	<u>111,912</u>
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DEFERRED INFLOWS OF RESOURCES	<u>629</u>
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NET POSITION

Investment in Capital Assets	96,507
Unrestricted	<u>372,295</u>

Total Net Position	<u>\$ 468,802</u>
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The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2017

Governmental Activities

Expenditures:

Judiciary

Payments to City of Jeanerette	\$ 314,873
Payments to Jeanerette City Marshal	66,983
Salaries	111,276
Judge's Salary	86,646
Office Supplies & Printing	16,006
Legal & Accounting Costs	4,500
Judge & Employees Retirement and Benefits	104,871
Payments to the Sheriff	4,230
Other Miscellaneous Costs	30,068
Outside Services	9,166
Depreciation	22,956
Utilities and Telephones	<u>11,183</u>
Total Expenditures	<u>782,758</u>

Program Revenues

Revenues:

Fees, Charges and Commissions –	<u>529,694</u>
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Net Program (Expense) Revenue (253,064)

General Revenue

Intergovernmental

On Behalf Payments	295,849
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Change in Net Position 42,785

Net Position, Beginning of Year 426,017

Net Position, End of Year \$ 468,802

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

MAJOR FUND DESCRIPTION

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

BALANCE SHEET – GOVERNMENTAL FUND
June 30, 2017

	<u>General Fund</u>
ASSETS	
Assets:	
Cash and Cash Equivalents	\$ 430,066
Accounts Receivable	<u>43,981</u>
Total Assets	<u>\$ 474,047</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 6,672
Other Current Liabilities	<u>39,750</u>
Total Liabilities	<u>\$ 46,422</u>
Fund Balances:	
Unassigned	<u>\$ 427,625</u>
Total Liabilities and Fund Balance	<u>\$ 474,047</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF
NET POSITION
June 30, 2017

Total Fund Balance for the Governmental Fund at June 30, 2017		\$ 427,625
Cost of Capital Assets at June 30, 2017	\$ 212,256	
Less: Accumulated Depreciation	<u>(115,749)</u>	
		96,507
Noncurrent liabilities at June 30, 2017		
Net pension payable		(65,490)
Deferred outflows of Resources Related to Pensions		
Payable from current expendable resources and, therefore, are not reported in the funds		10,789
Deferred inflows of Resources Related to Pensions Payable from current expendable resources and, therefore, are not reported in the funds		<u>(629)</u>
Total Net Position of Governmental Activities at June 30, 2017		<u>\$ 468,802</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	<u>General Fund</u>
Revenues:	
Fees, Charges and Commissions –	
Fees and Fines	\$ 529,694
Intergovernmental	
On Behalf Payments	<u>295,849</u>
Total Revenues	<u>825,543</u>
Expenditures:	
Current-	
General Government –	
Payments to City of Jeanerette	314,873
Payment to Jeanerette City Marshal	66,983
Salaries	111,276
Judge’s Salary	86,646
Office Supplies & Printing	16,006
Legal & Accounting Costs	4,500
Judge & Employees Retirement and Benefits	100,518
Payments to Sheriff	4,230
Other Miscellaneous Costs	30,068
Outside Services	9,166
Utilities and Telephone	11,183
Capital Outlay	<u>-</u>
Total Expenditures	<u>755,449</u>
Excess (Deficiency) of Revenues Over Expenditures	70,094
Fund Balance, Beginning of Year	<u>357,531</u>
Fund Balance, End of Year	<u>\$ 427,625</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES

For the Year Ended June 30, 2017

Total Net Change in Fund Balance for the Year Ended June 30, 2017 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 70,094
Less: Depreciation Expense for Year Ended June 30, 2017	(22,956)
Add: Net Change In Pension Expense	(4,353)
Add: Capital Outlay for Year Ended June 30, 2017	<u> -</u>
Total Change in Net Position for the Year Ended June 30, 2017 per Statement of Activities	<u>\$ 42,785</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 7,650	\$ 54,931	\$ 62,581
Total Assets	<u>\$ -</u>	<u>\$ 7,650</u>	<u>\$ 54,931</u>	<u>\$ 62,581</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 54,931	\$ 54,931
Held for Other Pending Court Action	<u>-</u>	<u>7,650</u>	<u>-</u>	<u>7,650</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 7,650</u>	<u>\$ 54,931</u>	<u>\$ 62,581</u>
NET POSITION				
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected Official serving a term of six years. The population of the third ward is approximately 7,000. The court and its staff of 5 employees handle approximately 150 civil cases a year plus misdemeanor, criminal offenses, and traffic violations within the city of Jeanerette.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the City, for reporting purposes, the City of Jeanerette is the financial reporting entity. The financial reporting entity consists of the primary government (City), organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Because the City provides the City Court of Jeanerette with office space and pays the salaries and benefits of Court employees, the Court was determined to be a component unit of the City of Jeanerette, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the Court 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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements-and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects 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). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) court costs, fees, and fines paid by the recipients of services offered by the Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Fund-Financial Statements (FFS)

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Court is considered to be a major fund. The funds of the Court are described below:

Governmental Funds –

General Fund – This fund is the primary operating fund of the Court and it accounts for the operations of the Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policy.

Fiduciary Funds –

Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants in civil suits, cash bonds for criminal proceedings, and fees held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. *The agency funds are as follows:*

Fines Agency Fund – accounts for the receipt and disbursement of bonds, fines, and costs from criminal proceedings to the appropriate governmental entity.

Civil Court Fund – accounts for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

Bond Fund – accounts for the collection of bonds.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgets and Budgetary Accounting

The Third Ward Court follows these procedures in establishing the budgetary data reflected in the financial statements.

1. A proposed budget is prepared and submitted to the Judge of the Third Ward Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Third Ward Court.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and Interest-Bearing Deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Court.

The Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. See Note (3) for other GASB No. 3 disclosures.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The Court maintains a threshold level of \$500 for capitalizing capital assets.

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

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. 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	7 years
Equipment	5 years
Building Improvements	20 years

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 further 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.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Equity Classifications

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

- a. 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – 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.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. The Third Ward Court adopted GASB Statement 54 for the year ended June 30, 2011. As such, fund balances of the government funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge, which is the highest level of decision-making authority for the Third Ward Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Court is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the funds financial statements, expenditures are classified as follows:

Government Funds – By Character

G. Estimates

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

H. Vacation and Sick Leave

Vacation is recorded as an expenditure of the period in which paid. It must be taken in the year accrued and cannot be carried over. There is no provision for sick leave at this time. Any liability the City Court of Jeanerette, Louisiana might have in this regard is considered immaterial; therefore, no liability has been recorded in the accounts.

(2) Cash and Interest-Bearing Deposits

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2017, the Court has cash and cash equivalents (book balances) totaling \$492,407 as follows:

THIRD WARD COURT
 IBERIA PARISH, LOUISIANA
 (JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
 (continued)

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Total</u>
Demand Deposits	<u>429,826</u>	<u>62,581</u>	<u>492,407</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2017, totaled \$608,666 and are secured from risk by federal deposit insurance of \$250,000 and \$358,666 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits will not be returned to it. As of June 30, 2017, no collateral held by the custodial bank's trust department not in the Court's name was exposed to custodial credit risk. However, 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 Court that the fiscal agent has failed to pay deposited funds upon demand.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

(3) Capital Assets

Capital asset activity for the year ended June 30, 2017 is as follows:

	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>
Governmental Activities:				
Furniture, Fixtures and Equipment	\$ 212,256	\$ -	\$ -	\$ 212,256
Less: Accumulated Depreciation	<u>(92,793)</u>	<u>(22,956)</u>	<u>-</u>	<u>(115,749)</u>
Net Capital Assets	<u>\$ 119,463</u>	<u>\$ (22,956)</u>	<u>\$ -</u>	<u>\$ 96,507</u>

Depreciation expense of \$22,956 was charged to the general government function.

(4) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
Beginning Balance, July 1, 2016	\$ -	\$ 9,747	\$ 76,880	\$ 86,627
Additions	1,095,687	21,909	24,337	1,141,933
Reductions	<u>1,095,687</u>	<u>(21,821)</u>	<u>(45,511)</u>	<u>(1,163,019)</u>
Ending Balance, June 30, 2017	<u>\$ -</u>	<u>\$ 9,835</u>	<u>\$ 55,706</u>	<u>\$ 65,541</u>

(5) On Behalf Payments for Salaries and Benefits

The Court follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This standard requires the Court to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the City Court Judge and salary and fringe benefits payments made by the City of Jeanerette to the Judge and the Court's employees.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Supplementary salary payments are made by the State directly to the City Court Judge and from the City to the Judge and the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State, the Parish, and the City. For the fiscal year ended June 30, 2017, the State, the Parish and City paid \$181,714 in supplemental salary and benefits payments to the City Court Judge and the City made supplementary salary and benefit payments of \$149,779 to the City Court's employees.

(6) ACT 706 – SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO ENTITY HEAD

Under Act 706, Jeanerette City Court is required to disclose the compensation, reimbursements, benefits, and other payments made to the judge, in which the payments are related to the position. The following is a schedule of payments made to the Judge as of June 30, 2017:

Agency Head Name: Honorable Cameron Simmons, Judge

Base salary	\$ 86,646
Additional salary: Civil	5,816
Benefits - insurance	21,476
Benefits – retirement	76,183
Reimbursements	<u>-</u>
Total	<u>\$ 190,121</u>

(7) Pending Litigation

At June 30, 2017, the Court was not involved in any litigation.

(8) Other Postretirement Benefits

The Jeanerette City Court provides no postretirement benefits.

(9) Risk Management

Potential significant losses are covered by the City of Jeanerette's commercial insurances.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

(10) Pension Plans

For the year ended June 30, 2015, the Court adopted the requirements of GASB Statement 68, *Accounting and Financial Reporting of Pensions – an amendments of GASB Statement No. 27 and GASB Statement 71, Pension for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68*. These standards revise and establish new financial reporting requirements for governments that provide their employees with pension benefits. These standards require the Court to record its proportionate share of each of the pension plans' net pension liability and report the following disclosures:

General Information about the Pensions Plans

Plan Descriptions:

Municipal Employees' Retirement System (MERS)

Employees of the Court are eligible for participation in the Municipal Employees' Retirement System of Louisiana (the "System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 356 of the 1954 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.mersla.com/annual-reports. The report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809, or by calling (225) 925-4810. The employees are employees of the City of Jeanerette, which pays their retirement. Accordingly, no liability has been included on these financial statements.

Louisiana State Employees' Retirement System (LASERS)

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

Benefits Provided:

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Municipal Employees' Retirement System (MERS)

The system provides retirement, disability and death benefits. Retirement benefits are generally determined as 3.0% of the employee's final compensation multiplied by the employee's years of creditable service. Employees with 25 years of service are eligible for disability benefits under age 60 with 5 years or more of service. Survivor's Benefits are available upon the death of a member who has credit for 5 or more years of service who is not eligible for normal retirement benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

Louisiana State Employees' Retirement System (LASERS)

(1) 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 majority of LASERS rank of file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of 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 years of creditable service.

Average compensation is defined as the members 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 retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age of 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.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the members 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.

(2) 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. As that time, the member must choose among available alternative 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 investments by choosing from an approved list of mutual funds with *different holdings, management styles, and risk factors.*

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

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.

(3) 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 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.

(4) 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.

(5) 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.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)
NOTES TO FINANCIAL STATEMENTS
(continued)

Contributions:

Municipal Employees' Retirement System (MERS)

Per Act 788 of the 1978 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.5% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2017 was 22.75% of annual payroll. There were no contributions to the System from the Court for the year ended June 30, 2017.

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2017 for the plan for judges hired before January 1, 2011 were 11.5% for the employee and 41.5 %for the employer. The status of the plan for judges hired before January 1, 2011 is closed.

The Court's contractually required composite contribution rate for the year ended June 30, 2017 was 41.5% 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 Agency were \$2,829 for the year ended June 30, 2017.

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

At June 30, 2017, the Court reported a liability of \$65,490 for its proportionate share of the net pension liability of LASERS. For LASERS, the net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Court's proportion was .000797% for LASERS which was a decrease of .00007% from its proportion measured as of June 30, 2015.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

For the year ended June 30, 2017, the Court recognized pension expense of \$6,944.

At June 30, 2017, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LASERS</u>
Deferred Outflows of Resources:	
Net difference between projected and actual earnings on pension plan investments	\$ 8157
Changes in proportion and differences between employer contributions and proportionate share of contributions	41
Employer contributions subsequent to the measurement of date	<u>2,591</u>
Total Deferred Outflows of Resources	<u>\$ 10,789</u>

	<u>LASERS</u>
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$ 607
Changes in Assumptions	-
Net difference between projected and actual earnings on pension plan investments	22
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
Total Deferred Inflows of Resources	<u>\$ 629</u>

\$2,591 reported as deferred outflows of resources related to pensions resulting from the Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>MERS</u>	<u>LASERS</u>	<u>TOTAL</u>
2018	-	(1,255)	(815)
2019	-	(1,217)	(371)
2020	-	(3,170)	(407)
2021	-	(1,946)	(1,171)

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2016 for LASERS are as follows:

	<u>LASERS</u>
Inflation	3.0%
Salary increases	3.0 – 5.5%
Investment rate of return	7.75%

For LASERS, mortality rates were based on RP-2000 Combined Healthy Mortality Table with mortality improvements projected to 2017 for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members.

LASERS' cost of living adjustments, the present value of the future retirement benefits is based on benefits currently being paid by the Systems and includes previously granted cost of living increase. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.

For LASERS the long-term expected rate of return on pension plan investments were 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, 2016 are summarized in the following table.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	-0.24%
Domestic Equity	4.31%
International Equity	5.48%
Domestic Fixed Income	1.68%
International Fixed Income	2.47%
Alternative Investments	7.42%
Global Asset Allocation	2.92%
Total	5.30%

Discount Rate

The discount rate used to measure the total pension liability was 7.75% for LASERS. 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 and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' 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.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Court's proportionate share of the net pension liability calculated using the current discount rate, as well as what the 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 or one percentage-point higher than the current rate as of June 30, 2016 for LASERS:

LASERS

	Changes in Discount Rate		
	Plan A:		
	1% Decrease 6.75%	Current Discount 7.75%	1% Increase 8.75%
Net pension liability (asset)	80,461	65,490	54,276

Pension Plans Fiduciary Net Position

MERS issued a stand-alone audit report on its financial statements for the year ended December 31, 2016. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2016 Comprehensive Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS
(continued)

(11) Subsequent Events

Subsequent events have been evaluated through December 18, 2017, the date of the financial statement issuance.

(12) New Accounting Pronouncement

In June 2015, the GASB approved Statement No. 78, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. GASB Statement No. 75 replaces the requirements of GASB Statement No. 45 relating to accounting and financial reporting by employers for postemployment benefits other than pensions. The provisions of GASB Statement No. 75 must be implemented by the Jeanerette City Court for the year ending June 30, 2018. The effects of implementation on the Jeanerette City Court's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENT FUNDS
Year Ended June 30, 2017

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Fees, Charges and Commissions -				
Fees and Fines	\$ 556,875	\$ 556,875	\$ 529,694	\$ (27,181)
Intergovernmental				
On Behalf Payments	<u>181,500</u>	<u>181,500</u>	<u>295,849</u>	<u>114,349</u>
Total Revenues	<u>738,375</u>	<u>738,375</u>	<u>825,543</u>	<u>87,168</u>
Expenditures:				
Current –				
General Government:				
Payments to City of Jeanerette	384,000	384,000	314,873	69,127
Payments to Jeanerette City				
Marshal	60,000	60,000	66,983	(6,983)
Salaries	92,000	92,000	111,276	(19,276)
Judge's Salary	85,000	85,000	86,646	(1,646)
Office Supplies & Printing	16,300	16,300	16,006	294
Legal & Accounting Costs	6,050	6,050	4,500	1,550
Judge & Employees Retirement				
And Benefits	68,000	68,000	100,518	(32,518)
Payment to Sheriff	3,500	3,500	4,230	(730)
Other Miscellaneous Costs	15,060	15,060	30,068	(15,008)
Outside Services	7,500	7,500	9,166	(1,666)
Utilities and Telephone	4,330	4,330	11,183	(6,853)
Capital Outlay	<u>58,000</u>	<u>58,000</u>	-	<u>58,000</u>
Total Expenditures	<u>799,740</u>	<u>799,740</u>	<u>755,449</u>	<u>44,291</u>
Excess (Deficiency) of				
Revenues Over				
Expenditures	(61,365)	(61,365)	70,094	131,459
Fund Balance, Beginning of Year	<u>357,531</u>	<u>357,531</u>	<u>357,531</u>	-
Fund Balance, End of Year	<u>\$ 296,166</u>	<u>\$ 296,166</u>	<u>\$ 427,625</u>	<u>\$ 131,459</u>

The accompanying notes are an integral part of the basic financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
Year Ended June 30, 2017

Schedule of Employer's Share of Net Pension Liability

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll Obligation	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2015	.00082	\$51,399	\$14,781	348.26%	63.7%
2016	.00083	\$54,276	\$12,320	441.40%	62.7%
2017	.00083	\$65,490	\$14,781	443.06%	63.9%

The amounts presented have a measurement date of the previous fiscal year end.

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

THIRD WARD COURT
 IBERIA PARISH, LOUISIANA
 (JEANERETTE CITY COURT)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Year Ended June 30, 2017

Schedule of Employer Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 5,631	\$ 5,631	\$ -	\$ 14,781	38.10%
2016	\$ 3,932	\$ 3,932	\$ -	\$ 12,320	31.92%
2017	\$ 5,617	\$ 5,617	\$ -	\$ 14,781	38.00%

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

**COMPLIANCE
AND
INTERNAL CONTROL**

R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A
New Iberia, Louisiana 70560-3885

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

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 Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City Court of Jeanerette's basic financial statements, and have issued my report thereon dated December 18, 2017.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of prior and current audit findings and management's corrective action plan, I identified deficiencies in internal control that I consider to be material weaknesses.

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana
Page 2

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. I consider the deficiencies described in the accompanying schedule of current audit findings and management's corrective action plan as items 2017-1 and 2017-2 to be material weaknesses.

Compliance and Other Matters

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

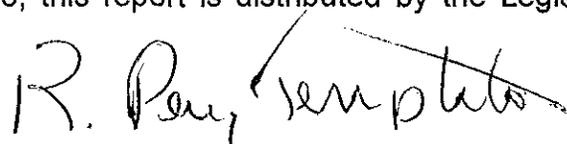
City Court of Jeanerette's Response to Finding

The City Court of Jeanerette's response to the finding identified in my audit is described in the accompanying schedules of prior and current audit findings and management's corrective action plan. The City Court of Jeanerette's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of 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 the City Court of Jeanerette, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "R. Penney" followed by a flourish.

New Iberia, Louisiana
December 18, 2017

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Schedule of Current Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2017

Internal Control Over Financial Reporting

2017-1 Inadequate Segregation of Accounting Functions

Finding:

An inadequate segregation of duties exists with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.

Management's Corrective Action Plan:

The Court has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2017-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Third Ward Court does not have a staff member who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Management's Corrective Action Plan:

The Court has evaluated the costs of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government 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.

Compliance

There are no findings that are required to be reported at June 30, 2017.

Management Letter Items

There are no management letter items at June 30, 2017.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Schedule of Prior Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2017

Internal Control Over Financial Reporting

2016-1 Inadequate Segregation of Accounting Functions

Finding:

An inadequate segregation of duties exists with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.

Status:

Unresolved. See item 2017-1

2016-2 Inadequate Controls over Financial Statement Preparation

Finding:

The Third Ward Court does not have a staff member who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Status:

Unresolved. See item 2017-2

Management Letter Items

There were no management letter items at June 30, 2016.

**THIRD WARD COURT
IBERIA PARISH, LOUISIANA
JEANERETTE CITY COURT**
Statewide Agreed-Upon Procedures Report
Year Ended June 30, 2017

R. PERRY TEMPLETON

CERTIFIED PUBLIC ACCOUNTANT

(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A

New Iberia, Louisiana 70560-3885

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have performed the procedures enumerated below, which were agreed to by the management of the Jeanerette City Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Jeanerette City Court's compliance with certain laws, regulations and best practices during the year ended June 30, 2017. Management of the Jeanerette City Court is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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, I 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.

Written Policies and Procedures

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

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

Written policies and procedures were obtained and address the functions noted above.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendors 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.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

Board (or Finance Committee, if applicable)

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

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

The Jeanerette City Court's office does not maintain minutes; therefore, this is not applicable.

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

The Jeanerette City Court's office does not maintain minutes; therefore, this is not applicable.

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

The Jeanerette City Court's office does not maintain minutes; therefore, this is not applicable.

Bank Reconciliations

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

Obtained listing of client bank accounts from management and management's representation that listing is complete.

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

- a) Bank reconciliations have been prepared.

Obtained bank statements and reconciliations for all months in the fiscal period for both selected accounts noting that reconciliations have been prepared for all months.

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

The bank reconciliations for accounts examined did not have evidence of management review.

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

Obtained bank statements and reconciliations for all months in the fiscal period noting that bank accounts tested had checks that have been outstanding for more than six months throughout the year. None of these bank accounts has management documentation reflecting research of these outstanding checks.

Collections

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

Obtained listing of cash collection locations and management's representation that listing is complete.

- 6) Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous

practitioner. Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:

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

In both locations, the person responsible for collecting cash does not deposit cash in the bank. In one location, the person responsible for collecting cash records the deposit. In both locations, the person responsible for collecting cash does not prepare the reconciliation.

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

Written documentation was obtained and addresses the functions noted above.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection locations.

In both locations, a total of 11 deposits were made within one day of collection. Jeanerette City Court's current policy is to make deposits daily.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Daily cash collections are completely supported by collection documentation.

- 7) Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the

entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Written policies and procedures were obtained and address the functions noted above.

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

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

Listing of disbursements and management's representation that the listing is complete was obtained.

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

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

Purchase orders are not used by the Jeanerette City Court's office.

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

Purchase orders are not used by the Jeanerette City Court's office.

- c) Payments for the purchases were not processed within (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) approved invoice.

Examined supporting documentation for each of the 25 disbursements and found all payments were processed with an approved invoice; however, approved

purchase orders and receiving reports were not present in the supporting documentation for any of the disbursements.

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

The person responsible for processing payments can also add vendors to the disbursement system.

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

Written policies and procedures were obtained and address the functions noted above; however, the person with signatory authority also can initiate purchases.

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

Inquiry and observation noted no exceptions.

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

A signature stamp or signature machine is not used; therefore, this step is not applicable.

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

- 14) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-card (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.

Listing of all active credit cards, including the card numbers and name of person who maintain possessions of cards, and management's representation that the

listing is complete was obtained.

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

Listing was obtained. The Jeanerette City Court's office has only one credit card, so this card was tested.

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

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

Monthly statements were obtained and supporting documentation was approved, in writing, by someone other than the authorized card holder.

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

No finance charges or fees were noted.

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

- a) For each transactions, report whether the transaction is supported by:

- An original itemized receipt (i.e. identifies precisely what was purchased):

No exceptions noted.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

No exceptions noted.

- Other documentation that may be required by written policy (e.g. purchase order, written authorization).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Travel and Expense Reimbursement

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

Listing of travel and expense reimbursements by person and management's representation that the listing is complete was obtained.

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

Policies were obtained. No amounts listed exceeded GSA rates.

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

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

Expenses were paid in accordance with written policy.

- b) Report whether each expense is supported by:

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

No exceptions noted.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

No exceptions noted.

- Other documentation as may be required by written policy (e.g. authorization for travel, conference brochure, certificate of attendance).

No exceptions noted.

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

No exceptions reported.

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

No exceptions noted.

Contracts

- 20) Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain

the general ledger and sort/filter for contract payments. Obtain management's representation that the listing on general ledger is complete.

Listing of all contracts in effect and management's representation that the listing is complete was obtained.

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

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

No exceptions made.

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

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g. solicited quotes or bids, advertisement, selected lowest bidder).

Of the contracts selected, none were subject to the Louisiana Public Bid Law or Procurement Code; therefore, this is not applicable.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Of the contracts selected, no quotes were solicited as a best practice.

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

No contract amendments noted.

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

No noncompliance noted.

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

Not applicable.

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

Listing of employees with their related salaries and management's representation that the listing is complete was obtained.

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

No exception noted.

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

No exceptions noted.

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

There were no employees terminated, therefore, this step is not applicable.

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

No exceptions noted.

Ethics

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

No exceptions noted.

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

Management asserted that they have received no allegations during the fiscal period.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Other

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

Management has asserted that the entity did not have any misappropriations of public funds or assets.

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

Required notices were posted on the entity's premises and website.

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

No exceptions noted.

I am not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Jeanerette City Court and the Legislative Auditor, State of Louisiana, 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 Legislative Auditor as a public document.

A handwritten signature in black ink that reads "R. Paul Templeton". The signature is written in a cursive style with a large, looped initial "R".

New Iberia, Louisiana
December 18, 2017