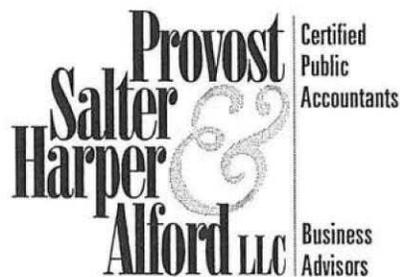


**CITY COURT OF PORT ALLEN,
LOUISIANA**

**A COMPONENT UNIT OF
THE CITY OF PORT ALLEN, LOUISIANA**

FINANCIAL REPORT

December 31, 2018



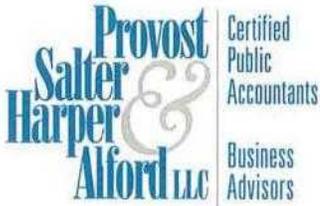
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CITY COURT OF PORT ALLEN, LOUISIANA

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December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Honorable William T. Kleinpeter
City Court of Port Allen, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Port Allen, Louisiana, a component unit of the City of Port Allen as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City Court of Port Allen's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City Court of Port Allen's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the City Court of Port Allen, Louisiana as of December 31, 2018, and the 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, budgetary comparison information, the schedule of employer's proportionate share of the net pension liability, and the schedule of employer's pension contributions on pages 4 through 9 and Schedules I through III, respectively, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Port Allen's basic financial statements. The schedule of compensation, benefits and other payments to agency head on Schedule IV is presented to comply with the requirements issued by the State of Louisiana, and is not a required part of the basic financial statements. The schedule of compensation, benefits and

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019 on our consideration of the City Court of Port Allen's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Port Allen's internal control over financial reporting and compliance.

PROVOST, SALTER, HARPER & ALFORD, LLC

A handwritten signature in cursive script that reads "Provost, Salter, Harper & Alford, LLC". The signature is written in dark ink and is positioned to the right of the typed name.

Baton Rouge, Louisiana
June 21, 2019

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2018

Our discussion and analysis of the City Court of Port Allen, Louisiana (Court) provides an overview of the Court's activities for the year ended December 31, 2018. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2018 fiscal year include the following:

- The Court's net position increased due to current period operations by \$44,257, or 7.0%.
- Program revenues of the Court increased \$8,724, or 2.2%.
- The total expenditures/expenses of the Court increased \$7,619, or 2.1%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Court's basic financial statements. The Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These components are described below:

BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of financial statements that present different views of the Court – the *Government-wide Financial Statements* and *Fund Financial Statements*. These financial statements also include the *Notes to Financial Statements* that explain some of the information in the financial statements and provide additional detail.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Court's financial position, which assists users in assessing the Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenditures connected with the year even if cash has not been received or paid. The Court's financial statements contain only governmental activities. The government-wide financial statements include two statements.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2018

- The **Statement of Net Position** presents all of the Court's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Court's net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.
- The **Statement of Activities** presents information showing how the Court's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Court are divided into two categories: governmental funds and fiduciary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Court.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, users may better understand the long-term impact of the Court's near-term financing decisions.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2018

- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Court's other programs. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Court has one governmental fund and two fiduciary funds.

The funds financial statements can be found immediately following the government-wide financial statements.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the fund financial statements.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2018

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Court's financial position. The Court's assets exceed liabilities by \$673,487 and \$629,230 as of December 31, 2018 and 2017, respectively.

	Governmental Activities	
	2018	2017
Assets	\$ 730,260	\$ 765,678
Liabilities and deferred inflows of resources	56,773	136,448
Total Net Position	\$ 673,487	\$ 629,230

Change in Net Position

The Court's net position increased by \$44,257 (7.0%) during the year ended December 31, 2018 compared to an increase of \$41,228 (7.0%) during the prior year. The Court's total revenues derived from program revenue during the current year increased by \$8,724 (2.2%). Expenses increased \$7,619 (2.1%).

	Governmental Activities	
	2018	2017
Revenues		
Program Revenues:		
General government-Judiciary	\$ 405,098	\$ 396,374
General Revenues:		
Investment Income	8,246	6,322
Total Revenues	413,344	402,696
Total Expenses - Judiciary	369,087	361,468
Increase (Decrease) in Net Position	\$ 44,257	\$ 41,228

City Court of Port Allen, Louisiana
Management's Discussion and Analysis

December 31, 2018

FINANCIAL ANALYSIS OF THE COURT'S INDIVIDUAL FUNDS

As noted earlier, the Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Court's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Court's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the Court's liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 156% of total fund expenditures.

The fund balance of the Court increased by \$785 during the current year.

BUDGETARY HIGHLIGHTS

The Court received \$507 more than budgeted revenues, with the increase mainly contributable due to an increase in other fees generated. Total expenditures were \$6,722 more than budgeted due to an increase in travel expenditures and acquisition of new office equipment.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2018

CAPITAL ASSETS

The Court's investment in capital assets as of December 31, 2018, amounts to \$53,403 (net of accumulated depreciation of \$133,256). This investment in capital assets includes leasehold improvements and office furniture and equipment. The total decrease in the Court's investment in capital assets for 2018 was \$26,007 (33%).

**COURT'S CAPITAL ASSETS
(net of accumulated depreciation)**

	2018	2017
Equipment	\$ 45,831	\$ 71,104
Furniture & Fixtures	2,607	3,090
Leasehold Improvements	4,965	5,216
Total Net Assets	<u>\$ 53,403</u>	<u>\$ 79,410</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Management is unable to predict revenue as it is dependent on the level of tickets issued and the civil proceedings filed with the Court. Therefore, the budget for the year ending December 31, 2019 is set based on the actual revenue and expenditures of the previous year.

CONTACTING THE COURT'S MANAGEMENT

This financial report is designed to provide a general overview of the Court's finances and to demonstrate the Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to William Kleinpeter, Judge, City Court of Port Allen, Louisiana at 330 S. Alexander Avenue, Port Allen, LA 70767.

CITY COURT OF PORT ALLEN, LOUISIANA

Basic Financial Statements

December 31, 2018

CITY COURT OF PORT ALLEN, LOUISIANA

Government-Wide Financial Statements

December 31, 2018

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Net Position

December 31, 2018

ASSETS

Current Assets

Cash	\$ 465,667
Certificates of Deposit	147,909
Investments	43,174
Prepaid expenses	1,439
Due from other funds	18,668

Total current assets 676,857

Non-Current Assets

Capital assets, net	<u>53,403</u>
---------------------	---------------

Total Assets 730,260

LIABILITIES

Current Liabilities

Due to other governments	27,547
Accrued expenses	5,026
Deferred revenues	200
Current portion of long-term liabilities	24,000

Total current liabilities 56,773

Total Liabilities 56,773

NET POSITION

Investment in capital assets	29,403
Net position unrestricted, undesignated	<u>644,084</u>

Total Net Position \$ 673,487

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2018

Functions/programs	Expenses	Program Revenues Charges for Services, Fines, and Forfeitures	Governmental Activities Net Revenues and Changes in Net Position
General government-Judiciary	\$ 369,087	\$ 405,098	\$ 36,011
General revenues:			
Investment income			8,246
Change in net position			44,257
Net position - beginning			629,230
Net position - ending			\$ 673,487

CITY COURT OF PORT ALLEN, LOUISIANA

Fund Financial Statements

December 31, 2018

CITY COURT OF PORT ALLEN, LOUISIANA

Balance Sheet-Governmental Fund - General Fund**December 31, 2018****ASSETS**

Current Assets

Cash	\$	465,667
Certificates of Deposit		147,909
Investments		43,174
Prepaid expenses		1,439
Due from other funds		18,668

Total Assets **\$ 676,857**

LIABILITIES AND FUND BALANCE

Current Liabilities

Due to other governments	\$	27,547
Accrued expenses		5,026
Deferred revenues		200

Total Liabilities **32,773**

Fund Balance

Unassigned, reported in general fund		644,084
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Total Liabilities and Fund Balance **\$ 676,857**

CITY COURT OF PORT ALLEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position

December 31, 2018

Total fund balance for the governmental fund at December 31, 2018	\$ 644,084
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of :	
Furniture, equipment and leasehold improvements, net of accumulated depreciation of \$133,256	53,403
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Long-Term Debt	<u>(24,000)</u>
Total net position of governmental activities at December 31, 2018	<u>\$ 673,487</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures, and

For the Year Ended December 31, 2018

Changes in Fund Balance - Governmental Fund -

General Fund

REVENUES

Court fees	\$	211,615
Intergovernmental		180,283
Other fees		13,200
Investment income		8,246
		<hr/>
Total revenues		413,344

EXPENDITURES

Current		
General and administration		69,293
Travel		18,689
Dues and Subscriptions		750
Office expense and maintenance		16,066
Personnel expenses		283,761
Debt Service		24,000
		<hr/>
Total expenditures		412,559
		<hr/>
Net change in fund balance		785
		<hr/>
Fund balance, beginning		643,299
		<hr/>
Fund balance, ending	\$	644,084

CITY COURT OF PORT ALLEN, LOUISIANA

*Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Fund to the Statement of Activities*

For the Year Ended December 31, 2018

Total net change in fund balance at December 31, 2018 per statement of revenues, expenditures and changes in fund balance	\$ 785
The change in net position reported for the governmental activities in the statement of activities is different because:	
Depreciation expense	(26,007)
Pension expenses are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Changes in pension expenses	45,479
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets.	
Principal payments	<u>24,000</u>
Total net change in net position of governmental activities at December 31, 2018	<u>\$ 44,257</u>

CITY COURT OF PORT ALLEN, LOUISIANA

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

	Fines, Fees and Court Cost	Civil	Total
Assets			
Cash	\$ 81,559	\$ 44,040	\$ 125,599
Due from other governments	100	-	100
Total assets	<u>81,659</u>	<u>44,040</u>	<u>125,699</u>
Liabilities			
Held for others pending court action	16,816	37,236	54,052
Due to other funds	15,642	3,026	18,668
Due to other governments	49,201	3,778	52,979
Total liabilities	<u>81,659</u>	<u>44,040</u>	<u>125,699</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements

December 31, 2018

INTRODUCTION

The City Court of Port Allen, Louisiana (the "Court") was established by the State of Louisiana. It has jurisdiction over all of Ward III in West Baton Rouge Parish. The Court is governed by one Judge. The Court maintains a courtroom and offices in Port Allen, Louisiana. Revenues for the Court include court costs assessed on civil and criminal cases handled by the Court and other revenues. Major expenditures of the Court include personnel services and other expenditures.

1. Summary of Significant Accounting Policies

Basis of Presentation. The accompanying basic financial statements of the City Court of Port Allen, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Codification Sec. 2600, *Reporting Entity and Component Unit Presentation and Disclosure*.

Reporting Entity. The Court Judge is an independently elected official. However, the Court is fiscally dependent on the City of Port Allen, Louisiana (City) for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the Court is fiscally dependent on the City, the Court was determined to be a component unit of the City of Port Allen, Louisiana, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City of Port Allen, Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting. The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain court functions and activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Equity Classifications.

Government-Wide Financial Statements.

In the government-wide financial 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 assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2018.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements.

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

The Court adopted the provisions of GASB Codification Sec. 1300, *Fund Accounting* in the year ended December 31, 2011. As such, fund balances of the governmental fund are classified as follows:

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

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.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge. The Judge, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Judge authorizes management to assign amounts for a specific purpose.

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.

Unassigned – all other spendable amounts.

It is the Court's policy to spend unrestricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the Court's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Court does not have any policy regarding minimum fund balance amounts.

Governmental Funds. Governmental funds account for all or most of the Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Court. The following is the Court's governmental fund:

General Fund. The general fund is the primary operating fund of the court and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to court policy.

Fiduciary Fund. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Measurement Focus/Basis of Accounting.

Government-Wide Financial Statements (GWFS). The Statement of Net Position and Statement of Activities display information about the Court's office as a whole. These statements include all the financial activities of the Court's office. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Codification Sec. N50, *Nonexchange Transactions*.

Program Revenues. Program revenues included in the Statement of Activities are derived directly from users as a fee for services and other governments; program revenues reduce the cost of the function to be financed from the Court's office general revenues.

Fund Financial Statements (FFS). The amounts reflected in the Governmental Fund Statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Court's office operations.

The amounts reflected in the Governmental Fund Statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, 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. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Revenues are generally recognized under the modified accrual basis of accounting when the related asset becomes both measurable and available.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Reconciliation. A reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position is provided on page 16. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities is provided on page 18.

Budgets. The proposed budget for the 2018 fiscal year was made available for public inspection at the Court's office on December 7, 2017. The budget is legally adopted and amended, as necessary, by the Court Judge. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments, if applicable.

The budget for the General Fund is prepared on a basis that is consistent with generally accepted accounting principles (GAAP). However, the Court does not budget on-behalf payments (see Note 8) and the Court budgets for installment payment of software as an office expense transaction; therefore, adjustments were made on Schedule I to remove on-behalf payments from the actual amounts for comparison purposes to the budgeted amounts.

Cash and Cash Equivalents. Cash includes amounts in demand deposits. Cash equivalents would include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and include Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at market value. Interest is accrued as earned.

Capital Assets. Capital assets are capitalized at historical cost or estimated cost. The Court maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. 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. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Leasehold improvements	39
Furniture and fixtures	10
Equipment	5

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Risk Management. The Court is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Court is covered by insurance provided by the City of Port Allen, Louisiana at levels which management believes is adequate to protect the Court. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

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

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

Interfund Activities. The fiduciary funds of the Court collect and disburse funds on behalf of the general fund resulting from fees, charges, and other court costs incurred. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

Subsequent Events. Subsequent events have been evaluated through June 21, 2019, which is the date the financial statements were issued.

2. Deposits

At December 31, 2018, the City Court of Port Allen has cash in demand deposit accounts with a book balance of \$591,266 including \$125,599 attributable to fiduciary funds, which is not presented in the statement of net position. The City Court of Port Allen also has certificates of deposit accounts with a book balance of \$147,909.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2018, the Court has \$742,674 in deposits (collective bank balances). These deposits are secured from risk by \$397,909 of federal deposit insurance and \$344,765 of pledged securities.

3. Investments

As of December 31, 2018, the change in the Court's investments is reported as follows:

	Change in Investments	
	Amortized Cost	Fair Value
Balance December 31, 2017	\$ 42,357	\$ 42,357
Add:		
Investment purchases	817	817
Balance December 31, 2018	\$ 43,174	\$ 43,174

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is an investment pool that, to an extent practical, invest in a manner consistent with GASB 79. The following facts are relevant for investments pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 76 days as of December 31, 2018.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The LAMP administrative office can be reached at 800-249-5267 for any questions.

4. Interfund Receivables/Payables

Summary of balances due from (to) other funds reported in the financial statements:

<u>December 31,</u>	<u>2018</u>
General Fund	
Due from Fines, Fees, and Court Costs Fund	\$ 15,642
Due from Civil Fund	3,026
Fines, Fees, and Court Costs Fund	
Due to General Fund	(15,642)
Civil Fund	
Due to General Fund	(3,026)

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2018 are as follows:

Governmental Activities	Balance January 1, 2018	Additions	Deletions	Balance December 31, 2018
Equipment	\$ 155,188	\$ -	\$ -	\$ 155,188
Furniture and fixtures	23,477	-	-	23,477
Leasehold improvements	7,994	-	-	7,994
Total	186,659	-	-	186,659
Less accumulated depreciation:				
Equipment	84,084	25,273	-	109,357
Furniture and fixtures	20,387	483	-	20,870
Leasehold improvements	2,778	251	-	3,029
Total	107,249	26,007	-	133,256
Capital assets, net	\$ 79,410	\$ (26,007)	\$ -	\$ 53,403

6. Retirement Commitments

Plan Description

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

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Benefits Provided

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

Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. 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 or 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 retired at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

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

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

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

Deferred Retirement Benefits

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

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member 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 of 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.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2018 are as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Judges hired before 1/1/2011	Closed	11.5%	40.1%

The Court's contractually required composite contribution rate for the year ended December 31, 2018 was 40.1% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Court were \$0 for the year ended December 31, 2018, as its only employee chose to participate in DROP.

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

At December 31, 2018, the Employer reported a liability of \$0 for its proportionate share of the 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 Court's proportion of the Net Pension Liability was based on a projection of the Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Court's proportion was 0%, which had not changed from its proportion measured as of June 30, 2017.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

For the year ended December 31, 2018, the Court recognized pension expense of (\$45,479).

At December 31, 2018, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Court contributions and proportionate share of contributions	-	-
Board contributions subsequent to the measurement date	-	-
Total	\$ -	\$ -

\$0 reported as deferred outflows of resources related to pensions resulting from the Court's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019.

Actuarial Assumptions

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

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining	
Service Lives	3 years
Investment Rate of Return	7.65% per annum, net of investment expenses*
Inflation Rate	2.75% per annum

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

Mortality

Non-disabled members - Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.

Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement

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

Salary Increases

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

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

Cost of Living Adjustments

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

*The investment rate of return used in the actuarial valuation for funding purposes was 8.05%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.83%, which is reasonably close to the 7.65% discount rate. Therefore, we conclude that the 7.65% discount is reasonable.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	-0.48%
Domestic Equity	4.31%
International Equity	5.26%
Domestic Fixed Income	1.49%
International Fixed Income	2.23%
Alternative Investments	7.67%
Risk Parity	5.40%
Total Fund	<u>5.40%</u>

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

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

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

The following presents the Employer’s proportionate share of the Net Pension Liability using the discount rate of 7.65%, as well as what the Employer’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(6.65%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.65%)</u>	<u>1% Increase</u> <u>(8.65%)</u>
Court’s proportionate share of the net pension liability	\$ -	\$ -	\$ -

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at www.lasersonline.org.

7. Related Party Transactions

The City of Port Allen, Louisiana incurs expenditures on behalf of the Court. During the year ended December 31, 2018, the City paid the expenditures for other services and supplies in the amount of \$12,826 on behalf of the Court, which are not included in the accompanying financial statements.

The Court distributes a portion of all fines collected to the City. During the year ended December 31, 2018, the portion of fines collected by the Court, which were available for distribution to the City, totaled \$46,932.

8. On-Behalf Payments for Fringe Benefits and Salaries

In accordance with GASB Codification N50, *Non-exchange Transactions*, Sec. 129 on-behalf payments for fringe benefits and salaries are recognized as revenues and expenditures in these financial statements. The following on-behalf payments are shown as intergovernmental revenue in these financial statements. An equal amount has been included as expenditures in the personal services category.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2018

in these financial statements. An equal amount has been included as expenditures in the personal services category.

	2018
City of Port Allen	\$ 113,135
State of Louisiana	48,139
West Baton Rouge Parish	9,563
	<u>\$ 170,837</u>

9. Non-Current Accounts Payable

During 2015 the Court acquired software by incurring a total payable of \$96,000. The following is a summary of the Court's non-current accounts payable transactions for the year ended December 31, 2018:

Balance at December 31, 2017	Additions	Reductions	Balance at December 31, 2018	Amount due within One Year
\$ 48,000	\$ -	\$ 24,000	\$ 24,000	\$ 24,000

The annual requirements to amortize the non-current accounts payable as of December 31, 2018 are as follows:

Year Ending December 31,	Principal
2019	24,000

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -
Governmental Fund Type - General Fund

For the Year Ended December 31, 2018

	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Budget		Variance Favorable (Unfavorable)
				Original	Final	
Revenues						
Court fees, fines, and cost	\$ 211,615	\$ -	\$ 211,615	\$ 225,000	\$ 225,000	\$ (13,385)
Intergovernmental	180,283	(170,837) (1)	9,446	16,000	16,000	(6,554)
Other fees	13,200	-	13,200	-	-	13,200
Interest	8,246	-	8,246	1,000	1,000	7,246
Total revenues	413,344	(170,837)	242,507	242,000	242,000	507
Expenditures						
Current						
General and administration	69,293	-	69,293	70,000	70,000	707
Travel	18,689	-	18,689	15,000	15,000	(3,689)
Dues and subscriptions	750	-	750	1,000	1,000	250
Office expense and maintenance	16,066	24,000 (2)	40,066	30,000	30,000	(10,066)
Personnel expenses	283,761	(170,837) (1)	112,924	115,000	115,000	2,076
Debt Service	24,000	(24,000) (2)	-	-	-	-
Total current expenditures	412,559	(170,837)	241,722	231,000	231,000	(10,722)
Capital outlays	-	-	-	4,000	4,000	4,000
Total expenditures	412,559	(170,837)	241,722	235,000	235,000	(6,722)
Revenues Over (Under) Expenditures	785	\$ -	\$ 785	\$ 7,000	\$ 7,000	\$ (6,215)
Fund Balance						
Beginning	643,299					
Ending	\$ 644,084					

Explanation of differences:

(1) On-behalf payments are reflected as revenue and an expenditure in the Court's financial statement as required by GASB Codification Section N50, Section 129, Nonexchange Transactions. Actual amounts are reconciled on a non-GAAP basis for comparison to budget.

(2) The Court budgeted for the installment payment towards software in office expense and maintenance rather than debt services.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Employer's Proportionate Share of the Net Pension Liability

Year Ended December 31, 2018 *

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered-Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>LASERS:</u>					
2018	0.0000%	\$ -	\$ -	0.00%	64.3%
2017	0.0000%	\$ -	\$ -	0.00%	62.5%
2016	0.0000%	\$ -	\$ -	0.00%	57.7%
2015	0.0021%	\$ 141,403	\$ 35,655	396.59%	62.7%

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

* The amounts presented have a measurement date of June 30.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Employer's Pension Contributions

Year Ended December 31, 2018

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
LASERS:					
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2017	\$ -	\$ -	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ -	\$ -	\$ -	\$ 29,105	0.00%
2014	\$ 12,354	\$ 12,354	\$ -	\$ 33,305	37.09%
2013	\$ 14,323	\$ 14,323	\$ -	\$ 31,132	46.01%
2012	\$ 13,294	\$ 13,294	\$ -	\$ 36,975	35.95%
2011	\$ 13,486	\$ 13,486	\$ -	\$ 37,244	36.21%
2010	\$ 11,265	\$ 11,265	\$ -	\$ 44,094	25.55%
2009	\$ 7,918	\$ 7,918	\$ -	\$ 40,803	19.41%

CITY COURT OF PORT ALLEN, LOUISIANA

*Notes to Required Supplementary Schedules
Schedule of Employer's Proportionate Share of the
Net Pension Liability and Schedule of Employer's
Pension Contributions*

December 31, 2018

LASERS

Changes of Benefit Terms include:

There were no changes of benefit terms or assumptions for the year ended December 31, 2018.

Changes of Assumptions

There were changes in assumptions related to inflation, salary increases, discount rate, mortality and disability rates and other actuarial assumptions, however, none of those changes affected benefit terms or assumptions for the year ended December 31, 2018.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Compensation, Benefits and Other Payments to Agency Head *Year Ended December 31, 2018*

Agency Head Name: William T. Kleinpeter

Purpose	
Salary	\$ 129,471
Benefits-insurance	22,105
Per diem	1,182
Dues	450
Conferences	2,420
Conference travel	4,198
Continuing professional education fees	2,649
	<hr/>
	\$ 162,475

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

To the Honorable William T. Kleinpeter
City Court of Port Allen, 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 financial statements of the governmental activities and each major fund of the City Court of Port Allen, Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City Court of Port Allen's basic financial statements, and have issued our report thereon dated June 21, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there

is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. (2018-001 and 2018-002).

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.

Compliance and Other Matters

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

City Court of Port Allen's Response to Findings

The City Court of Port Allen's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City Court of Port Allen's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

PROVOST, SALTER, HARPER & ALFORD, LLC



Baton Rouge, Louisiana
June 21, 2019

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses

December 31, 2018

Internal Control Findings

Finding 2018-001

Material Weakness in Internal Control over Financial Reporting-Preparation of Financial Statements

Criteria: Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles.

Condition: The City Court of Port Allen does not have a certified public accountant on staff with the technical expertise to prepare financial statements in accordance with generally accounting principles.

Context: Management is unable to prepare financial statements without outside assistance.

Potential Effect: Material misstatements in the financial statements could go undetected.

Cause: Management has concluded that it is not cost effective to hire a certified public accountant with the technical expertise to prepare financial statements in accordance with generally accepted accounting principles.

This is a repeat finding.

Recommendation: Resolution of the finding would not be cost effective, however, management should continue to evaluate the cost and related benefit of retaining a certified public accountant with technical expertise sufficient to prepare financial statements in accordance with generally accepted accounting principles.

View of Responsible Official: The size of the office's accounting and administrative staff does not warrant retaining personnel with such specialized expertise. The judge believes that his staff is fully competent to perform their assigned duties and has determined it is most cost effective to request that the auditor assist with preparing adjustments necessary for the financial statements to be presented in accordance with generally accepted accounting principles. We will continue to monitor this issue on an annual basis.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses, continued

December 31, 2018

Finding 2018-002

Material Weakness in Internal Control over Financial Reporting-Inadequate Segregation of Duties

Criteria: No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions:

- 1) Authorization of a transaction;
- 2) Recording of the transaction; and
- 3) Custody of assets involved in the transaction.

Condition: The entity does not employ enough personnel to achieve an optimum level of segregation of duties.

Context: We observed inadequate segregation of duties by observing the billing and cash payment functions during fieldwork, and through interviews of personnel and management. Cash payments and cash receipts represent the cash flow of the entity.

Potential Effect: Errors could occur which could affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause: The size of the entity and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The resolution of this finding is not under the control of the Court as it may not be cost effective, however the management should monitor the assignment of duties to insure as much segregation of duties as possible.

View of Responsible Official: It is not cost effective to totally correct this weakness but we do segregate duties as much as possible.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Prior Year Findings

December 31, 2018

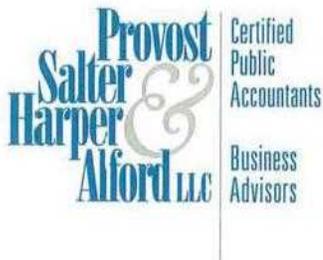
RefNo.	Fiscal Year Finding Initially Occurred	Description of Finding	Status of the Finding	Current Year Finding RefNo.
2017-001	2014	Financial statements are required to be prepared in accordance with generally accepted accounting principals	Unresolved	2018-001
2017-002	2016	Inadequate segregation of duties	Unresolved	2018-002

**INDEPENDENT
ACCOUNTANT'S REPORT
ON THE APPLICATION
OF AGREED-UPON PROCEDURES**

City Court of Port Allen

September 30, 2018





INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judge William Kleinpeter:
City Court of Port Allen:

We have performed the procedures enumerated below, which were agreed to by City Court of Port Allen 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 October 1, 2017 through September 30, 2018. The Entity'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* issued by the Comptroller General of the United States. 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:

City Court of Port Allen

Summary of Findings and Exceptions

September 30, 2018

Written Policies and Procedures

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

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) **Disbursements**, including processing, reviewing, and approving.
- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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

Findings:

City Court's ethics policy does not address the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, actions to be taken if an ethics violation takes place, a system to monitor possible ethics violations, or a requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. City Court's debt service policy does not address debt issuance approval, continuing disclosure/EMMA reporting requirements, debt reserve requirements, or debt service requirements.

Board

Procedure 2: Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

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

Findings:

The City Court of Port Allen does not have a board or finance committee, as Judge Kleinpeter is an elected official responsible for all oversight, therefore this procedure was not applicable to the entity.

- 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.

Findings:

The City Court of Port Allen does not have a board or finance committee, as Judge Kleinpeter is an elected official responsible for all oversight, therefore this procedure was not applicable to the entity.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

- 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.

Findings:

The City Court of Port Allen does not have a board or finance committee, as Judge Kleinpeter is an elected official responsible for all oversight, therefore this procedure was not applicable to the entity.

Bank Reconciliations

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

We obtained a listing of 4 client bank accounts. We selected the main operating account and 3 additional accounts for testing.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged)

Findings:

No exceptions noted.

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

Findings:

Bank reconciliations do not include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

- 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.

Findings:

Management does not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date for 3 of the bank accounts.

Collections

Procedure 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).

Deposits are prepared at the City Court office in Port Allen.

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

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

Findings:

No exceptions noted.

- 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.

Findings:

No exceptions noted.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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

Findings:

No exceptions noted.

- 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.

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

Procedure 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.

Findings:

No exceptions noted.

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

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

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

Findings:

3 of the deposits selected for testing were not made within 1 business day of receipt at the collection location.

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

Findings:

No exceptions noted.

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

Procedure 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).

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

- 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.

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

- 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.

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

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

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Procedure 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.

We obtained a listing of active credit cards.

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

City Court has 1 active credit card. We selected it for testing.

- 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.)]

Findings:

No exceptions noted.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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

Findings:

No exceptions noted.

Procedure 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).

Findings:

No exceptions noted.

Travel and Expense Reimbursement

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

We obtained a list of all reimbursements for travel and related expenses from the general ledger totaling \$5,844.

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

Findings:

Five of the reimbursements selected for testing were paid at rates greater than the rates established by the State of Louisiana or U.S. General Services Administration.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

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

Findings:

No exceptions noted.

Contracts

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

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

- 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).

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

- 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.

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

Payroll and Personnel

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

Procedure 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.

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

Ethics

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

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

- 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.

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

Debt Service

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

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

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

Findings:

City Court did not have any exceptions in the prior year in this category, therefore this procedure was excluded from testing.

Other

Procedure 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.

Findings:

No exceptions noted.

Procedure 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.

Findings:

The required notice was not posted on the entity's website as of May 29, 2019.

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.

City Court of Port Allen

Summary of Findings and Exceptions, Continued

September 30, 2018

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.

PROVOST, SALTER, HARPER & ALFORD, LLC



Baton Rouge, LA
June 21, 2019

CITY COURT OF PORT ALLEN
WARD III - PARISH OF WEST BATON ROUGE

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June 26, 2019

Provost, Salter, Harper and Alford, LLC
8550 United Plaza Blvd, Suite 600
Baton Rouge, Louisiana 70809

RE: Independent Accountant's Report on the Application of Agreed-Upon Procedures

The following is my response to the findings of the recent Report on Applying Agreed-Upon Procedures for the City Court of Port Allen:

Procedure 1:

The policies of City Court of Port Allen are being revised and will include these requirements.

Procedure 3 c):

The policies of City Court of Port Allen will be revised to include this documentation.

Procedure 7d):

Almost all deposits are made by the Judge. It is not always possible to make a deposit every day. However, City Court of Port Allen has a vault which all un-deposited receipts are stored.

Procedure 14:

The City Court of Port Allen follows the travel and expense reimbursement rates for Louisiana courts, promulgated annually by the Louisiana Supreme Court, a copy of which is on file at the City Court of Port Allen

Procedure 24:

The City Court of Port Allen is not required to have a website. However, the website will be updated to include the notice.

If you have any questions or if any further action is needed, please contact me at (25)346-4702 or at will@portallencitycourt.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "William T. Kleinpeter".

William T. Kleinpeter
Judge, City Court of Port Allen