

**CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA**

**Oakdale, Louisiana**

**Annual Financial Report and Independent  
Auditors' Report**

**Year Ended December 31, 2018**

***Royce T. Scimemi, CPA, APAC  
Oberlin, Louisiana***

**CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA  
Annual Financial Report for Year Ended December 31, 2018**

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### INDEPENDENT AUDITORS' REPORT

**HONORABLE JUDI ABRUSLEY**  
**CITY JUDGE**  
**CITY COURT OF OAKDALE**  
**AND WARD 5 OF ALLEN PARISH, LOUISIANA**  
Oakdale, Louisiana

June 28, 2019

#### Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the major funds of the City Court of Oakdale and Ward 5 of Allen Parish, Louisiana (the "City Court") as of and for the year ended December 31, 2018, and the related notes to the basic financial statements, which collectively comprise the City Court's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of 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 misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these basic 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 basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic financial statements.

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

Independent Auditors' Report  
Honorable Judi Abrusley  
City Judge  
City Court of Oakdale and Ward 5 of Allen Parish, LA  
June 28, 2019  
Page 2

## Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the City Court as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-9, the budgetary comparison information on page 37, the schedule of the City Court's proportionate share of net pension liability on page 38, the schedule of the City Court's contributions on page 39, and the related notes to the required supplementary information on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

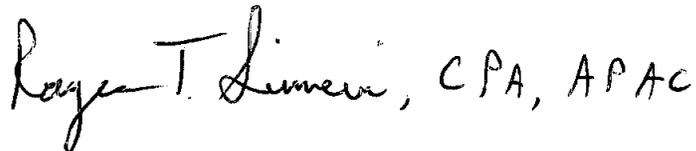
### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court's basic financial statements. The other information supplementary information on pages 43-45 is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of the City Court'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 solely 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 effectiveness of the City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC  
Oberlin, Louisiana



CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Management's Discussion and Analysis

Within this section of the annual financial report of the City Court of Oakdale and Ward 5 of Allen Parish, Louisiana, the City Court's management is pleased to provide this narrative discussion and analysis of the financial activities of the City Court for the fiscal year ended December 31, 2018. The City Court's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**Financial Highlights**

- The City Court's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$72,229 and \$99,544 (net position) for the fiscal years ended December 31, 2018 and 2017, respectively.
- Total revenues of \$289,852 were exceeded by total expenses of \$317,167 which resulted in a 2018 deficit of \$27,315. In the prior year, total revenues of \$330,934 exceeded total expenses of \$285,198, which resulted in a 2017 surplus of \$45,736.
- Total net position is comprised of the following:
  - (1) Invested in capital assets of \$24,268 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt, if any, related to the purchase of capital assets. In comparison, as of December 31, 2017, the City Court's net investment in capital assets was \$24,478.
  - (2) Unrestricted net position, representing the portion of net position available to maintain the City Court's continuing obligations to citizens and creditors, amounted to \$47,961 and \$75,066 for the fiscal years ended December 31, 2018 and 2017, respectively.
- The City Court's governmental fund reported a total ending fund balance of \$113,354 this year. This compares to the prior year ending fund balance of \$133,958, reflecting a decrease of \$20,604 during 2018. For the prior year ended December 31, 2017, an increase of \$44,422 was reported in the total ending fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$113,354, or 37% of total General Fund expenditures and 39% of total General Fund revenues.
- Overall, the City Court financial position has declined but is stable as a result of the required funding of the City Court's operational expenses by the City of Oakdale. The unassigned governmental fund balance decreased by \$20,604 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the City Court's basic financial statements, which include: (1) the government-wide financial statements, (2) the fund financial statements, and (3) the notes to the basic financial statements. The City Court also includes in this report additional information to supplement the basic financial statements.

**Government-Wide Financial Statements**

The City Court's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City Court's overall financial status. Financial reporting at

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Oakdale, Louisiana

Management's Discussion and Analysis

this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City Court's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City Court as a whole is improving or deteriorating. Evaluation of the overall health of the City Court would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City Court's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City Court's distinct activities or functions on revenues provided.

The government-wide financial statements are presented on pages 12 and 13 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City Court uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City Court's most significant funds rather than the City Court as a whole.

The City Court uses governmental funds and fiduciary funds as follows:

*Governmental funds* are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City Court's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 through 19 of this report.

#### *Notes to the basic financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

#### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the management's discussion and analysis (beginning on page 5), the general fund budgetary comparison schedule (on page 37) which demonstrates compliance with the City Court's adopted and final budget, and the pension-related schedules (beginning on page 38), as well as required supplemental information (on page 40).

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Management's Discussion and Analysis

In addition this report also presents certain other supplementary information concerning the City Court's fiduciary funds and a schedule of compensation, benefits and other payments to the Chief Executive Officer/Judge. These statements reflect greater detail on the activity in the City Court's fiduciary funds. Other supplementary information regarding the fiduciary funds can be found on pages 43 and 44 of this report. The schedule of compensation, benefits and other payments to the chief executive officer is on page 45 of this report and is required by Louisiana Revised Statutes 24:513(A)(3).

**Financial Analysis of the City Court as a Whole**

The City Court's net position at December 31, 2018 and 2017 was \$72,229 and \$99,544, respectively. The following table provides a summary of the City Court's net position:

	<u>2018</u>		<u>2017</u>	
Assets and Deferred Outflows of Resources:				
Current assets	\$118,024	83%	\$139,700	85%
Capital assets	<u>24,268</u>	<u>17</u>	<u>24,478</u>	<u>15</u>
Total assets	<u>142,292</u>	<u>100%</u>	<u>164,178</u>	<u>100%</u>
Deferred outflows of resources	<u>21,722</u>	<u>100%</u>	<u>5,692</u>	<u>100%</u>
Liabilities and Deferred Inflows of Resources:				
Current liabilities	4,670	5%	5,742	8%
Long-term liabilities	<u>84,226</u>	<u>95</u>	<u>63,420</u>	<u>92</u>
Total liabilities	<u>88,896</u>	<u>100%</u>	<u>69,162</u>	<u>100%</u>
Deferred inflows of resources	<u>2,889</u>	<u>100%</u>	<u>1,164</u>	<u>100%</u>
Net position:				
Investment in capital assets, net of debt	24,268	34%	24,478	25%
Unrestricted	<u>47,961</u>	<u>66</u>	<u>75,066</u>	<u>75</u>
Total net position	<u>\$ 72,229</u>	<u>100%</u>	<u>\$ 99,544</u>	<u>100%</u>

The City Court continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio was 25.27 to 1 and 24.33 to 1 in 2018 and 2017, respectively.

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Oakdale, Louisiana

Management's Discussion and Analysis

The following table provides a summary of the City Court's changes in net position:

Revenues:	2018		2017	
Program:				
Charges for services/court costs	\$ 55,048	19%	\$ 105,415	32%
Operating grants and contributions	234,779	81	225,494	68
General:				
Interest	25	-	25	-
Total revenues	289,852	<u>100%</u>	330,934	<u>100%</u>
Program expenses:				
Court administration	317,167	<u>100%</u>	285,198	<u>100%</u>
Change in net position	(27,315)		45,736	
Beginning net position	99,544		53,808	
Ending net position	\$ <u>72,229</u>		\$ <u>99,544</u>	

**Governmental Revenues**

Note that program revenues covered 91% and 116% of governmental operating expenses in 2018 and 2017, respectively.

**Governmental Functional Expenses**

The total function of the City Court is court administration. Of the total cost, depreciation on the furniture and equipment was \$5,530 or 2% and \$5,195 or 2% of total expenses in 2018 and 2017, respectively.

**Financial Analysis of the City Court's Funds**

***Governmental Funds***

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The sole governmental fund reported ending fund balances of \$113,354 and \$133,958 in 2018 and 2017, respectively.

The unassigned fund balance decreased by \$20,604 during the current year.

**Budgetary Highlights**

***The General Fund*** – When the original budget was adopted, it was anticipated that the total revenues were going to increase mainly due to an increase in court costs and fine revenues in relation to the prior year final budget. It was also anticipated that the total expenditures were going to increase mainly due to an increase in retirement. The budget was not amended during the year. Variances were positive overall.

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Management's Discussion and Analysis

**Capital Assets and Debt Administration**

***Capital Assets***

The City Court's investment in capital assets, net of accumulated depreciation as of December 31, 2018 and 2017, were \$24,268 and \$24,478, respectively. See Note D for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>2018</u>	<u>2017</u>
Depreciable assets:		
Furniture, fixtures, and equipment	\$ 76,945	\$ 71,825
Less: accumulated depreciation	<u>52,677</u>	<u>47,347</u>
Book value-depreciable assets	\$ <u>24,268</u>	\$ <u>24,478</u>
Percentage depreciated	<u>68%</u>	<u>66%</u>
Book value-all capital assets	\$ <u>24,268</u>	\$ <u>24,478</u>

The depreciable capital assets for governmental activities were 68% and 66% depreciated for the fiscal years ended June 30, 2018 and June 30, 2017, respectively. This comparison indicates that the City is replacing its governmental assets slower than they are depreciating.

The major asset additions included:

- Computer
- Security cameras

***Long-Term Debt***

The City Court had no long-term debt during 2018 other than its net pension liability.

**Contacting the City Court's Financial Management**

This financial report is designed to provide a general overview of the City Court's finances, comply with finance-related laws and regulations, and demonstrate the City Court's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the City Court's office, Judge Judi Abrusley, at (318) 335-1121.

**BASIC FINANCIAL STATEMENTS**

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

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**  
**Statement of Net Position**  
**December 31, 2018**

		<u>Primary Government</u>
		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and certificates of deposit	\$	113,492
Accounts receivable - intergovernmental		4,532
Capital assets, net		<u>24,268</u>
<b>Total Assets</b>		<u><u>142,292</u></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension plan		<u>21,722</u>
<b>Total Deferred Outflows of Resources</b>		<u><u>21,722</u></u>
 <b>LIABILITIES</b>		
Accounts payable		2,913
Accrued payroll liabilities		1,757
Net pension liability		<u>84,226</u>
<b>Total Liabilities</b>		<u><u>88,896</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension plan		<u>2,889</u>
<b>Total Deferred Inflows of Resources</b>		<u><u>2,889</u></u>
 <b>NET POSITION</b>		
<i>Invested in capital assets, net of related debt</i>		24,268
<i>Unrestricted</i>		<u>47,961</u>
<b>Total Net Position</b>	<b>\$</b>	<u><u>72,229</u></u>

The accompanying notes are an integral part of these financial statements.

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**

**Statement of Activities**

**For the Year Ended December 31, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital Grants</u>	<u>Revenue</u>
		<u>Services</u>	<u>Grants and</u>	<u>and</u>	<u>Primary</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>
					<u>Activities</u>
<b>Primary Government</b>					
<b>Governmental Activities:</b>					
Court administration	\$ 317,167	\$ 55,048	\$ 234,779	\$ --	\$ (27,340)
<b>Total Primary Government</b>	<u>\$ 317,167</u>	<u>\$ 55,048</u>	<u>\$ 234,779</u>	<u>\$ --</u>	<u>\$ (27,340)</u>
		<b>General Purpose Revenues:</b>			
		<b>Revenues</b>			
					25
					<u>25</u>
					<b>(27,315)</b>
					99,544
					<u>\$ 72,229</u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**  
**Balance Sheet**  
**Governmental Fund**  
**December 31, 2018**

		<b>General Fund</b>
<b>ASSETS</b>		
Cash and certificates of deposit	\$	113,492
Accounts receivable - intergovernmental		4,532
<b>Total Assets</b>		<b>118,024</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Aggregated deferred outflows		--
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$</b>	<b>118,024</b>
 <b>LIABILITIES</b>		
Accounts payable	\$	2,913
Accrued payroll liabilities		1,757
<b>Total Liabilities</b>		<b>4,670</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Aggregated deferred inflows		--
<b>Total Liabilities and Deferred Inflows of Resources</b>		<b>4,670</b>
 <b>FUND BALANCE</b>		
Unassigned		113,354
<b>Total Fund Balance</b>		<b>113,354</b>
 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	 <b>\$</b>	 <b>118,024</b>

The accompanying notes are an integral part of these financial statements.

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**  
**Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position**  
**December 31, 2018**

Total Fund Balance - Governmental Fund	\$	113,354
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balance.		24,268
Pension related changes in deferred outflows of resources that is only reported in the Statement of Net Position.		21,722
Pension related changes in deferred inflows of resources that is only reported in the Statement of Net Position.		(2,889)
Net pension liability reflected in the Statement of Net Position not in Governmental Fund Balance Sheet.		(84,226)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>72,229</u></b>

The accompanying notes are an integral part of these financial statements.

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended December 31, 2018**

	<b>General Fund</b>
<b>Revenues</b>	
Court costs and fine revenue	\$ 55,048
Interest income	25
Intergovernmental income	234,779
<b>Total Revenues</b>	<b>289,852</b>
<b>Expenditures</b>	
Current:	
Contract service	2,772
Computer	7,983
Dues and subscriptions	4,973
Education	1,765
Insurance	287
Office	4,648
Payroll taxes	9,839
Postage	3,052
Professional fees	12,632
Retirement	61,864
Salaries	176,451
Telephone	8,835
Travel	10,035
Capital outlay	5,320
<b>Total Expenditures</b>	<b>310,456</b>
<b>Net Change in Fund Balance</b>	<b>(20,604)</b>
<i>Fund Balance at Beginning of Period</i>	<i>133,958</i>
<b>Fund Balance at End of Period</b>	<b>\$ 113,354</b>

The accompanying notes are an integral part of these financial statements.

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**  
**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance to the Statement of Activities**  
**For the Year Ended December 31, 2018**

Total Net Change in Fund Balance - Governmental Fund	\$	(20,604)
Fixed assets are expensed as capital outlay in governmental fund statements and capitalized as fixed assets in Statement of Net Position.		5,320
Depreciation expense is reflected in entity-wide statements, but not reflected in the governmental fund statements.		(5,530)
Pension expense is based on employer contributions in the government fund Statement of Revenues, Expenditures, and Changes in Net Position but actuarially calculated expense on the Statement of Activities.		(6,501)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>(27,315)</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA**  
Oakdale, Louisiana

**Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2018**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ <u>85,221</u>
<b>LIABILITIES</b>	
Advanced costs/bond deposits	\$ <u>85,221</u>

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2018

(A) Summary of Significant Accounting Policies

The City Court of Oakdale and Ward 5 of Allen Parish, Louisiana was established under Louisiana Revised Statutes 13:1870 et. seq. Its territorial jurisdiction extends throughout Ward 5 of Allen Parish in which the City of Oakdale is located. The City Court officials include the City Court Judge (elected for a term of six years) and the City Clerk (appointed by the City Court Judge). The City Court Judge assesses court costs in civil and criminal matters including traffic violations. These costs are utilized in the operation of the City Court. Costs are deposited into separate special accounts for the City Court.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applied to governments and to the requirements of the industry audit guide, *Audits of State and Local Governments*. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The following is a summary of certain significant accounting policies:

1. Basis of Presentation

The accompanying basic financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have also been prepared in conformity with GASB Statement 34, "Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the City Court as a whole. These statements include all the financial activities of the City Court except for fiduciary-agency funds. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchanges occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include court cost income and intergovernmental revenues that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including any taxes and interest, are presented as general revenues.

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Fund Financial Statements (FFS)

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

Governmental Fund -

The General Fund is the principal fund of the City Court and is used to account for the operations of the City Court. The various fees and charges due to the City Court are accounted for in this fund. General operation expenditures are paid from this fund.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the City Court are agency funds. The agency funds (Civil Court Fund, Cash Bond Fund, and Fines and Restitution Fund) account for assets held by the City Court as an agent for outside parties, including other governments, or on behalf of other funds within the government.

2. Financial Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component unit should be considered part of the reporting entity for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, including the following:

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

Although the Ward Marshal is the executive officer of the City Court, the City Court Judge and Ward Marshal are independently elected officials and each represents a separate reporting entity empowered to execute order of the court including making arrests and preserving the peace.

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The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the Ward Marshal, the City of Oakdale, or the Allen Parish Police Jury, the general government services provided by those governmental units, or any other governmental units.

3. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and statement of activities, the governmental activities are presented using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. Equity is reported as net position.

All governmental funds utilize a “current financial resources” measurement focus. Under this measurement focus, only current financial assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. These funds use fund balances as their measure of available spendable financial resources at the end of the period. This approach is then reconciled, through adjustment, to a government-wide view of City Court operations.

Basis of Accounting

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

The governmental funds utilize the modified accrual basis of accounting, under which revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) are recorded when the related fund liability is incurred, as under accrual accounting, except interest and principal payments on general long-term debt are recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The governmental funds use the following practices in recording revenues and expenditures:

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Revenues

Court costs, penalties, fines, and miscellaneous revenues are recorded in the year in which they are received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Capital expenditures are regarded as expenditures at the time of purchase.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

4. Budgetary Accounting

A general fund budget is adopted on a basis consistent with generally accepted accounting principles. On or before December 15 of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The proposed budget is for a particular fiscal year presented to the City Court Judge for review and adoption by the end of the preceding year. Any changes in the budget must be within the revenues and reserves estimated. Expenditures may not legally exceed budgeted appropriations at the activity level. The original budget for 2018 was not amended during the year.

5. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The City Court maintains a threshold level of \$750 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 asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office Furniture	5-7 Years
Equipment	5-10 Years
Improvements	10-20 Years

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6. Compensated Absences

The City Court has the following policy relating to vacation and sick leave:

Employees of the City Court earn two to three weeks of vacation and 10 days of sick leave each year, depending on length of service. Vacation is cumulative and sick leave must be used in the year earned. The City Court's recognition and measurement criteria for compensated absences include:

- a. The employee's rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.
- c. The accrued compensated absences at December 31, 2018 amounted to \$0.

7. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City Court as an extension of formal budgetary integration in the funds.

8. Equity Classification

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Consists of all other net position that does fall within the above classifications.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

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- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the City Court Judge. The City Court Judge is the highest level of decision-making authority for the City Court. Commitments may be established, modified, or rescinded only by the City Court Judge.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City Court’s adopted policy, only the City Court Judge may assign amounts for specific purposes.
- e. Unassigned – all other spendable amounts.

It is the Court’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Court uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made that can properly be attributed to the earlier listed classifications.

9. Use of Estimates

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

10. Advanced Costs

Advanced costs represent money received in connection with civil suits that is accounted for in the Civil Court Fund. The parties in each civil suit are required to make advance payments to cover the cost charged by the City Court in processing the suit. These cash advances remain in the advance costs account until earned, at which time they are disbursed to the proper entities, or until the case has been dismissed and the remaining amount is refunded.

11. Cash and Certificates of Deposit

Cash includes amounts in demand deposits and time deposits. Under state law (LA. R. S. 33:2955), the City Court may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law and national banks having an office in Louisiana. These deposits are stated at cost, which approximates market.

12. Revenues, Expenditures, and Expenses

Operating revenues

Operating revenues and expenses are those that result from the services and provided by the City Court. Court costs and fine revenues are recorded when the City Court is entitled to the funds.

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

Expenditures/Expenses

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

13. Subsequent Events

Management has evaluated subsequent events through June 28, 2019, the date the financial statements were available to be issued.

14. Pensions

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

15. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(B) City Court Operations

Fines collected by the City Court are required to be remitted to the City of Oakdale, LA, when the prosecutions are on behalf of the City, to the Allen Parish Police Jury when the prosecutions are on behalf of the state or parish, and to other various state agencies as required by law.

The City Court Judge assesses court costs in both criminal and civil cases under the authority of Louisiana Revised Statutes 13:2110, 13:841 and 13:1899. Costs collected in criminal matters (including traffic violations) are used to pay the operational expenses of the City Court. Court costs collected in civil cases are paid to the City Court Judge, the Ward Marshal and other agencies.

The City of Oakdale, LA and the Allen Parish Police Jury pay salary payments directly to the City Court Judge and the City Court's employees. The City Court supplements the City Court employees' salaries. The City Court is provided office and courtroom space by the City of Oakdale without charge.

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(C) Cash and Certificates of Deposit

Under state law, the City Court may deposit funds with a fiscal agent bank located in the parish or congressional district that is organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having an office in Louisiana. At December 31, 2018, the City Court has cash and certificates of deposit (book balances) totaling \$198,712.

	Governmental Funds	Fiduciary Funds	Total
Demand deposits	\$62,880	\$ 85,220	\$148,100
Certificates of deposit	<u>50,612</u>	<u>-</u>	<u>50,612</u>
Total	<u>\$113,492</u>	<u>\$ 85,220</u>	<u>\$198,712</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the City Court will not recover amounts held on deposit with the institution or the collateral securities pledged to protect such deposits. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2018 totaled \$197,918 and are fully insured by federal deposit insurance and therefore not exposed to custodial credit risk.

(D) Capital Assets

A summary of changes in capital assets follows:

	Balance <u>12/31/17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/18</u>
Furniture, fixtures and equipment	\$ 71,825	5,320	200	\$ 76,945
Less: Accumulated depreciation	<u>47,347</u>	<u>5,530</u>	<u>200</u>	<u>52,677</u>
Capital assets, net	<u>\$ 24,478</u>	<u>\$ (210)</u>	<u>\$ -</u>	<u>\$ 24,268</u>

Depreciation expense in the amount of \$5,530 was charged to court administration.

(E) Pension Plan

*Louisiana State Employees' Retirement System*

On behalf of the City Court Judge, the City Court civil fund contributes to the Louisiana State Employees' Retirement System (the System or LASERS), a cost sharing multiple-employer, public employee retirement system controlled and administered by a separate board of trustees. All state employees except certain classes excluded by statute become members of the System as a condition of employment unless they elect to continue

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as a contribution member in any other retirement system for which they are eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of the System.

The System also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213 or by calling (800) 256-3000 or online at <https://lasersonline.org>.

Judges first elected prior to January 1, 2011 contribute 11.5 percent of their salaries to the plan. For the City Court Judge the City Court is required by statute to contribute 40.01 percent from January 1, 2018 to June 30, 2018 and 40.1 percent from July 1, 2018 to December 31, 2018 of covered salaries. The City Court contributions to the System for the years ended December 31, 2018, 2017 and 2016 were \$9,058, \$7,616 and \$6,370, respectively. The amount of legally required contributions payable to the plan at December 31, 2018 was \$1,189. This balance is expected to be paid by the end of January 2019.

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

At December 31, 2018, the City Court reported a liability of \$84,226 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018 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 governmental agencies, actuarially determined. At June 30, 2018, the City Court's proportion was 0.001235%, which was a decrease of 0.000334% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the City Court recognized pension expense of \$7,774. At December 31, 2018, the City Court recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 945
Net difference between projected and actual		
Earnings on pension plan investments	1,092	-
Changes in assumptions	857	-
Changes in proportion	15,389	1,944
Changes in proportion and differences between City Court contributions and proportionate share of contributions	411	-
City Court contributions subsequent to the measurement date	3,973	-
Total	\$ 21,722	\$ 2,889

The \$3,973 reported as deferred outflows of resources related to pensions resulting from the City Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31:	
2019	\$ 8,537
2020	8,691
2021	(2,058)
2022	(310)
2023	-
Thereafter	-
Total	<u>\$ 14,860</u>

*Actuarial assumptions.* The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.65%, net of investment expense
Expected Remaining Service Lives	3 years
Inflation Rate	2.75%
Salary Increases, including inflation and merit	2.8% to 5.3% for Judges

**Plan Description**

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. 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 Benefits**

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. Our 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. For special classes of employees, such as judges, separate eligibility provisions and benefits may apply.

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

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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 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 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.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

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.

#### Deferred 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

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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.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if member does not cease employment after DROP participation.

#### Disability Benefits

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

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or the benefit is permanently legally binding, there is no reduction to the benefit if the retiree becomes gainfully employed.

#### Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 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.

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

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, regardless of children. Line of duty survivor benefits cease upon remarriage, and then the benefit is paid to the participant's children under 18.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

*Mortality rate.* The mortality rate assumption for non-disabled members used was set based upon the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. The mortality rate assumption for disabled members used was set based upon the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement. Termination, disability and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members. 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 provision for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

*Discount rate.* The discount rate used to measure the total pension liability was 7.65%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the City Court's proportionate share of pension liability to changes in the discount rate.* The following presents the City Court's proportionate share of the net pension liability calculated using the discount rate of 7.65% 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 (6.65%) and one percentage point higher 8.65% that the current rate:

	<b>1% Decrease (6.65%)</b>	<b>Discount Rate (7.65%)</b>	<b>1% Increase (8.65%)</b>
City Court's proportionate share of the net pension liability	\$106,299	\$84,226	65,216

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2018

Changes in Net Pension Liability – The changes in net pension liability for the year ended December 31, 2018 were recognized in the current reporting period as pension expense except as follows:

*Differences Between Expected and Actual Experience:*

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in a deferred inflow of resources of \$945 for the year ended December 31, 2018.

*Net Difference between Projected and Actual Earnings on Pension Plan Investments:*

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed four-year period. The difference between projected and actual earnings on pension plan investments resulted in a deferred outflow of resources of \$1,092 for the year ended December 31, 2018.

*Changes in Assumptions or Other Inputs:*

Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes in assumptions or other inputs resulted in a deferred outflow of resources of \$857 for the year ended December 31, 2018.

*Change in Proportion:*

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$15,389 and a deferred inflow of resources of \$1,944 for the year ended December, 2018.

*Changes in Proportion and Differences Between City Court Contributions and Proportionate Share of Contributions:*

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense/(benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in employer's proportion and differences between the City Court contributions and the proportion share of contributions resulted in a deferred outflow of resources of \$411 for the year ended December, 2018.

*Municipal Employees' Retirement System of Louisiana*

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2018

On behalf of eligible employees, other than the City Court Judge, the City Court contributes to the Municipal Employees' Retirement System of Louisiana (the System), a cost sharing multiple-employer, defined benefit pension plan administered by a separate board of trustees. The System is composed to two distinct plans (Plan A and Plan B). Employees are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination.

The System also provides death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Municipal Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Employees' Retirement System of Louisiana, 7937 Office Park Blvd., Baton Rouge, LA 70809 or by calling (225) 925-4810 or on-line at [www.mersla.com](http://www.mersla.com).

Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary to the plan. The City Court is required by the same statute to contribute an actuarially determined rate. The rate was 24.75 percent from January 1, 2018 to June 30, 2018 and 26.00 percent from July 1, 2018 to December 31, 2018. In addition, contributions to the System include ¼ of one percent of the taxes shown to be collectible by the tax rolls of each respective parish, except Orleans Parish. The tax dollars are divided between Plan A and Plan B based proportionately on the salaries of active members of each plan. The contribution requirements of plan members and the City Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City Court's contributions to Plan A of the System for the years ended December 31, 2018, 2017 and 2016 were \$1,050, \$839, and \$751, respectively.

(F) Agency Fund Activity

A summary of changes in agency fund unsettled deposits is as follows:

	Unsettled Deposits <u>12/31/17</u>	<u>Additions</u>	<u>Reductions</u>	Unsettled Deposits <u>12/31/18</u>
Agency funds:				
Civil Court Fund	\$ 50,312	\$ 71,373	\$ 56,752	\$ 64,933
Cash Bond Fund	22,124	1,761	3,597	20,288
Fines and Restitution Fund	<u>          -</u>	<u>202,997</u>	<u>202,997</u>	<u>          -</u>
Total	<u>\$ 72,436</u>	<u>\$ 276,131</u>	<u>\$ 263,346</u>	<u>\$ 85,221</u>

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

Notes to the Basic Financial Statements

December 31, 2018

(G) Risk Management

The City Court is exposed to various risks of loss related to torts, damage to, theft of and destruction of assets; errors and omissions; injuries to employees and the public; and natural disasters. The City Court is covered by the City of Oakdale's commercial insurance, including workers' compensation and employee health and accident insurance. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

(H) Expenditures of the City Court Paid by the City of Oakdale, LA

The City Court is located in Oakdale City Hall. The City of Oakdale, LA, as required by statute, pays the cost of maintaining and operating the City Court. These expenditures, except those noted in Note I are not included in the accompanying basic financial statements.

(I) On-Behalf Payments of Fringe Benefits and Salaries

GASB Statement No. 24 establishes accounting and financial reporting for on-behalf payments for fringe benefits and salaries. The following amounts were paid by the listed government entities on-behalf of the City Court for employee salaries and fringe benefits during 2018:

Allen Parish Police Jury	\$ 16,986
City of Oakdale	124,404
Judicial Branch of Louisiana	<u>74,380</u>
Total	<u>\$215,770</u>

In accordance with GASB Statement No. 24, these on-behalf payments are included as intergovernmental revenues and expenditures in the accompanying financial statements. Included in the above on-behalf payments are \$51,151 in employer pension contributions to pension plans for which the City Court is not legally responsible. Those plans include the Louisiana State Employees Retirement System (\$31,367 in employer contributions) and the Municipal Employees Retirement System (\$19,784 in employer contributions).

**REQUIRED SUPPLEMENTARY INFORMATION**

**City Court of Oakdale and Ward 5 of Allen Parish, Louisiana**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
<b>Revenues</b>				
Court cost and fine revenue	\$ 70,000	\$ 70,000	\$ 55,048	\$ (14,952)
Interest income	20	20	25	5
Intergovernmental income	190,000	190,000	234,779	44,779
<b>Total Revenues</b>	<b>260,020</b>	<b>260,020</b>	<b>289,852</b>	<b>29,832</b>
<b>Expenditures</b>				
<b>Current:</b>				
Contract service	4,000	4,000	2,772	1,228
Computer	3,000	3,000	7,983	(4,983)
Dues and subscriptions	3,500	3,500	4,973	(1,473)
Education	6,000	6,000	1,765	4,235
Insurance	500	500	287	213
Library	1,500	1,500	--	1,500
Office	6,000	6,000	4,648	1,352
Payroll taxes	9,500	9,500	9,839	(339)
Postage	5,000	5,000	3,052	1,948
Professional fees	20,000	20,000	12,632	7,368
Repairs and maintenance	500	500	--	500
Retirement	55,000	55,000	61,864	(6,864)
Salaries	215,000	215,000	176,451	38,549
Telephone	8,500	8,500	8,835	(335)
Travel	12,000	12,000	10,035	1,965
Uniforms	500	500	--	500
Capital outlay	5,000	5,000	5,320	(320)
<b>Total Expenditures</b>	<b>355,500</b>	<b>355,500</b>	<b>310,456</b>	<b>45,044</b>
<b>Net Change in Fund Balance</b>	<b>(95,480)</b>	<b>(95,480)</b>	<b>(20,604)</b>	<b>74,876</b>
<i>Fund Balance at Beginning of Period</i>	133,958	133,958	133,958	--
<b>Fund Balance at End of Period</b>	<b>\$ 38,478</b>	<b>\$ 38,478</b>	<b>\$ 113,354</b>	<b>\$ 74,876</b>

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE, LOUISIANA AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
General Fund

Schedule of City Court's Proportionate Share of  
Net Pension Liability

Louisiana State Employee's Retirement System (LASERS)

Last 10 Fiscal Years

Fiscal Year Ended December 31:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City Court's proportion of the net pension liability (asset)	.00123%	.00090%	.00099%	.00079%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City Court's proportionate share of the net pension liability (asset)	\$84,226	\$63,420	\$77,348	\$53,460	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City Court's covered-employee payroll	\$24,071	\$19,577	\$16,740	\$18,665	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City Court's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	349.90%	323.95%	462.06%	286.42%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Plan fiduciary net position as a percentage of the total pension liability	64.30%	62.54%	57.70%	62.70%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY COURT OF OAKDALE, LOUISIANA AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
General Fund

Schedule of City Court's Contributions

Louisiana State Employee's Retirement System (LASERS)

Last 10 Fiscal Years

Fiscal Year Ended December 31:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$9,058	\$7,616	\$6,370	\$6,997	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contributions in relation to the contractually required contribution	<u>\$9,058</u>	<u>\$7,616</u>	<u>\$6,370</u>	<u>\$6,997</u>	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
City Court's covered-employee payroll	\$22,589	\$19,577	\$16,740	\$18,665	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable
Contribution as a percentage of cover-employee payroll	40.10%	38.90%	38.05%	37.49%	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable

CITY COURT OF OAKDALE, LOUISIANA AND  
WARD 5 OF ALLEN PARISH, LOUISIANA

General Fund

Notes to Required Supplementary Information  
for the Year Ended December 31, 2018

(1) Budget and Budgetary Accounting

The Court follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Clerk of Court prepares a proposed budget and presents it to the Judge prior to ninety days before the beginning of each fiscal year.
- b. After the proposed budget is presented to the Judge, if the budgeted expenditures equal or exceed \$500,000, the Judge publishes the proposed budget and notifies the public that the proposed budget is available for public inspection.
- c. Any changes in the proposed annual operating budget require the Judge's approval.
- d. No later than the end of the fiscal year, the Judge adopts the annual operating budget for the ensuing fiscal year.
- e. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- f. Budget appropriations lapse at year-end.

(2) Excess of Expenditures Over Appropriations

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Court. Budgeted amounts included in the accompanying financial statements include the original adopted and final budget amounts. The budget for the general fund was not amended during the year.

(3) Pension Information

The schedule of the City Court's proportionate share of the net pension liability and the schedule of the City Court's pension contributions are intended to show information for 10 years. Additional years will be displayed as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA**  
Oakdale, Louisiana

**FIDUCIARY FUNDS**  
**Agency Funds**

**Fines and Restitution Fund -**

To account for the receipt and disbursement of fines and costs from criminal proceedings to the appropriate governmental entity.

**Civil Court Fund -**

To account for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

**Cash Bond Fund -**

To account for the collection and disbursement of bonds in criminal proceedings.

**CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA**  
Oakdale, Louisiana

**Combining Statement of Fiduciary Net Position  
Fiduciary Fund Type – Agency Funds  
December 31, 2018**

	<u>Civil Court Fund</u>	<u>Cash Bond Fund</u>	<u>Fines and Restitution Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash	\$ <u>64,933</u>	\$ <u>20,288</u>	\$ <u>-</u>	\$ <u>85,221</u>
Total Assets	<u>64,933</u>	<u>20,288</u>	<u>-</u>	<u>85,221</u>
<b>LIABILITIES</b>				
Advanced costs	64,933	-	-	64,933
Bond deposits	<u>-</u>	<u>20,288</u>	<u>-</u>	<u>20,288</u>
Total Liabilities	\$ <u>64,933</u>	\$ <u>20,288</u>	\$ <u>-</u>	\$ <u>85,221</u>

The accompanying notes are an integral part of these financial statements.

**CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA**  
Oakdale, Louisiana

**Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Fund Type – Agency Funds  
Year Ended December 31, 2018**

	Civil Court Fund	Cash Bond Fund	Fines and Restitution Fund	Totals
Balances, beginning of year	\$ <u>50,312</u>	\$ <u>22,124</u>	\$ _____	\$ <u>72,436</u>
Additions:				
Deposits –				
Civil suits and garnishments	71,373	-	-	71,373
Fines and court costs	-	-	202,997	202,997
Cash bonds	_____	1,761	_____	1,761
Total additions	<u>71,373</u>	<u>1,761</u>	<u>202,997</u>	<u>276,131</u>
Subtotal	121,685	23,885	202,997	348,567
Reductions:				
Deposits settled to –				
Allen Parish Clerk of Court	10,110	-	-	10,110
Allen Parish Police Jury	-	-	18,542	18,542
Allen Parish District Attorney	-	-	7,378	7,378
City of Oakdale	-	-	39,467	39,467
Indigent Defender Fund	-	-	36,834	36,834
Miscellaneous	1,625	3,597	2,180	7,402
Oakdale City Court	1,521	-	55,655	57,176
Oakdale City Court – Judge	40,251	-	-	40,251
Other State Agencies	342	-	15,744	16,086
Ward Marshal	<u>2,903</u>	_____	<u>27,197</u>	<u>30,100</u>
Total reductions	<u>56,752</u>	<u>3,597</u>	<u>202,997</u>	<u>263,346</u>
Balances, end of year	\$ <u>64,933</u>	\$ <u>20,288</u>	\$ _____	\$ <u>85,221</u>

The accompanying notes are an integral part of these financial statements.

CITY COURT OF OAKDALE AND  
WARD 5 OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana

**Schedule of Compensation, Benefits and Other Payments to  
Chief Executive Officer/Judge  
Year Ended December 31, 2018**

Chief Executive Officer: Judge Judi F. Abrusley

<u>Purpose</u>	<u>Amount</u>
<b>Paid by City Court of Oakdale and Ward 5 of Allen Parish:</b>	
Salary	24,071
Benefits – Retirement	9,651
Benefits – Cell Phone	1,246
Per Diem	944
Reimbursements	-
Conference Travel	479
Continuing Education	695
<b>Paid by the City of Oakdale:</b>	
Salary	18,083
Benefits – Retirement	7,251
<b>Paid by the Allen Parish Police Jury:</b>	
Salary	12,000
Benefits – Retirement	4,812
<b>Paid by Judicial Branch of Louisiana:</b>	
Salary	48,139
Benefits – Retirement	19,304
Benefits – Other	6,271

The accompanying notes are an integral part of these financial statements.

# ROYCE T. SCIMEMI, CPA, APAC



## CERTIFIED PUBLIC ACCOUNTANT

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Member  
Society of Louisiana  
Certified Public Accountants

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

June 28, 2019

Honorable Judge Judi Abrusley  
City Judge  
City Court of Oakdale  
and Ward 5 of Allen Parish, Louisiana  
Oakdale, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities and the major funds of the City Court of Oakdale and Ward 5 of Allen Parish, Louisiana (the "City Court"), as of and for the year ended December 31, 2018, and the related notes to the basic financial statements, which collectively comprise the City Court's basic financial statements and have issued our report thereon dated June 28, 2019.

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses, as finding 2018-1 I/C, that we consider to be a significant deficiency.

Honorable Judge Judi Abrusley  
City Court of Oakdale and Ward 5 of Allen Parish, Louisiana  
June 28, 2019  
Page 2

***Compliance and Other Matters***

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

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

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

***Purpose of this Report***

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not 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 for the information and use of the City Court, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana 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 of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC



**CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana**

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR  
AUDIT FINDINGS AND RESPONSES (UNAUDITED)  
Year Ended December 31, 2018**

Finding #2018-1 I/C:

Segregation of Duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

Contact Person: Honorable Judge Judi Abrusley

**CITY COURT OF OAKDALE AND WARD 5  
OF ALLEN PARISH, LOUISIANA  
Oakdale, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2018**

Finding #2017-1 I/C:

Segregation of Duties:

Contact Person: Honorable Judge Judi Abrusley

Corrective Action Taken: This is an ongoing finding that cannot be corrected due to lack of financial resources and the size of the entity.

# ROYCE T. SCIMEMI, CPA, APAC



## CERTIFIED PUBLIC ACCOUNTANT

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Judge Judi Abrusley  
City Judge  
City Court of Oakdale and Ward 5 of Allen Parish, LA  
Oakdale, Louisiana 71463

June 28, 2019

We have performed the procedures enumerated below, which were agreed to by management of the City Court of Oakdale and Ward 5 of Allen Parish, LA (Court) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. 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 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***

---

- a) Obtain the Court's written policies and procedures and observe that they addressed each of the following categories and subcategories (if applicable to public funds and the entity's operations):
- b) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
***The written policies address the procedures for preparing, adopting, monitoring, and amending the budget without exception.***
- c) ***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)

June 28, 2019

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

*The purchasing policy does address how purchases are initiated without exception. The purchasing policy does address how vendors are added to the vendor list without exception. The purchasing policy does not address the preparation and approval process of purchase requisitions and no purchase order system is in place (Exception). The purchasing policy does provide controls to ensure compliance with the public bid law without exception. The purchasing policy does address the documentation required to be maintained for all bids and price quotes without exception.*

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

*The written policies address the procedures for processing, reviewing, and approving invoices for disbursement without exception.*

- e) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*The written policies address the procedures for receiving, recording, and preparing deposits without exception. Policies include comparison of deposits to case management software system to determine completeness of all collections of revenue or agency fund additions.*

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

*The written policies address the procedures for payroll processing, reviewing and approving time and attendance records including leave and overtime worked, without exception.*

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

*The written policies address the procedures for the types of services requiring written contracts, the standard terms and conditions, the legal review, the approval process, and the monitoring process, without exception.*

- h) **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 (e.g., determining the reasonableness of fuel card purchases).

*The written policies address the procedures for how cards are to be controlled, allowable business uses, documentation requirements, required approvers, and monitoring card usage, without exception. However, the Court does not utilize credit cards or any of the other listed cards.*

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

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*The written policies address the procedures for allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers, without exception.*

- j) *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 Court's ethics policy.

*The written policies address the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, the actions to be taken if ethics violation takes place, system to monitor possible ethics violations, and the requirement that all employees, including elected officials annually attest through signature verification that they have read the Court's ethics policy, without exception.*

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

*The written policies do not address the procedures for debt issuance approval (Exception), EMMA reporting requirements (Exception), debt reserve requirements (Exception), and debt service requirements (Exception). However, there was no long-term debt outstanding during the current fiscal year.*

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

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2. Obtain and review the board minutes for the fiscal period, and:

- a) Observe that the board met with a quorum at least monthly, or even on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*N/A – Since there is no managing board. All significant decisions made by the Judge.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*N/A – Since there is no managing board, there were no monthly meetings conducted, and no minutes maintained, and no proof of budget-to-actual comparison maintained except near fiscal year-end.*

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

*N/A – Since there is no managing board. However, the general fund did not have a negative ending unrestricted fund balance at the end of the last fiscal year.*

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

- a) Bank reconciliations have been prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*N/A – No prior year exception in this category. Testing not required.*

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

*N/A*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable,

*N/A*

### ***Collections***

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

*Management provided the list of collection locations without exception. There was only one centralized collection location.*

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

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

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***Employees do share cash drawers with other employees throughout the day (Exception). However, the Court only accepts money orders or credit cards as a form of payment. Usually only one employee collects, but occasionally, others will when she is not available.***

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

***One of the employees responsible for collecting cash is responsible for preparing/making bank deposits (Exception).***

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

***The City Court Clerk is responsible for occasionally collecting cash and is responsible for posting collection entries to the general ledger (Exception).***

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

***The City Court Clerk is responsible for reconciling cash collections to the general ledger and is responsible for occasionally collecting cash (Exception).***

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

***All employees who have access to cash are covered by bond or insurance without exception.***

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

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

***All receipts were sequentially pre-numbered for each payment without exception.***

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

***All sequentially pre-numbered receipts, system reports, and other related collection documentation were traced to the deposit slips without exception.***

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

*Deposit slip totals were traced to actual deposits per the bank statements without exception.*

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

*Deposits were made within one business day of collections without exception.*

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

*The actual deposits per the bank statements were traced to the general ledger without exception.*

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

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

*The listing was provided by management without exception. Only one location was noted.*

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

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

*The policies and procedures in place require at least two employees to be involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.*

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

*The policies and procedures in place require at least two employees to be involved in processing and approving payments to vendors.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The City Court Clerk is responsible for processing payments and is not prohibited from adding/modifying vendor files (Exception).*

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

***The City Court Judge is responsible for signing checks. After the checks are signed, they are given to another employee, who is not responsible for processing payments, for affixing appropriate postage and for to delivery to the post office the next business day.***

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

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

***All disbursements matched original invoices without exception.***

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

***The disbursement documentation included evidence of segregation of duties without exception.***

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

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

***N/A – The Court does not have/use credit cards or any of the other listed card types.***

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

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

***N/A – The Court does not use credit cards or any of the other listed card types.***

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

***N/A – The Court does not use credit cards or any of the other listed card types.***

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13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*N/A – The Court does not use credit cards or any of the other listed card types.*

#### ***Travel and Expense Reimbursement***

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

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

*Each reimbursement selected agreed to the U.S. General Service Administration guidelines without exception.*

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

*None of the reimbursements tested were for actual costs.*

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

*All of the reimbursements were for per diem amounts, rather than actual expenses, and included documentation of the business purpose without exception.*

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

*Four of the five reimbursements tested were approved by someone other than the recipient. One of the reimbursements tested was not approved by any other employee (Exception). This reimbursement was for the City Court Judge who is the only authorized check signer.*

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### ***Contracts***

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quoted or bids, advertised), if required by law.

*None of the contracts were subject to the Public Bid Law.*

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

*N/A – No governing body/board. All approved by City Court Judge.*

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

*None of the contracts were amended.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Since contracts for the five payments were not available (Exception), as they were for recurring charges, we did not compare the payments to the contract terms. However, the payments were in agreement with the invoices supporting the transactions.*

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

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

*Management provided the required listing without exception. Salaries paid agreed with authorized salaries/pay rates in the personnel files without exception.*

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17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

*All employees documented their daily attendance with the exception of the City Court Judge. She is an elected official not required to document attendance.*

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

*The City Court Judge approved all attendance and leave documentation.*

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

*The cumulative leave records reflected the number of hours earned, hours used, and balance available for vacation or sick leave without exception.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' authorized pay rate in the employee/officials' personnel files.

*N/A – No employees received termination payments during fiscal year.*

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

*Management represented that all employer payroll taxes were paid and filed on time. However, on seven occasions the retirement contributions for LASERS or MERS were paid late and the associated forms were filed late (Exception).*

### Ethics

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

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

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*No prior year exception in this category. Testing not required.*

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

*No prior year exception in this category. Testing not required.*

#### ***Debt Service***

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

*No debt was issued during the fiscal period.*

22. Obtain a listing of the bonds/notes outstanding at the beginning or end of the fiscal period and management's representation that the listing is complete. Randomly select one bone/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*No bonds/notes were outstanding at the end of the fiscal period.*

#### ***Other***

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

*Management represented that there were no misappropriations of public funds and assets noted during the fiscal year.*

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

*The Court did not have the required notice posted in a conspicuous place upon its premises or on its website. (Exception).*

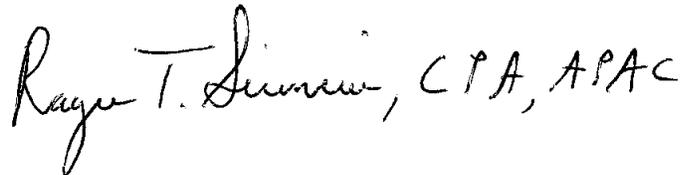
We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures,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

Honorable Judge Judi Abrusley  
City Judge  
City Court of Oakdale and Ward 5 of Allen Parish, Louisiana  
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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.

Royce T. Scimemi, CPA, APAC  
Oberlin, Louisiana

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large initial 'R' and 'S'.