

CITY COURT OF EUNICE

FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Terry Hoychick, Judge  
Eunice City Court  
Eunice, Louisiana 70535

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities of the Eunice City Court, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Eunice City Court, as of June 30, 2019, and the respective changes in financial position, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

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

The Eunice City 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. Our opinion on the basic financial statements is not affected by this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eunice City Court's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as listed in the table of

contents, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the Eunice City Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eunice City Court's internal control over financial reporting and compliance.



Vige, Tujague & Noël  
Eunice, Louisiana  
December 20, 2019

**GOVERNMENT WIDE FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF EUNICE

Statement of Net Position

June 30, 2019

ASSETS

Current Assets

Cash	\$ 78,381
Accounts Receivable	62,824
Total Current Assets	<u>141,205</u>

Non-Current Assets:

Furniture and Fixtures, Net	55,715
Total Non-Current Assets	<u>55,715</u>

Total Assets	<u>196,920</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows Related to Pensions	<u>30,827</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	13,027
Accrued Wages	20,043
Payroll Taxes Payable	1,140
Accrued Compensated Absences	5,778
Due to Other Government Agencies	49,240
Total Current Liabilities	<u>89,228</u>

Longterm Liabilities:

Due in More than One Year - Net Pension Liability	<u>225,467</u>
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Total Liabilities	<u>314,695</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pensions	<u>1,386</u>
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NET POSITION

Invested in Capital Assets, Net of Related Debt	55,715
Unrestricted	<u>(144,049)</u>

Total Net Position	<u>\$ (88,334)</u>
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The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF EUNICE  
Statement of Activities  
For the Year Ended June 30, 2019

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expenses)</u>
		<u>Charges for Services</u>	<u>Capital and Operating Grant</u>	<u>Revenues and Change in Net Position</u>
				<u>Governmental Activities</u>
Governmental Activities:				
General Government	\$ 534,660	\$ 477,076	\$ -	\$ (57,584)
Total Governmental Activities	<u>\$ 534,660</u>	<u>\$ 477,076</u>	<u>\$ -</u>	<u>(57,584)</u>
General Revenues:				
Other Income				75,313
Investment Earnings				97
Total General Revenues				<u>75,410</u>
Change in Net Position				17,826
Net Position - June 30, 2018				<u>(106,160)</u>
Net Position - June 30, 2019				<u>\$ (88,334)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

CITY COURT OF EUNICE

Balance Sheet

Governmental Fund

June 30, 2019

ASSETS	<u>2019</u>
Currents Assets	
Cash	\$ 78,381
Accounts Receivable	<u>62,824</u>
Total Current Assets	<u>141,205</u>
Total Assets	<u>\$ 141,205</u>
LIABILITIES AND FUND BALANCE	
Current Liabilities:	
Accounts Payable	\$ 13,027
Accrued Wages	20,043
Payroll Taxes Payable	1,140
Accrued Compensated Absences	5,778
Due to Other Government Agencies	<u>49,240</u>
Total Current Liabilities	<u>89,228</u>
Fund Balance:	
Unassigned	<u>51,977</u>
Total Fund Balance	<u>51,977</u>
Total Liabilities and Fund Balance	<u>\$ 141,205</u>

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

CITY COURT OF EUNICE  
 Reconciliation of the Governmental Funds Balance Sheet  
 To the Statement of Net Position  
 June 30, 2019

Total Fund Balance for Governmental Funds at June 30, 2019	\$ 51,977
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in governmental activities are not Financial Resources and, therefore, are not Reported in the Funds. Those Assets consist of:	
Furniture and Fixtures, Net of \$21,722	
Accumulated Depreciation	55,715
General long term debt of governmental activities is not payable from current resources and not reported in the funds:	
Net Pension Liability	\$(225,467)
Deferred Outflows of Resources	30,827
Deferred Inflows of Resources	(1,386)
	<u>(196,026)</u>
Total Net Position of Governmental Activities at June 30, 2019	<u>\$ (88,334)</u>

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

CITY COURT OF EUNICE  
Statement of Revenues, Expenditures, and Changes in  
Fund Balance - General Fund  
For the Year Ended June 30, 2019

	2019
<b>Revenues</b>	
Court Fees	\$ 328,253
Less: Amounts Paid to other Government Agencies	(151,334)
Net Court Fees Earned	176,919
Restitution Income	3,734
Interest Earned	97
Probation and Supervision Fees	67,750
On Behalf Payments	228,673
Other Income	75,313
<b>Total Revenues</b>	<b>552,486</b>
<b>Expenditures</b>	
Salaries and Related Benefits	
Salaries	339,944
Payroll Taxes and Retirement	95,593
Contracted Services	
Legal and Accounting	7,680
Dues and Subscriptions	10,902
Materials and Supplies	
Office Supplies	20,206
Other	
Repairs and Maintenance	1,577
Miscellaneous	4,253
Seminars	350
NSF Checks Paid	7,008
Insurance	34,122
License & Permits	3,300
Capital Outlay	23,042
<b>Total Expenditures</b>	<b>547,977</b>
Excess (deficiency) of revenues over expenditures	4,509
Fund Balance, Beginning of Year	47,468
Fund Balance, End of Year	<b>\$ 51,977</b>

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

CITY COURT OF EUNICE  
 Reconciliation of Statement of Revenues, Expenditures, and  
 Changes in Fund Balance of Governmental Funds  
 To the Statement of Activities  
 For the Year Ended June 30, 2019

Total net changes in fund balance at June 30, 2019 per statement of revenues, expenditures, and changes in fund balance		\$ 4,509
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on the statement of revenues, expenditures, and changes in fund balance	\$ 23,042	
Depreciation expense for the year ended June 30, 2019	<u>(8,747)</u>	14,295
Net effect of pension liability recognition		<u>(978)</u>
Total changes in net position at June 30, 2019 per statement of activities		<u>\$ 17,826</u>

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

CITY COURT OF EUNICE  
Statement of Net Position and Liabilities  
Fiduciary Fund Type-Civil Fund  
June 30, 2019

	2019
Assets	
Cash	<u>\$ 36,695</u>
Total Assets	<u><u>\$ 36,695</u></u>
Liabilities	
Deposits - Civil Suits	<u>\$ 36,695</u>
Total Liabilities	<u><u>\$ 36,695</u></u>

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

CITY COURT OF EUNICE  
 Statements of Changes in Net Assets and Liabilities  
 Fiduciary Fund Type - Civil Fund  
 For the Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Assets</b>				
Cash	<u>\$ 28,250</u>	<u>\$ 159,881</u>	<u>\$ 151,436</u>	<u>\$ 36,695</u>
<b>Liabilities</b>				
Deposits-Civil suits	<u>\$ 28,250</u>	<u>\$ 159,881</u>	<u>\$ 151,436</u>	<u>\$ 36,695</u>

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

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

INTRODUCTION

The City Court of Eunice, Louisiana was established under the Authority contained in R.S. 13:1872. The City Judge serves a six year term and is elected from Ward 6 of St. Landry Parish, which includes the City of Eunice, Louisiana. The Court presides over civil and criminal cases in Ward 6. It also has five employees.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the City Court of Eunice, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GAAP includes all GASB pronouncements.

B. Reporting Entity

GASB Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the primary government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. 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.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The criteria for determining whether an entity is a primary government are as follows:

- a. It has a separately elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other state and local governments.

City Court of Eunice, Louisiana is considered to be the primary government because:

- a. The city Judge is an independently elected official.
- b. City Court of Eunice possesses the corporate powers that would distinguish it as being legally separate from any other government.
- c. City Court of Eunice can set rates or changes without approval of any other government and it can issue bonded debt without approval of any other government.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on other governmental units.

C. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City Court as a whole. These statements include all the financial activities of the City 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 City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the City 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.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City 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 City 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 City 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 City Court 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 governmental fund of the City Court is considered to be a major fund. The funds of the City Court are described below:

Governmental Fund -

General Fund- This fund is the primary operating fund of the City Court and it accounts for the operations of the City 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 City Court policy.

Fiduciary Fund -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the City Court are agency funds. The agency funds account for assets held by the City Court as an agent for individuals and for deposits 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.

D. Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

For this purpose, the government considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Court's policy to use restricted resources first, then unrestricted resources as they are needed.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government or collected within 60 days.

E. Budgetary Accounting

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

F. Compensated Absences

Employees of the Eunice City Court are allowed 12 days of sick leave per year. Any sick leave not taken by an employee is paid to that employee by December 31. Each employee is also allowed one to three weeks of vacation depending on years of service. Any vacation days not taken by December 31, are paid to that employee.

G. Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities columns of the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The City Court maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. 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:

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture	5-10 years
Equipment	5-10 years

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

H. Equity Classifications

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

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

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

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

1. Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Judge – the government's highest level of decision making authority. Those committed amounts

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cannot be used for any other purpose unless the Judge removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

3. Assigned fund balance. This classification reflects the amounts constrained by the Court's "intent" to be used for specific purposes, but are neither restricted nor committed. The City Court of Eunice and the Judge have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

I. Deferred Outflows/Inflows of Resources

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

All of the Court's deferred outflows and inflows of resources on the statement of net position are related to pensions. See pension Note 7.

J. Pensions

The Court is a participating employer in a cost-sharing, multiple-employer defined benefit plans as described in Note 7. For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Revenues, Expenditures, and Expenses

Program Revenues:

Program revenues consist of fees, fines, and charges for services related to governmental fund activities.

Expenditures/Expenses:

In the government-wide financial statements, expenses are classified by function for governmental activities. In the fund financial statements, expenditures are classified by character.

In the fund financial statements, governmental funds report expenditures of financial resources.

L. Fund Deficit:

As a result of the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the unrestricted net position resulted in a deficit of \$88,334. Net position was significantly affected by the recognition of the deferred outflow and inflow of resources and the net pension liability. The new judge is studying ways to increase revenues and decrease expenses to correct this deficit.

NOTE 2 CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the City Court of Eunice are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City Court of Eunice will not be able to recover its deposits. 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 or exceed 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. 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 bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Court's name.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

Cash includes amounts in demand deposits and savings accounts. The cash balance is covered by Federal Deposit Insurance. Cash and cash equivalents include those investments purchased with original maturities of 90 days or less. The balance of cash at June 30, 2019 is recorded in the amount of \$115,076, which includes \$36,695 of civil fund deposits.

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable represents fines that are assessed but have not been collected until 60 days after the year end. The balance of accounts receivable at June 30, 2019 is recorded in the amount of \$62,824. Since this amount was collected the allowance for doubtful accounts is -0-.

NOTE 4 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

<u>Furniture and Equipment</u>	
Balance, 7/01/2018	\$ 54,395
Additions	23,042
Deletions	-
Balance, 6/30/2019	<u>77,437</u>
 <u>Less Accumulated Depreciation</u>	
Balance, 7/01/2018	12,975
Additions	8,747
Deletions	-
Balance, 6/30/2019	<u>21,722</u>
 Governmental Activities.	
Capital Assets, Net	<u>\$ 55,715</u>

The land and building in which the City Court operates is owned by the City of Eunice.

NOTE 5 OTHER SUPPORT / CONCENTRATION OF RISK

The City Court receives other support from the City of Eunice. In addition to office space, the City of Eunice provides utilities, janitorial, telephone, payroll support and other expenditures. All court cases arise within Ward 6 of St. Landry Parish Louisiana.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

NOTE 6 ESTIMATES

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

NOTE 7 PENSION PLANS

General Information about the Pension Plan

*Plan Descriptions:*

Louisiana State Employees' Retirement System

During the year ended June 30, 2015, the City Court adopted the provisions of Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions*. The Louisiana State Employees' Retirement System prepares their employer schedules in accordance with the Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions* an amendment of GASB Statement No. 27. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization for deferred inflows and deferred outflows.

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

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

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](http://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.

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

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

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

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

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

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

The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

#### Deferred Retirement Benefits

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

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

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

Disability Benefits

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.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the members final average compensation.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

Permanent Benefit Increases/Cost-of-Living Adjustments

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

*Contributions*

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, 2016 for the plan for judges hired after July 1, 2015 were 13.0% for the employee and 39.6% for the employer. The Court's contractually required composite contribution rate for the year ended June 30, 2019 was 39.6% 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 \$25,609 for the year ended June 30, 2019.

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

At June 30, 2019, the Court reported a liability of \$225,467 for its proportionate share of the net pension liability. For LASERS, the net pension liability was measured as of June 30, 2017 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, 2017, the Court's proportion was .00331% for LASERS which was an increase of .00011% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Court recognized fund pension expense of \$25,609 for LASERS.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

At June 30, 2019, 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:	
Differences between expected and actual expense	\$ -
Net difference between projected and actual earnings on pension plan investments	2,924
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
Changes in assumptions	2,294
Employer contributions subsequent to the measurement date	25,609
Total Deferred Outflows of Resources	<u>\$ 30,827</u>
	<u>LASERS</u>
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$ (2,528)
Changes in Assumptions	-
Net difference between projected and actual earnings on pension plan investments	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,142
Total Deferred Inflows of Resources	<u>\$ (1,386)</u>

The Court reported a total of \$25,609 as deferred outflows of resources related to pension contributions made subsequent to the measurement period of June 30, 2018, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>LASERS</u>
2020	\$ 9,382
2021	3,446
2022	(7,138)
2023	(1,166)
	<u>\$ 4,524</u>

*Actuarial Methods and Assumptions:*

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers as of June 30, 2018 are as follows:

	<u>2017</u>	<u>2018</u>
Total Pension Liability	\$ 601,347	\$ 632,330
Plan Fiduciary Net Position	(376,316)	(406,863)
Employers' Net Pension Liability	\$ 225,031	\$ 225,467
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.50%	64.30%

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.65% per annum
Inflation Rate	2.75% per annum
Mortality	Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

Termination, Disability, and Retirement      Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

Salary Increases      Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.8%	12.8%
Judges	2.8%	5.3%
Corrections	3.4%	14.3%
Hazardous Duty	3.4%	14.3%
Wildlife	3.4%	14.3%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return is 8.83% for 2018. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2018 are summarized in the following table:

Expected Long Term Real Rates of Return	
<u>Asset Class</u>	<u>2018</u>
Cash	-0.48%
Domestic Equity	4.31%
International Equity	5.21%
Domestic Fixed Income	1.49%
International Fixed Income	2.23%
Alternative Investments	7.67%
Global Tactical Asset Allocation	4.96%
Total Fund	5.40%

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

The discount rate used to measure the total pension liability was 7.65%. 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 approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

*Sensitivity to Changes in the Discount Rate*

The following presents the net pension liability of the participating employers calculated using the current discount rate of 7.65%, as well as what the employers' 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.

	Changes in Discount Rate		
	1% Decrease	Current	1% Increase
	6.65%	7.65%	8.15%
2018 Employer Net Pension Liability	\$ 284,554	\$ 225,467	\$ 174,576

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2019 were recognized as pension expense or benefit in the current reporting period except as follows:

*Differences between Expected and Actual Experience*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred outflow of resources in the amount of \$0 for the year ended June 30, 2019. Remaining deferred inflows resulting from these differences recorded in prior years was \$2,528 as of June 30, 2019 with a pension benefit being recorded in the amount of \$2,528 for the year ended June 30, 2019.

*Differences between Projected and Actual Investment Earnings*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-

CITY COURT OF EUNICE  
Notes to the Financial Statements  
June 30, 2019

year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$0 for the year ended June 30, 2019.

Contributions – Proportionate Share/Change in Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date are recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Estimates

The process of preparing the schedules of employer allocations and schedules of pension amount is in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, actual results may differ from estimated amounts.

Retirement System Audit Reports

The Louisiana State Employees' Retirement System has issued stand-alone audit reports on their financial statements for the years ended June 30, 2017 and 2018. Access to the reports can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov) and the System's website, <http://www.lasersonline.org/site.php>.

**NOTE 8 ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

The St. Landry Parish Police Jury pays a portion of the Judges annual salary and expenses in the amount of \$16,330. The City of Eunice pays expenses on behalf of the City Court in the amount of \$8,112. The City of Eunice pays the Judge an annual salary and benefits in the amount of \$24,183. The City of Eunice also paid salaries and benefits to the employees in the amount of \$101,209. The Louisiana Supreme Court pays the Judge an annual salary and benefits in the amount of \$78,839.

The Civil Fund paid Judges Fees in the amount of \$65,507, retirement benefits in the amount of \$13,693 and an amount to the Judges Supplemental Compensation Fund totaling \$11,821.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY COURT OF EUNICE  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Total 2019	Variance- Favorable (Unfavorable)
<b>Revenues</b>				
Court Fees	\$ 350,000	\$ 295,000	\$ 328,253	\$ 33,253
Less: Amounts Paid to other				
Government Agencies	165,000	112,000	151,334	(39,334)
Net Court Fees Earned	185,000	183,000	176,919	(6,081)
Restitution	-	-	3,734	3,734
Interest Earned	-	-	97	97
Probation and Supervision Fees	63,000	68,000	67,750	(250)
On Behalf Payments	216,000	221,000	228,673	7,673
Other Income	-	62,000	75,313	13,313
<b>Total Revenues</b>	<b>464,000</b>	<b>534,000</b>	<b>552,486</b>	<b>18,486</b>
<b>Expenditures</b>				
<b>Salaries and Related Benefits</b>				
Salaries	312,000	352,000	339,944	12,056
Payroll Taxes and Retirement	88,000	96,000	95,593	407
<b>Contracted Services</b>				
Legal and Accounting	5,000	7,000	7,680	(680)
Dues and Subscriptions	11,200	6,000	10,902	(4,902)
Equipment Rent	-	1,000	-	1,000
<b>Materials and Supplies</b>				
Office Supplies	23,000	19,000	20,206	(1,206)
<b>Other</b>				
Repairs and Maintenance	950	1,000	1,577	(577)
Miscellaneous	-	11,000	4,253	6,747
Seminars	1,800	1,000	350	650
NSF Checks Paid	5,000	7,000	7,008	(8)
Insurance	31,000	28,000	34,122	(6,122)
License & Permits	3,300	3,000	3,300	(300)
Capital Outlay	-	27,000	23,042	3,958
<b>Total Expenditures</b>	<b>481,250</b>	<b>559,000</b>	<b>547,977</b>	<b>11,023</b>
Excess (deficiency) of revenues over expenditures	(17,250)	(25,000)	4,509	29,509
Fund Balance, Beginning of Year	40,000	47,468	47,468	-
<b>Fund Balance, End of Year</b>	<b>\$ 22,750</b>	<b>\$ 22,468</b>	<b>\$ 51,977</b>	<b>\$ 29,509</b>

See Independent Auditor's Report

CITY COURT OF EUNICE  
Notes to Required Supplementary Information  
June 30, 2019

Note 1. Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2. Budgetary Practices

The Judge prepares and adopts a budget in accordance with R.S. 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting used by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting record is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

CITY COURT OF EUNICE  
 Schedule of Proportionate Share of Net Pension Liability  
 Louisiana State Employees' Retirement System  
 For the Year Ended June 30, 2019

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	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.00331%	\$ 225,467	\$ 64,669	349%	64.3%
2018	0.00320%	225,031	70,058	311%	62.5%
2017	0.50600%	397,182	66,046	601%	57%
2016	0.00276%	187,654	77,030	244%	63%
2015	0.23600%	147,756	39,284	376%	65%
2014	-	-	45,948	-	-
2013	-	-	41,249	-	-
2012	-	-	36,311	-	-
2011	-	-	51,769	-	-

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

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

See Independent Auditor's Report

CITY COURT OF EUNICE  
Schedule of Employer Contributions  
Louisiana State Employees' Retirement System  
For the Year Ended June 30, 2019

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
2019	\$ 25,609	\$ 25,609	\$ -	\$ 64,669	39.60%
2018	27,743	27,743	-	70,058	39.60%
2017	24,239	24,239	-	66,046	36.70%
2016	30,548	30,548	-	77,030	39.65%
2015	16,303	16,303	-	39,284	41.50%
2014	16,679	16,679	-	45,948	36.30%
2013	14,355	14,355	-	41,249	34.80%
2012	15,973	15,973	-	36,311	31.80%
2011	11,547	11,547	-	51,769	22.30%

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

See Independent Auditor's Report

CITY COURT OF EUNICE  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2019

**Pension Plan:**

**Change of benefit terms**

There were no changes of benefit terms for the year ended June 30, 2019.

**Change of assumptions**

The investment rate of return was decreased from 7.70% to 7.65% and the inflation rate decreased from 3.00% to 2.75% for the valuation dated June 30, 2018.

**VIGE, TUJAGUE & NOEL**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Terry Hoychick, Judge  
Eunice City Court  
Eunice, Louisiana 70535

We have audited, 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, the financial statements of the governmental activities of Eunice City Court as of June 30, 2019, and the related notes to the financial statements, which collectively comprise Eunice City Court's basic financial statements, and have issued our report thereon dated December 20, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item #2019-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eunice City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item #2019-001.

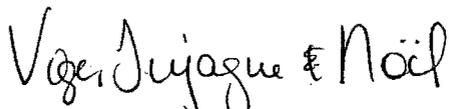
### **Eunice City Court's Response to Findings**

Eunice City Court's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Eunice City Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

### **Purpose of this Report**

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

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.



Vige, Tujague & Noël, CPA's  
Eunice, Louisiana  
December 20, 2019

CITY COURT OF EUNICE  
Schedule of Findings and Responses  
Year Ended June 30, 2019

We have audited the financial statements of Eunice City Court as of and for the year ended June 30, 2019, and have issued our report thereon dated December 20, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2019, resulted in an unmodified opinion.

**Section I. Summary of Auditor's Reports**

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses \_\_\_ Yes X No Significant Deficiencies X Yes \_\_\_ No

Compliance

Non Compliance Material to Financial Statement \_\_\_ Yes X No

**Section II. Financial Statement Findings**

#2019-001 Segregation of Accounting Functions

Condition: The Eunice City Court did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

CITY COURT OF EUNICE  
Schedule of Findings and Responses (continued)  
Year Ended June 30, 2019

Cause: The cause of the condition is the fact that the Court does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

CITY COURT OF EUNICE  
Schedule of Prior Year Findings and Responses  
Year Ended June 30, 2019

**Section II. Financial Statement Findings**

#2018-001 Segregation of Accounting Functions

Condition: The Eunice City Court did not have adequate segregation of functions within the accounting system.

Criteria: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU314.43 defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT501.03 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

Cause: The cause of the condition is the fact that the Court does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: It is not cost effective to achieve complete segregation of duties within the accounting function. No corrective action is considered necessary.

Status: This finding is repeated.

#2019-002 – Budget

Condition: The Eunice City Court exceeded certain budget line items by greater than 5%.

CITY COURT OF EUNICE  
Schedule of Prior Year Findings and Responses (continued)  
Year Ended June 30, 2019

**Criteria:** The Local Government Budget Act (R.S. 396:1301-1314) states that total budgeted revenues should not exceed total actual revenues by greater than 5% and total actual expenditures should not exceed total budgeted expenditures by greater than 5%. When this occurs, the budget should be amended prior to year end.

**Cause:** The Court's accounting personnel did not have all year end adjustments in place when the budget was amended.

**Effect:** The Court's budgeted revenues exceed actual revenues by greater than 5%.

**Recommendation:** We recommend that all year end adjustments be posted or estimated as correctly as possible to ensure that this is not a reoccurring problem.

**Response:** The Court will comply with the recommendation.

**Status:** This finding is cleared.

CITY COURT OF EUNICE  
Schedule of Compensation, Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
Year Ended June 30, 2019

Terry Hoychick, Judge  
Period: 12 Months

Judges Supplemental Compensation	\$ 11,821
Salary/Fees	94,346
Retirement	36,960
Registration Fees	175
Other (Dues/Memberships)	300
	<u>\$ 143,602</u>

M. TERRANCE HOYCHICK  
CITY JUDGE

# City Court of Eunice

CIVIL, CRIMINAL,  
TRAFFIC, AND  
JUVENILE JURISDICTION  
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CLERK OF COURT JUVENILE CLERK

NICHOLE PAPILLION, ANISSA ISRAEL,  
CHRISTY FAULKNER

DEPUTY CLERKS OF COURT  
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VIGE, TUJAGUE & NOEL, CPA'S  
P. O. BOX 1005  
EUNICE, LA 70535

RE: Management Response

The following are our responses to your recommendations we received in the Eunice City Court's Audited Financial Statement as of June 30, 2019.

2019-001 Segregation of Duties

We are aware of and have evaluated this inadequacy and concluded that the related costs versus benefits to be achieved do not justify the additional personnel it would require to establish an adequate segregation of duties. However, we will try to segregate duties as much as possible with the existing staff.



Terry Hoychick, Judge

CITY COURT OF EUNICE, LOUISIANA  
STATEWIDE AGREED UPON PROCEDURES REPORT  
YEAR ENDED JUNE 30, 2019

# VIGE, TUJAGUE NOEL

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Terry Hoychick, Judge of the City Court of Eunice, Louisiana and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by City Court of Eunice, Louisiana and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The City Court of Eunice, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

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

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*No exceptions in prior year. This category was excluded from testing in the current year except for the new category, Disaster Recovery/Business Continuity.*

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase

orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

- c) **Disbursements**, including processing, reviewing, and approving
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*The entity has not adopted a Disaster Recovery or Business Continuity Plan.*

### **Board or Finance Committee**

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*These procedures are not applicable since there is no board.*

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*Bank reconciliations are prepared within 2 months of the related statement closing date.*
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  

*The bank reconciliations for all accounts examined included evidence of management review.*
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*There is no evidence of management's documentation of research for items that have been outstanding for more than 12 months from the statement closing date.*

## Collections

---

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

*Obtained a listing of deposit sites and managements representation that the listing is complete.*

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

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

*Employees that are responsible for cash collections do share a cash register.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*The employees responsible for collecting cash are also responsible for preparing/making bank deposits.*

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

*The employees responsible for collecting cash are responsible for posting collections to the general ledger or subsidiary ledgers.*

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

*The employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash.*

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

*The employees who have access to cash are covered by a bond or insurance policy for theft.*

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

- a) Observe that receipts are sequentially pre-numbered.  
*Observed that receipts are not sequentially pre-numbered.*
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.  
*Receipts were not sequentially pre-numbered to be able to trace to the deposit slips.*
- c) Trace the deposit slip total to the actual deposit per the bank statement.  
*Traced the deposit slip total to the actual deposit per the bank statement.*
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).  
*Deposits selected were made within one business day of receipt at the collection location except for one deposit that was not made within one business day.*
- e) Trace the actual deposit per the bank statement to the general ledger.  
*Traced the actual deposit per the bank statement to the general ledger with no exception.*

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).  
*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.  
*There is limited segregation of duties in relation to the purchase request, approval and actual order/making the purchase process.*
  - b) At least two employees are involved in processing and approving payments to vendors.  
*No exceptions.*
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The employee responsible for processing payments can also add/modify vendor files.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*The employee responsible for signing checks also mails the payments and processes the payments.*

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

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

*Obtained management's representation that the population is complete. No exceptions noted.*

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

*The disbursement documentation does not include evidence of segregation of duties tested above.*

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

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

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have

10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

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

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

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

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

*No exceptions noted.*

### ***Contracts***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as*

*an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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

### ***Ethics***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### ***Debt Service***

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*No exceptions in prior year. This category was excluded from testing in the current year.*

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

### ***Other***

---

*No exceptions in prior year. This category was excluded from testing in the current year.*

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds,

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

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

*Vigé, Tujague & Noël*

Vigé, Tujague & Noël

Eunice, Louisiana

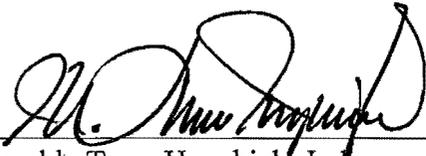
December 20, 2019

CITY COURT OF EUNICE, LOUISIANA

Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2019

Management Response to Item:

- 1k Management will add a section on Disaster Recovery/Business Continuity to the Written Policies and Procedures.
- 3c Management will research reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period and document the procedures and findings.
- 5a, 5b, 5c, 5d  
9a, 9c, 9d, 10b Efforts will be made to segregate duties in these areas as much as possible with the limited number of employees involved.
- 7d Deposits will be made on a daily basis in the future.



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Honorable Terry Hoychick, Judge