

CITY COURT OF RAYNE, LOUISIANA

Financial Report

Year Ended September 30, 2017

CITY COURT OF RAYNE, LOUISIANA

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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City Court of Rayne, Louisiana, a component unit of City of Rayne, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in United States of America require that the budgetary comparison information on page 26, the schedule of employer contributions on page 27 and the schedule of employer's share of net pension liability on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The schedule of expenditures on page 30 and the schedule of compensation, benefits and other payments to agency head or chief executive officer on page 31 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and the schedule of compensation, benefits and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018, on our consideration of the City Court of Rayne, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Court's internal control over financial reporting and compliance.

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 22, 2018

Basic Financial Statements

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF NET POSITION
September 30, 2017

	General Fund	TOTALS	
		2017	(Memo Only) 2016
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 106,079	\$ 106,079	\$ 83,881
Receivables	1,283	1,283	-
Total Current Assets	<u>\$ 107,362</u>	<u>\$ 107,362</u>	<u>\$ 83,881</u>
Noncurrent Assets			
Capital assets (net)	<u>\$ 38,195</u>	<u>\$ 38,195</u>	<u>\$ 37,591</u>
Total Assets	<u>\$ 145,557</u>	<u>\$ 145,557</u>	<u>\$ 121,472</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources, pension related	<u>\$ 43,458</u>	<u>\$ 43,458</u>	<u>\$ 59,065</u>
Total Deferred Outflows of Resources	<u>\$ 43,458</u>	<u>\$ 43,458</u>	<u>\$ 59,065</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 189,015</u>	<u>\$ 189,015</u>	<u>\$ 180,537</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>\$ 39,237</u>	<u>\$ 39,237</u>	<u>\$ 40,632</u>
Total Current Liabilities	<u>\$ 39,237</u>	<u>\$ 39,237</u>	<u>\$ 40,632</u>
Noncurrent Liabilities			
Net Pension Liability	<u>\$ 167,735</u>	<u>\$ 167,735</u>	<u>\$ 159,564</u>
Total Liabilities	<u>\$ 206,972</u>	<u>\$ 206,972</u>	<u>\$ 200,196</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources, pension related	<u>\$ 4,736</u>	<u>\$ 4,736</u>	<u>\$ 4,274</u>
Total Deferred Inflows of Resources	<u>\$ 4,736</u>	<u>\$ 4,736</u>	<u>\$ 4,274</u>
NET POSITION			
Net investment in capital assets	\$ 37,591	\$ 37,591	\$ 37,591
Unrestricted	<u>(60,284)</u>	<u>(60,284)</u>	<u>(61,524)</u>
Total Net Position	<u>\$ (22,693)</u>	<u>\$ (22,693)</u>	<u>\$ (23,933)</u>
Total Liabilities and Net Position	<u>\$ 189,015</u>	<u>\$ 189,015</u>	<u>\$ 180,537</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

Function / Program	Expenses	Program Revenues	Net (Expense) Revenue and Change in Net Position	
		Charges for Services, Fines, and Forfeits	2017 Governmental Activities	(Memo Only) 2016
Governmental activities: General government	<u>528,370</u>	<u>\$508,183</u>	(\$20,187)	(\$52,503)
General revenues:				
Transfers			<u>7,930</u>	<u>6,947</u>
Change in net position			\$ (12,257)	\$ (45,556)
Prior period adjustment			13,496	11,553
Net position, beginning			<u>(23,932)</u>	<u>10,071</u>
Net position, ending			<u>\$ (22,693)</u>	<u>\$ (23,932)</u>

The accompanying notes are an integral part of this statement.

Fund Financial Statements

CITY COURT OF RAYNE, LOUISIANA

GOVERNMENTAL FUND BALANCE SHEET

September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	General Fund	TOTALS	
		2017	(Memo Only) 2016
ASSETS			
Cash and cash equivalents	\$ 106,079	\$ 106,079	\$ 83,881
Receivables	1,283	1,283	-
Total Assets	<u>\$ 107,362</u>	<u>\$ 107,362</u>	<u>\$ 83,881</u>
LIABILITIES			
Accounts payable	\$ 39,237	\$ 39,237	\$ 40,632
Total Liabilities	<u>\$ 39,237</u>	<u>\$ 39,237</u>	<u>\$ 40,632</u>
FUND BALANCE			
Unassigned	\$ 68,125	\$ 68,125	\$ 43,249
Total Liabilities and Fund Balances	<u>\$ 107,362</u>	<u>\$ 107,362</u>	<u>\$ 83,881</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

Fund Balances - Total Governmental Funds		\$ 68,125
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore reported in the funds.</p>		
Building Improvements, net of \$4,273 accumulated depreciation	24,952	
Equipment, net of \$11,670 accumulated depreciation	13,243	
Deferred Outflows	43,458	
Net Pension Liability	(167,735)	
Deferred Inflows	<u>(4,736)</u>	
		<u>(90,818)</u>
Net Position of Governmental Activities		<u><u>\$ (22,693)</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE
 September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	<u>General Fund</u>	
	<u>2017</u>	<u>(Memo Only) 2016</u>
Revenues:		
Criminal Fees	\$ 419,275	\$ 415,208
Civil Court Fees	88,908	70,830
Miscellaneous	-	-
Total Revenues	<u>\$ 508,183</u>	<u>\$ 486,038</u>
Expenditures:		
General Government		
Judicial	\$ 497,545	\$ 494,260
Capital Outlay	7,188	10,060
Total Expenditures	<u>\$ 504,733</u>	<u>\$ 504,320</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 3,450	\$ (18,282)
Other Sources (Uses)		
Transfers In	<u>\$ 7,930</u>	<u>\$ 6,947</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 11,380	\$ (11,335)
Prior Period Adjustment	\$ 13,496	\$ -
Fund Balance, Beginning of Year	<u>43,249</u>	<u>54,584</u>
Fund Balance, End of Year	<u>\$ 68,125</u>	<u>\$ 43,249</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

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

SEPTEMBER 30, 2017

Net Change in Fund Balances - Total Governmental Funds		\$	11,380
Amounts reported for governmental activities in the statement of activities are different because:			
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>			
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	7,188		
Depreciation expense for the year then ended	<u>(6,585)</u>		603
Net change in pension liability and deferred inflows/outflows of resources			<u>(24,240)</u>
Change in Net Position of Governmental Activities		\$	<u>(12,257)</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	Agency Fund	TOTALS	
		2017	(Memo Only) 2016
ASSETS			
Cash and cash equivalents	\$ 149,476	\$ 149,476	\$ 123,897
Accounts receivable	-	-	7,952
Total Assets	<u>\$ 149,476</u>	<u>\$ 149,476</u>	<u>\$ 131,849</u>
LIABILITIES			
Accounts payable	\$ 1,283	\$ 1,283	\$ 322
Checks written in excess of cash balances	-	-	13,218
Held for others pending court action	148,193	148,193	118,309
Total Liabilities	<u>\$ 149,476</u>	<u>\$ 149,476</u>	<u>\$ 131,849</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Financial Reporting Entity:

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

Fund Accounting:

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

Governmental Funds

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

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

Fiduciary Funds

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

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

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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS September 30, 2017

Basis of Accounting:

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

Vacation and Sick Leave:

The City Court of Rayne has no vacation or sick leave policies as of September 30, 2016. City Court employees are paid by the City of Rayne, therefore all payroll and related liabilities are accounted for on the city's books.

Equity Classifications:

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

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

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

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

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Judge – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Judge removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

CITY COURT OF RAYNE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
September 30, 2017**

3. Assigned fund balance – This classification reflects the amounts constrained by the Court’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Court of Rayne and the Judge have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

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

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

Fund balances for the period September 30, 2017 are as follows:

For year ended September 30, 2017		
	General Fund	Total
Unassigned	68,125	68,125
Total Fund		
Balances	\$ 68,125	\$ 68,125

Net Position - Government-Wide Statements:

In June 2011, the GASB issued Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components assets, deferred outflows or resources, liabilities and deferred inflows of resources. The Court adopted GASB Statement 63 in 2013.

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

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, constructions, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.

2. Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Court’s bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

3. Unrestricted net position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the Court.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Note 2. Government-Wide Financial Statements (GWFS)

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

Note 3. Budgets

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

Note 4. Cash and Cash Equivalents

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

Note 5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

Note 6. Deposits with Financial Institutions

The City Court of Rayne's bank balances of deposits with financial institutions amounted to \$231,442 at September 30, 2017 and are fully insured.

Note 7. Capital Assets

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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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

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

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

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

Capital assets and depreciation activities as of and for the year ended September 30, 2017 are as follows:

	<u>2017</u>			<u>Balance 9/30/2017</u>
	<u>Balance 9/30/2016</u>	<u>Additions</u>	<u>Retirements</u>	
Governmental activities:				
Capital assets being depreciated				
Building Improvements	\$ 28,025	\$ 1,200	\$ -	\$ 29,225
Equipment	18,925	5,988	-	24,913
Total capital assets being depreciated	<u>\$ 46,950</u>	<u>\$ 7,188</u>	<u>\$ -</u>	<u>\$ 54,138</u>
Less accumulated depreciation for:				
Building Improvements	\$ 1,459	\$ 2,701	\$ -	\$ 4,160
Equipment	7,899	3,884	-	11,783
Total accumulated depreciation	<u>\$ 9,358</u>	<u>\$ 6,585</u>	<u>\$ -</u>	<u>\$ 15,943</u>
Total capital assets	<u>\$ 37,592</u>	<u>\$ 603</u>	<u>\$ -</u>	<u>\$ 38,195</u>

Depreciation expense for the year ended September 30, 2017 was charged as follows:

Governmental Activities:	
General government	<u>\$6,585</u>

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

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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

Note 9. Related Party Transactions

At September 30, 2017, there are no related party transactions or related amounts receivable or payable.

Note 10. Litigation

The City Court of Rayne has no threatened or pending litigation against it at September 30, 2017.

Note 11. Retirement Benefits

Plan Description

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

Benefits Provided

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

Retirement

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

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

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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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

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

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is ten years of service.

Deferred Retirement Benefits

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

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

Disability Benefits

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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

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

The rates in effect during the plan year ending/ended June 30, 2018 and 2017 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2016	Employer Contribution Rate 2017
Judges hired before 1/1/11	Closed	11.5%	38.1%	38.0%

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

The City Court's contractually required composite contribution rate for the period from October 1, 2016 to June 30, 2017 was 38.0%, and for the period from July 1, 2017 to September 30, 2017 was 40.1%, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City Court were \$15,801 for the year ended September 30, 2017.

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

At September 30, 2017, the City Court reported a liability of \$167,735 for its proportionate share of the net pension liability. 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 City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the City Court's proportion was 0.002383%, which was an increase of 0.000351% from its proportion measured as of June 30, 2016.

For the year ended September 30, 2017, the City Court recognized pension expense of \$15,349 plus the City Court's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$9,682.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,078
Net difference between projected and actual earnings on pension plan investments	5,454	-
Changes in assumptions	663	
Changes in proportion and differences between employer contributions and proportion of shared contributions	33,130	1,658
Employer contributions subsequent to the measurement date	4,211	-
Total	\$ 43,458	\$ 4,736

Deferred outflows of resources of \$4,211 related to pensions resulting from the City Court's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:	
2018	\$ 23,039
2019	12,667
2020	2,183
2021	(3,378)

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2017 are as follows:

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years.
Investment Rate of Return	7.75% per annum.
Inflation Rate	3.0% 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.
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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:
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Member Type	Lower Range	Upper Range
Judges	2.8%	5.3%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	0%	-0.24%
Domestic equity	25%	4.31%
International equity	32%	5.35%
Domestic fixed income	10%	1.73%
International fixed income	4%	2.49%
Alternative investments	22%	7.41%
Global asset allocation	7%	2.84%
Total	100%	5.26%

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City Court's proportionate share of the Net Pension Liability using the discount rate of 7.70%, as well as what the City Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.70%) or one percentage-point higher (8.70%) than the current rate:

	1.0% Decrease (6.70%)	Current Discount Rate (7.70%)	1.0% Increase (8.70%)
City Court's proportionate share of the net pension liability	\$ 210,573	\$ 167,735	\$ 131,313

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2017 Comprehensive Annual Financial Report at www.lasersonline.org.

Note 12. Deficit in Net Position

The Court has a deficit in net position of (\$22,693) caused by the net pension liability of \$167,735.

Note 13. Prior Period Adjustment

There is a \$13,496 prior period adjustment in the General Fund due to the removal of old outstanding items.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

Note 15. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through March 22, 2018 the date which the financial statements were available to be issued.

Required Supplemental Information

CITY COURT OF RAYNE, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2017

With Comparative Actual Amounts for Year Ended September 30, 2016

	2017			Variance-- Positive (Negative)	2016
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Criminal fees	\$ 381,478	\$ 387,440	\$ 419,275	\$ 31,835	\$ 415,208
Civil court fees	74,414	82,193	88,908	6,715	70,830
Miscellaneous	4,879	7,394	-	(7,394)	-
Total Revenues	<u>\$ 460,771</u>	<u>\$ 477,027</u>	<u>\$ 508,183</u>	<u>\$ 31,156</u>	<u>\$ 486,038</u>
Expenditures:					
General government--judicial					
Indigent defender	\$ 59,084	\$ 71,743	\$ 77,574	\$ (5,831)	\$ 72,804
Crime lab	24,294	44,929	49,255	(4,326)	39,303
Reparation fund	-	-	-	-	-
Witness fund	7,218	8,700	9,450	(750)	9,022
District Attorney	2,363	1,513	2,016	(503)	2,035
Law enforcement commission	3,207	3,881	4,297	(416)	3,804
City of Rayne fines	141,894	114,788	14,896	99,892	21,319
City of Rayne LACE tickets	-	-	107,410	(107,410)	124,326
DWI fees	4,779	6,505	7,204	(699)	6,431
Retirement	13,680	15,453	15,800	(347)	12,942
Marshall services	52,317	56,977	60,651	(3,674)	61,035
Other fees	6,757	8,045	9,680	(1,635)	9,932
Compensation	40,140	45,343	45,715	(372)	37,565
Clerk fees	26,814	30,397	30,436	(39)	24,199
Building and maintenance	6,215	13,043	8,030	5,013	7,754
Convention and meetings	25,000	24,502	24,500	2	23,430
Recording fees	13,004	14,613	15,605	(992)	13,350
Dues and subscriptions	1,933	1,450	1,300	150	1,985
Office expense	1,500	6,445	4,133	2,312	8,099
Refunds	7,522	7,806	7,071	735	7,477
Miscellaneous	4,068	3,060	2,522	538	7,448
Capital Outlay	-	-	7,188	(7,188)	10,060
Total Expenditures	<u>\$ 441,789</u>	<u>\$ 479,193</u>	<u>\$ 504,733</u>	<u>\$ (25,540)</u>	<u>\$ 504,320</u>
Excess Revenues over Expenditures	\$ 18,982	\$ (2,166)	\$ 3,450	\$ 5,616	\$ (18,282)
Other sources (uses):					
Operating transfers in- Fiduciary fund	\$ (626)	\$ -	\$ 7,930	\$ 7,930	\$ 6,947
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 18,356	\$ (2,166)	\$ 11,380	\$ 13,546	\$ (11,335)
Prior Period Adjustment	\$ -	\$ -	\$ 13,496	\$ 13,496	\$ -
Fund Balance, Beginning of Year	\$ 43,249	\$ 43,249	\$ 43,249	\$ 43,249	\$ 54,584
Fund Balance, End of Year	<u>\$ 79,961</u>	<u>\$ 38,917</u>	<u>\$ 68,125</u>	<u>\$ 83,837</u>	<u>\$ 43,249</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Employer Contributions
For the year ended September 30, 2017

Fiscal Year ended September 30,	Louisiana State Employees' Retirement System (LASERS)					Contributions as a % of Covered Employee Payroll
	Statutorily Required Contribution	Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Agency's covered- employee payroll		
2017	\$ 15,801	\$ 15,801	\$ -	\$ 41,000	38.5%	
2016	\$ 12,942	\$ 12,942	\$ -	\$ 34,000	38.1%	
2015	\$ 14,944	\$ 14,944	\$ -	\$ 36,500	40.9%	
2014	\$ 18,462	\$ 18,462	\$ -	\$ 50,000	36.9%	

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

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

Notes to Required Supplementary Information

Change of Benefit Terms

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

Changes of Assumptions

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

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Employer's Proportionate Share of Net Pension Liability
For the year ended September 30, 2017

Louisiana State Employees' Retirement System (LASERS)

Fiscal Year ended June 30	Agency's Proportion of the Net Pension Liability (Asset)	Agency's Proportionate Share of the Net Pension Liability (Asset)	Agency's Covered- Employee Payroll	Agency's	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
				Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered- Employee Payroll	
2017	0.002383%	\$ 167,735	\$ 39,500	424.6%	62.5%
2016	0.00203%	\$ 159,564	\$ 31,000	514.7%	57.7%
2015	0.00130%	\$ 88,080	\$ 36,500	241.3%	62.7%
2014	0.00133%	\$ 83,414	\$ 51,000	163.6%	65.0%

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

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

Notes to Required Supplementary Information

Change of Benefit Terms

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

Changes of Assumptions

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

The accompanying notes are an integral part of this statement.

Other Supplemental Information

CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF EXPENDITURES - GENERAL FUND

September 30, 2017

With Comparative Amounts for Year Ended September 30, 2016

	General Fund	
	<u>2017</u>	<u>(Memo Only) 2016</u>
Expenditures:		
General government--judicial		
Indigent defender	\$ 77,574	\$ 72,804
Crime lab	49,255	39,303
Reparation fund	-	-
Witness fund	9,450	9,022
District Attorney	2,016	2,035
Law enforcement commission	4,297	3,804
City of Rayne fines	14,896	21,319
City of Rayne LACE tickets	107,410	124,326
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Other fees	9,680	9,932
Compensation	45,715	37,565
Clerk fees	30,436	24,199
Building and maintenance	8,030	7,754
Convention and meetings	24,500	23,430
Recording fees	15,605	13,350
Dues and subscriptions	1,300	1,985
Office expense	4,133	8,099
Refunds	7,071	7,477
Miscellaneous	2,522	7,449
Total General Government	<u>497,545</u>	<u>494,261</u>
Capital Outlay	<u>\$ 7,188</u>	<u>\$ 10,060</u>
Total Expenditures	<u>\$ 504,733</u>	<u>\$ 504,321</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

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

September 30, 2017

Agency Head Name: James M. Cunningham, III

Purpose	Amount
Salary*	\$ 56,661
Benefits-insurance	1,728
Benefits-retirement*	30,374
Benefits-other	-
Car allowance	-
Vehicle provided by government	-
Per diem	1,947
Reimbursements	5,231
Travel	1,218
Registration fees	650
Conference	2,200
Continuing professional education fees	-
Dues	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	221
	<hr/>
	\$ 100,230
	<hr/> <hr/>

*Includes amounts from the Acadia Parish Police Jury.

The accompanying notes are an integral part of this statement.

**Compliance, Internal Control
and Other Information**

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Rayne, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City Court of Rayne Louisiana's basic financial statements and have issued our report thereon dated March 22, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan at 2017-1 that we consider to be significant deficiencies.

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and corrective action plan at 2017-2 and 2017-3.

City Court of Rayne Louisiana's Response to Findings

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

Purpose of this Report

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

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

Thibodeaux Accounting Company

Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 22, 2018

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings
Year Ended September 30, 2017

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the City Court of Rayne, Louisiana's basic financial statements as of and for the year ended September 30, 2017.

Internal Control - Financial Reporting

There was one significant deficiency in internal control on financial reporting that was disclosed by the audit of the financial statement.

Material Noncompliance – Financial Reporting

The results of our tests disclosed two instances of noncompliance required to be reported under *Government Auditing Standards*.

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

2017-1 Finding: Financial Statements Not in Accordance With GAAP

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

Criteria:

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

Cause of Condition:

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

Effect of Condition:

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

Recommendation:

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

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings (Continued)
Year Ended September 30, 2017

2017-2 Finding: Budget Violation

City Court did not properly amend their budget and exceeded budgeted expenses or uses by 5% or more in the General Fund

Criteria:

Louisiana Revised Statute 39:1311 states that the total actual expenses or uses should not exceed budgeted amounts by 5% or more.

Cause of Condition:

Management did not properly amend the budget.

Effect of Condition:

City Court could spend funds in excess of budgeted amounts.

Recommendation:

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

2017-3 Finding: Rayne City Court paid sales tax on a purchase.

Rayne City Court paid sales tax on a purchase that was reimbursed to an employee.

Criteria:

Article VII, Section 14(A) of the Louisiana Constitution of 1974 provides that funds, credit, property or things of value of the State of any political subdivision shall not be loaned, pledged or donated to or for any person, association or corporations.

Cause of Condition:

An employee was reimbursed an amount that included sales tax.

Effect of Condition:

The City Court is in violation of Article VII, Section 14(A) of the Louisiana Constitution of 1974 and expended funds unnecessarily.

Recommendation:

City Court should ensure that it distributes funds in accordance with laws.

CITY COURT OF RAYNE, LOUISIANA

Corrective Action Plan
Year Ended September 30, 2017

Response to Findings:

2017-1 City Court has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

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

2017-2 City Court will review and comply with Louisiana Revised Statute 39:1309 and properly amend their future budgets.

Judge James M. Cunningham, III is the responsible party. The estimated date of completion is September 30, 2018.

2017-3 City Court will review and comply with Article VII, Section 14(A) of the Louisiana Constitution of 1974.

Judge James M. Cunningham, III is the responsible party. The estimated date of completion is September 30, 2018.

CITY COURT OF RAYNE, LOUISIANA

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2017

2016-1 The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

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

Status: Unresolved

2016-2 City Court did not properly amend their budget.

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

Status: Unresolved

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

March 22, 2018

We have performed the procedures included enumerated below, which were agreed to by the management of the the City Court of Rayne, Louisiana, (Court) and the Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2016 through September 30, 2017. The Court's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
No exceptions noted.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
One exception noted. Policy does not state how vendors are added to the list.
 - c) ***Disbursements***, including processing, reviewing, and approving
No exceptions noted.
 - d) ***Receipts***, including receiving, recording, and preparing deposits
No exceptions noted.
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
No exceptions noted.

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- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
No exceptions noted.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
Not applicable.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
No exceptions noted.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
Exception. There are no written policies and procedures.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
Not applicable.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
Not applicable.
 - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.
Not applicable.

Bank Reconciliations

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

The listing was provided by management.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

No exceptions noted.

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

Exception noted. There was no evidence that bank reconciliations were reviewed by management.

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

An exception was noted on four out of the six bank accounts maintained by the Court.

Collections

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

The list was provided by management.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

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

(1) No exceptions noted. (2) No exceptions noted. (3) Exception noted. Each person does not have a separate cash drawer.

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

No exceptions noted.

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

Exceptions noted. No deposits tested were deposited within one day. The number of days from collection to deposit varied from 20-24 days.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions noted.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

No exceptions noted.

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

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

The listing was obtained from the general ledger.
9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The City Court does not utilize a purchase order system.
 - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

The City Court does not utilize a purchase order system.
 - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

The City Court does not utilize a purchase order system.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Exception noted. The Clerk performs accounts payable processing and adds vendors to the Court's system.

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

Exception noted. There is no documentation that the Judge has final authorization and checks can be signed by the Judge and Clerk. The Judge is responsible for initiating purchases and the clerk is responsible for recording purchases.

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

Exception noted. Checks are stored in the Clerk's office in a safe which all employees have access to and the Clerk does have signatory authority.

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

No signature stamp or machine is used by the Court. The Clerk maintains control of the checks until they are mailed.

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

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

Not applicable.

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

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

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

Not applicable.

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

Not applicable.

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

- a) For each transaction, report whether the transaction is supported by:
- An original itemized receipt (i.e., identifies precisely what was purchased)
Not applicable.
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
Not applicable.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
Not applicable.
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
Not applicable.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
Not applicable.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
Management provided list.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.
No exceptions noted.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
Several exceptions noted. GSA rates were not used, tips were reimbursed in addition to per diem and sales tax was paid on lodging.

b) Report whether each expense is supported by:

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

One exception was noted.

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

Documentation was present.

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

No exceptions.

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

One exception noted. Sales tax was paid.

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

Each expense tested was supported by documentation of review and approval in writing by someone other than the traveler without exception.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Not applicable.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
Not applicable.
 - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
Not applicable.
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
Not applicable.
 - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
Not applicable.
 - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
Not applicable.
 - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).
Not applicable.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- Not applicable. City Court employees are employed by the City of Rayne.
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
Not applicable.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
Not applicable.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Retirement contributions were paid timely.

Ethics (excluding nonprofits)

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

No exceptions noted.

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

No alleged ethics violations reported.

Debt Service (excluding nonprofits)

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

No debt was issued during the fiscal period.

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

Not applicable.

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

The Court did not have tax millages related to debt service payments.

Other

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

No misappropriations reported.

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

The Court did have the required notice posted in a conspicuous place upon its premises but the Court does not have a website.

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

The practitioner did not observe or otherwise identify any exceptions regarding management's representations in the procedures above.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. 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.

Thibodeaux Accounting Company

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