

**CITY COURT OF
DENHAM SPRINGS - WARD II**

Audit of Financial Statements

June 30, 2023



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Independent Auditor's Report

Judge Jerry L. Denton
City Court of Denham Springs - Ward II
Denham Springs, Louisiana

Opinion

We have audited the financial statements of the governmental activities, the major fund (General Fund), the budgetary comparison schedule of the General Fund, and the aggregate remaining fund information of the City Court of Denham Springs - Ward II (the City Court) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund (General Fund), the budgetary comparison schedule of the General Fund, and the remaining fund information of the City Court as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. Prior year information is included for comparison purposes only.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 5 - 8, respectively, and the supplementary schedules required by Governmental Accounting Standards Board Statement No. 68 on pages 44 and 45, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court's basic financial statements. The schedule of compensation, benefits, and other payments to agency head, and the schedules as required by Act 87 of the 2020 regular legislative session - justice system funding schedules - collecting/dispersing entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules as required by Act 87 of the 2020 regular legislative session - justice system funding schedules - collecting/dispersing entity are presented on a cash basis method of accounting.

Such information 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. The 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, and the schedules as required by Act 87 of the 2020 regular legislative session - justice system funding schedules - collecting/dispersing entity 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 December 15, 2023 on our consideration of the City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
December 15, 2023

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

CITY COURT OF DENHAM SPRINGS - WARD II

Management's Discussion and Analysis

Our discussion and analysis of the City Court of Denham Springs - Ward II's (the City Court) financial performance provides an overview of the City Court's financial activities for the year, which ended June 30, 2023. Please read it in conjunction with the City Court's financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

Assets and deferred outflows of resources of the City Court exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$214,962, an increase in net position of \$133,031. Unrestricted net position is a deficit of \$74,389.

The City Court's total program revenues were \$744,704 compared to \$578,024 in the prior year, an increase of \$166,680, or 29%.

Total program expenses for the City Court during the year ended June 30, 2023 were \$647,401 compared to \$619,846 in the prior year, an increase of \$27,555, or 4%.

USING THIS ANNUAL REPORT

This report consists of a series of financial statements. The statement of net position and the statement of activities (pages 10 and 11) provide information about the City Court's activities as a whole. The governmental fund balance sheet (page 13) details the assets and liabilities of the governmental fund, while the reconciliation of the governmental fund balance sheet to the statement of net position (page 14) shows why the amounts reported for governmental activities in the statement of net position are different. Pages 15 and 16 detail the revenues, expenditures, and changes in fund balance of the governmental fund, while the reconciliation (page 17) reconciles net changes in fund balance to changes in net position of the governmental activities. Page 18 reflects the differences in the final budget and actual amounts. Then, on pages 19 and 20, the fiduciary fund financial statements can be found, for which the City Court acts only as an agent or trustee for the benefit of agencies outside of the City Court. The notes to financial statements as a form of explanation follow on pages 21 through 42. The City Court Judge is an independent elected official. However, since the City Court is dependent on the City of Denham Springs to provide office space, a courtroom, and related utility costs, as well as a portion of its salaries and related employee benefit costs, the City Court is determined to be a component unit of the City of Denham Springs. The accompanying financial statements only present information on the funds maintained by the City Court.

CITY COURT OF DENHAM SPRINGS - WARD II

Management's Discussion and Analysis

REPORTING THE FUNDS MAINTAINED BY THE CITY COURT AS A WHOLE

The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the City Court as a whole begins on page 10. The statement of net position and the statement of activities report information about the funds maintained by the City Court as a whole and about its activities in a way which helps answer one of the most important questions asked about the City Court's finances, "Is the City Court, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets and liabilities using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when the cash was received or paid.

These two statements report the City Court's net position and the changes in it. This net position, the difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources, is one way to measure the City Court's financial position or financial health and, over time, increases or decreases in the net position are one indicator of whether its financial health is improving or deteriorating.

We record the funds maintained by the City Court as governmental activities in the statement of net position and the statement of activities.

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of salaries, fees paid, and benefits; office expenses; contract services; memberships and educational conferences; and grants. Fines and fees and operating grants and contributions from the City of Denham Springs and the Livingston Parish Council (the Parish Council) finance most of the activities of the City Court.

REPORTING THE MOST SIGNIFICANT FUNDS MAINTAINED BY THE CITY COURT

The analysis of the major fund maintained by the City Court begins on page 13 and provides detailed information about the revenues and expenditures of this most significant fund, the General Fund.

All of the City Court's expenses are reported in governmental funds, which focus on how money flows into and out of these funds, and the balances left at year-end which are available for spending. These funds are reported using the modified accrual method, which measures cash and all other assets that could be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City Court's general operations and the expenses paid from these funds. The information in the governmental funds helps determine if there are more or less financial resources to finance future City Court expenses.

CITY COURT OF DENHAM SPRINGS - WARD II

Management's Discussion and Analysis

THE CITY COURT AS A TRUSTEE

The City Court is a trustee for custodial funds for its civil division, collection of restitution funds, and criminal division. Since these funds are simply held for other parties and cannot be used for any of the City Court activities, they are not included in the government-wide financial statements, but are separately reported in the financial statements of the fiduciary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. The City Court's total net position changed from a year ago, increasing from \$81,931 to \$214,962. The comparative analysis is presented below.

The largest portion of the City Court's assets is in cash and cash equivalents. Because of this, the City Court is able to take advantage of new technology in an effort to provide services to the public in the most efficient and effective manner.

Condensed Statements of Net Position

	2023	2022	Dollar Change	Total Percent Change
Current Assets and Investments	\$ 304,093	\$ 216,796	\$ 87,297	40.27%
Capital Assets (Net of Accumulated Depreciation)	48,851	72,772	(23,921)	-32.87%
Net Pension Asset	-	83,329	(83,329)	-100.00%
Total Assets	352,944	372,897	(19,953)	-5.35%
Deferred Outflows - Related to Pensions	126,680	76,041	50,639	66.59%
Current Liabilities	17,100	28,011	(10,911)	-38.95%
Long-Term Liabilities	192,434	223,241	(30,807)	-13.80%
Total Liabilities	209,534	251,252	(41,718)	-16.60%
Deferred Inflows - Related to Pensions	55,128	115,755	(60,627)	-52.38%
Net Position				
Net Investment in Capital Assets	48,851	72,772	(23,921)	-32.87%
Restricted Civil Fees	240,500	93,271	147,229	157.85%
Unrestricted (Deficit)	(74,389)	(84,112)	9,723	-11.56%
Total Net Position	\$ 214,962	\$ 81,931	\$ 133,031	162.37%

The net position of the funds maintained by the City Court's governmental activities increased by \$133,031 over the prior year. Unrestricted net position, the part of net position that can be used to finance City Court expenses without constraints or other legal requirements, increased by \$9,723 from \$(84,112) at June 30, 2022 to \$(74,389) at June 30, 2023.

CITY COURT OF DENHAM SPRINGS - WARD II

Management's Discussion and Analysis

Condensed Statements of Activities

	2023	2022	Dollar Change	Total Percent Change
Revenues				
Program Revenues				
Fines and Fees, Capital Grants, Operating Grants, and Contributions	\$ 744,704	\$ 578,024	\$ 166,680	28.84%
Interest Income and Miscellaneous	35,728	7,396	28,332	383.07%
Total Revenues	780,432	585,420	195,012	33.31%
Program Expenses				
General Governmental - Judicial	647,401	619,846	27,555	4.45%
Total Program Expenses	647,401	619,846	27,555	4.45%
Change in Net Position	\$ 133,031	\$ (34,426)	\$ 167,457	-486.43%

During the fiscal year ended June 30, 2023, total revenues increased by \$195,012. Court costs and fees received increased by \$166,680. Expenses increased by \$27,555, or approximately 4%.

GENERAL FUND BUDGETARY HIGHLIGHTS

As explained above, overall revenues increased and expenses were up compared to the prior year. Accordingly, the City Court amended its budget for the year ended June 30, 2023.

CAPITAL ASSETS

During the year ended June 30, 2023, capital assets decreased by \$23,921 due to depreciation of \$25,221 exceeding capital outlays of \$1,300.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Court's management considered many factors when setting the operating budget for the fiscal year ending June 30, 2023. Budgeted revenues and expenditures are expected to be consistent with the year ended June 30, 2023.

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens and taxpayers with a general overview for the funds maintained by the City Court and to show the City Court's accountability for the money it receives. If you have any questions or need additional financial information, contact Denham Springs City Court, Clerk of Court/Judicial Administrator's office at 116 N. Range Avenue, Denham Springs, Louisiana 70726.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY COURT OF DENHAM SPRINGS - WARD II
Statement of Net Position
June 30, 2023
With Comparative Totals as of June 30, 2022

	Governmental Activities	
	2023	2022
Assets		
Cash and Cash Equivalents	\$ 300,346	\$ 215,401
Accounts Receivables	1,395	1,395
Capital Assets (Net of Accumulated Depreciation)	48,851	72,772
Prepaid Expenses	2,352	-
Net Pension Asset	-	83,329
Total Assets	352,944	372,897
Deferred Outflows of Resources		
Deferred Outflows - Related to Pensions	126,680	76,041
Total Deferred Outflows of Resources	126,680	76,041
Liabilities		
Current Liabilities		
Accounts Payable	4,329	4,471
Accrued Expenses	12,771	23,540
Long-Term Liabilities		
Net Pension Liability	192,434	223,241
Total Liabilities	209,534	251,252
Deferred Inflows of Resources		
Deferred Inflows - Related to Pensions	55,128	115,755
Total Deferred Inflows of Resources	55,128	115,755
Net Position		
Net Investment in Capital Assets	48,851	72,772
Restricted Civil Fees	240,500	93,271
Unrestricted Deficit	(74,389)	(84,112)
Total Net Position	\$ 214,962	\$ 81,931

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

CITY COURT OF DENHAM SPRINGS - WARD II
Statement of Activities
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	Governmental Activities	
	2023	2022
Program Expenses		
Judicial		
Salaries, Fees Paid, and Benefits	\$ 467,615	\$ 422,003
Office Expenses	93,934	64,941
Contract Services	50,207	91,590
Depreciation	25,221	31,216
Memberships and Educational Conferences	10,424	10,096
	<u>647,401</u>	<u>619,846</u>
Program Revenues		
Fines and Fees	574,700	516,209
Capital Grants	101,149	211
Operating Grants and Contributions	68,855	61,604
	<u>744,704</u>	<u>578,024</u>
	<u>97,303</u>	<u>(41,822)</u>
General Revenues		
Interest Income	12,876	1,924
Miscellaneous	22,852	5,472
	<u>35,728</u>	<u>7,396</u>
Change in Net Position	133,031	(34,426)
Net Position, Beginning of Year	81,931	116,357
Net Position, End of Year	\$ 214,962	\$ 81,931

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

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUND**

CITY COURT OF DENHAM SPRINGS - WARD II
Balance Sheet
Governmental Fund
June 30, 2023
With Comparative Totals as of June 30, 2022

	General Fund	
	2023	2022
Assets		
Cash and Cash Equivalents	\$ 300,346	\$ 215,401
Accounts Receivable	1,395	1,395
Prepaid Expenses	2,352	-
Total Assets	\$ 304,093	\$ 216,796
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	\$ 4,329	\$ 4,471
Accrued Expenses	12,440	23,209
Total Liabilities	16,769	27,680
Fund Balance		
Restricted Civil Fees	240,500	93,271
Unassigned	46,824	95,845
Total Fund Balance	287,324	189,116
Total Liabilities and Fund Balance	\$ 304,093	\$ 216,796

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

CITY COURT OF DENHAM SPRINGS - WARD II
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2023
With Comparative Totals as of June 30, 2022

	2023	2022
Fund Balance - Total Governmental Fund	\$ 287,324	\$ 189,116
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental Capital Assets	211,069	209,769
Less: Accumulated Depreciation	(162,218)	(136,997)
Net Pension Asset	-	83,329
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Compensated Absences	(331)	(331)
Net Pension Liability	(192,434)	(223,241)
Deferred outflows of resources related to pensions are not reported in governmental funds.	126,680	76,041
Deferred inflows of resources related to pensions are not reported in governmental funds.	(55,128)	(115,755)
Net Position of Governmental Activities	\$ 214,962	\$ 81,931

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

CITY COURT OF DENHAM SPRINGS - WARD II
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	Total General Fund	
	2023	2022
Revenues		
Charges for Services		
Court Costs	\$ 365,679	\$ 389,021
Civil Fees	205,146	122,138
Probation and Continuance Fees	600	1,050
Drivers' License Reinstatement Fees	3,275	4,000
Intergovernmental Revenues		
On-Behalf Payments	19,321	20,256
Grant	101,149	211
Primary Government - City of Denham Springs	46,860	39,160
Interest Income	12,876	1,924
Miscellaneous	22,852	5,472
	777,758	583,232
Expenditures		
Judicial		
Salaries, Fees Paid, and Benefits		
Salaries	338,350	311,857
Civil Fees Paid	72,025	61,234
Retirement Expense	51,024	45,953
Employee Group Insurance	31,107	23,823
Payroll Tax Expense	31,179	22,958
Office Expenses		
Office Supplies and Printed Forms	78,512	47,868
Telephone	5,482	6,488
Bank Fees	4,522	6,133
Insurance	3,347	3,589
Miscellaneous	2,071	863

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

CITY COURT OF DENHAM SPRINGS - WARD II
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund (Continued)
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	Total General Fund	
	2023	2022
Expenditures (Continued)		
Contract Services		
Professional Fees	29,649	69,287
Maintenance Agreement	3,632	4,163
Court Reporter	6,000	6,650
File Storage	2,380	3,841
Maintenance and Repair	8,546	7,649
Memberships and Educational Conferences		
Membership Dues and Subscriptions	5,224	7,868
Educational Conferences and Seminars	5,200	2,228
Capital Outlay	1,300	10,952
	679,550	643,404
Net Change in Fund Balance	98,208	(60,172)
Fund Balance, Beginning of Year	189,116	249,288
Fund Balance, End of Year	\$ 287,324	\$ 189,116

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

CITY COURT OF DENHAM SPRINGS - WARD II
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	<u>2023</u>	<u>2022</u>
Net Changes in Fund Balance - Total Governmental Fund	\$ 98,208	\$ (60,172)
 Amounts reported for governmental activities in the statement of activities are different because:		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital depreciation exceeded capital outlay.		
	(23,921)	(20,264)
 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Pension Expense	<u>58,744</u>	<u>46,010</u>
Changes in Net Position of Governmental Activities	<u>\$ 133,031</u>	<u>\$ (34,426)</u>

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

CITY COURT OF DENHAM SPRINGS - WARD II
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - Governmental Fund
For the Year Ended June 30, 2023

	Budgetary Amounts		Actual - Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for Services				
Court Costs	\$ 305,000	\$ 389,021	\$ 365,679	\$ (23,342)
Building and Technology Fees	45,000	-	-	-
Civil Fees	100,000	122,138	205,146	83,008
Probation and Continuance Fees	73,000	1,050	600	(450)
Drivers' License Reinstatement Fees	3,000	4,000	3,275	(725)
Adoption Fees	300	-	-	-
Intergovernmental Revenues				
On-Behalf Payments	46,860	20,256	19,321	(935)
Grants	-	100,000	101,149	1,149
Primary Government - City of Denham Springs	29,323	39,160	46,860	7,700
Interest Income	3,123	1,924	12,876	10,952
Miscellaneous	-	5,472	22,852	17,380
Total Revenues	605,606	683,021	777,758	94,737
Expenditures				
Judicial				
Salaries, Fees Paid, and Benefits				
Salaries	200,000	311,857	338,350	(26,493)
Judge Salary	70,350	-	-	-
Civil Fees Paid	73,000	61,234	72,025	(10,791)
Retirement Expense	23,976	45,953	51,024	(5,071)
Employee Group Insurance	29,200	23,823	31,107	(7,284)
Payroll Tax Expense	18,000	22,958	31,179	(8,221)
Judge Retirement	29,000	-	-	-
Office Expenses				
Office Supplies and Printed Forms	40,000	78,516	78,512	4
Telephone	11,000	6,488	5,482	1,006
Postage	5,000	-	-	-
Bank Fees	8,500	6,133	4,522	1,611
Insurance	1,300	3,589	3,347	242
Miscellaneous	-	863	2,071	(1,208)
Uniforms	1,500	-	-	-
Contract Services				
Professional Fees	40,000	69,287	29,649	39,638
Maintenance Agreement	10,000	4,163	3,632	531
Court Reporter	5,000	6,650	6,000	650
File Storage	2,900	3,841	2,380	1,461
Maintenance and Repair	5,000	7,649	8,546	(897)
Software Update	8,880	-	-	-
Memberships and Educational Conferences				
Membership Dues and Subscriptions	15,000	7,868	5,224	2,644
Educational Conferences and Seminars	8,000	2,228	5,200	(2,972)
Capital Outlay	-	10,952	1,300	9,652
Total Expenditures	605,606	674,052	679,550	(5,498)
Net Change in Fund Balance	\$ -	\$ 8,969	98,208	\$ 89,239
Fund Balance, Beginning of Year			189,116	
Fund Balance, End of Year			\$ 287,324	

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

CITY COURT OF DENHAM SPRINGS - WARD II
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

	Custodial Funds
<hr/>	
Assets	
Cash	<u>\$ 551,466</u>
Total Assets	<u><u>\$ 551,466</u></u>
Liabilities	
Due to Others	<u>\$ 551,466</u>
Total Liabilities	<u><u>\$ 551,466</u></u>

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

CITY COURT OF DENHAM SPRINGS - WARD II
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2023

	Custodial Funds				Total
	Civil Docket	Criminal Docket	Restitution	Judicial College	
Additions					
Fines and Bonds Collected	\$ 576,708	\$ 1,035,587	\$ -	\$ 2,422	\$ 1,614,717
Restitution Received	-	-	9,433	-	9,433
Interest Income	1,248	1,063	41	10	2,362
Total Additions	577,956	1,036,650	9,474	2,432	1,626,512
Deductions					
Fines Disbursed to City of Denham Springs - General	-	290,434	-	-	290,434
Fines Disbursed to Parish Council - General	-	516	-	-	516
Fines Disbursed to Louisiana Supreme Court	-	-	-	2,424	2,424
General Fund Court Costs	-	333,518	-	-	333,518
Public Service Court Costs	-	150	-	-	150
Witness Fee Court Costs	-	6,173	-	-	6,173
Marshal's Office Court Costs	-	159,418	-	-	159,418
District Attorney Fees	-	170	-	-	170
Bonds and Fines Refunded	20,221	6,744	-	-	26,965
Law Enforcement Training	-	553	-	-	553
Miscellaneous	290	256	-	-	546
Bank Service Charge	-	6,885	-	-	6,885
Collection Fee	-	25,204	-	-	25,204
Judicial College	-	3,039	-	-	3,039
Indigent Defenders' Board	-	111,040	-	-	111,040
Marshal's Fees	85,290	-	-	-	85,290
Recording Fees	108,125	-	-	-	108,125
Restitution Paid to Victims	-	-	9,573	-	9,573
Building and Technology Fund	27,832	34,235	-	-	62,067
Serving Citations	32,462	-	-	-	32,462
Judge's Supplemental Compensation Fund	56,936	-	-	-	56,936
Excess Civil Fees Transfers to General Fund	183,291	-	-	-	183,291
Juvenile Justice Committee	-	13,527	-	-	13,527
Trial Court Case Management Information System	-	8,119	-	-	8,119
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund	-	2,575	-	-	2,575
Baton Rouge Crime Stoppers	-	5,416	-	-	5,416
Sex Registry	-	3,896	-	-	3,896
Total Deductions	514,447	1,011,868	9,573	2424	1,538,312
Net Additions/Deductions	63,509	24,782	(99)	8	88,200
Net Position, Beginning of Year	408,504	53,485	1,231	46	463,266
Net Position, End of Year	\$ 472,013	\$ 78,267	\$ 1,132	\$ 54	\$ 551,466

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

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The City Court of Denham Springs - Ward II (the City Court), Parish of Livingston, Louisiana, was established in accordance with Louisiana Revised Statute (R.S.) 13:1872 A(1) by resolution of the Denham Springs Mayor and Council on June 24, 1968. The City Court collects fines on behalf of Ward II in Livingston Parish, which includes the City of Denham Springs and a portion of Livingston Parish, and remits these fines to the same, after deducting court costs for operation of the City Court and Marshal of City Court of Denham Springs – Ward Two (the Marshal's) offices.

Financial Reporting Entity

For reporting purposes, the City of Denham Springs, Louisiana (the City), serves as the financial reporting entity for both the municipality and for the Ward II Court System. The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and Council of the City of Denham Springs), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit, and
2. Financial accountability, and
 - a. The primary government appoints a voting majority of the potential component unit's governing body and the primary government is able to impose its will on the potential component unit (or)
 - b. When a potential component unit is fiscally dependent on the primary government regardless of whether the organization has separately elected officials or boards.
3. Financial benefits/burden relationship between the primary government and the potential component unit, and
4. Misleading to exclude which covers other potential component units for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City Court's financial statements to be misleading.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Financial Reporting Entity (Continued)

Based on the previous criteria, the City's management has included the City Court of Denham Springs - Ward II as a component unit of the City of Denham Springs. Since the Judge of the City Court is an elected official and has certain statutorily defined sources of funds for his own operating and/or capital budget discretion, the funds of the City Court of Denham Springs - Ward II are included as a discretely presented component unit in the City of Denham Springs government-wide financial statements for the year ended June 30, 2023.

Basis of Presentation

Government-Wide Financial Statements

The City Court's basic financial statements include both government-wide (reporting the City Court as a whole) and fund financial statements (reporting the City Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. There were no activities of the City Court categorized as a business-type activity.

In the government-wide statement of net position, the governmental activity column (a) is presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resource basis.

The government-wide statement of activities reports both the gross and net cost of the City Court's function. The statement of activities reduces gross expenses by related program revenues and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants, while capital grants reflect capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc.).

The City Court does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City Court as an entity and the change in the City Court's net position resulting from the current year's activities.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The financial transactions of the City Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures. The various funds are reported by generic classification within the financial statements.

The City Court uses the following fund types:

Governmental Funds

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the City Court:

General Fund - The General Fund is the general operating fund of the City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds

Custodial Funds - Custodial funds are used to account for assets held by the City Court in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Custodial Funds consist of the Civil Docket, Criminal Docket, Restitution, and Judicial College Funds. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the City Court, these funds are not incorporated into the government-wide financial statements.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis

The governmental activities in the government-wide financial statements and the fiduciary funds financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (Continued)

Accrual Basis (Continued)

Revenues of the City Court consist principally of interest income and fines and fees for services relating to court filings. Interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

Modified Accrual Basis

The governmental fund financial statements are presented on 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 that the amount of the transaction can be determined, and available means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City Court considers all revenues available if they are collected within sixty days of fiscal year-end. Expenditures are recorded when the related fund liability is incurred. Depreciation is not recognized in the governmental fund financial statements.

Capital Assets

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Computer Equipment and Software	5 Years
Vehicles	5 Years
Office Furniture and Equipment	5 to 10 Years
Office Improvements	20 Years

Budgets and Budgetary Accounting

The proposed budget for the General Fund of the City Court was prepared on the modified accrual basis of accounting by the Clerk of the City Court.

Accumulated Unpaid Vacation and Sick Pay

Employees employed by the City Court of Denham Springs - Ward II earn 10 days of vacation leave each year. Vacation days must be used by December 31st; no carryover of vacation days is allowed. The City Court's employees earn 10 days of sick leave each year. Sick time is not to be carried over; it must all be used by December 31st.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Deferred Outflows/Inflows of Resources

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

All of the City Court's deferred outflows and inflows of resources on the statement of net position are related to pensions. See Note 6.

Pensions

The City Court is a participating employer in two cost-sharing, multiple-employer defined benefit plans as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets. At June 30, 2023, the City Court had no outstanding debt.

Fund Balance

The City Court has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

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

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or externally-imposed conditions by grantors or creditors.

Committed - Amounts that can only be used for specific purposes determined by a formal action of the City Court. These amounts cannot be used for any other purpose unless the City Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

Assigned - Amounts that are designated as committed by the City Court but are not spendable until a budget ordinance is passed.

Unassigned - All amounts not included in other spendable classifications. The City Court has not adopted a policy to maintain the General Fund's unassigned balance above a certain minimum level.

The details of the fund balances are included in the balance sheet - governmental fund (page 13). As noted above, restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the City Court or the assignment has been changed by the City Court. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned becomes zero, then assigned and committed fund balances are used in that order.

Summary Financial Information for 2022

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City Court's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Adopted Accounting Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The adopting of GASB 96 did not have a material effect on the financial statements of the City Court.

New Upcoming Accounting Pronouncements

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. Management is still evaluating the potential impact of adoption on the Court's financial statements. The Statement is effective for fiscal years beginning after June 15, 2023.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

New Upcoming Accounting Pronouncements (Continued)

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updated the recognition and measurement guidance for compensated absences. Management is still evaluating the potential impact of adoption on the Court's financial statements. The statement is effective for fiscal years beginning after December 15, 2023.

Note 2. Interest Earned

The Civil and Criminal Dockets and the Restitution Fund have placed funds in interest-bearing accounts. Since the Dockets operate in a fiduciary capacity and are not required to pay interest on bonds paid in advance of trial, interest income is transferred to the General Fund and used for operations of the City Court.

Note 3. Deposits and Investments

For reporting purposes, cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

At June 30, 2023, the carrying amount of the City Court's cash and cash equivalents totaled \$851,812 and the bank balances were \$889,821. These deposits are stated at cost, which approximates market. The following is a summary of cash and cash equivalents and investments at June 30, 2023:

	Deposits in Bank Accounts		
	Governmental Fund	Custodial Funds	Total
Book Balances	\$ 300,346	\$ 551,466	\$ 851,812
Bank Balances	\$ 314,526	\$ 575,295	\$ 889,821

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City Court's deposits may not be recovered. To mitigate this risk, state law requires these deposits (or the resulting bank balances) to be secured by federal deposit insurance or the pledge of securities by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The pledged securities are deemed by Louisiana State Law to be under the control and possession and in the name of the City Court regardless of their designation by the financial institution in which they are deposited. As of June 30, 2023, \$372,737 of the City Court's bank balance of \$889,821 was exposed to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the banks.

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated				
Furniture and Fixtures	\$ 14,916	\$ -	\$ -	\$ 14,916
Software	120,145	-	-	120,145
Vehicles	9,500	-	-	9,500
Computer Equipment	65,208	1,300	-	66,508
Total Capital Assets Being Depreciated	209,769	1,300	-	211,069
Less Accumulated Depreciation for:				
Furniture and Fixtures	13,695	-	-	13,695
Software	70,704	22,857	-	93,561
Vehicles	950	1,900	-	2,850
Computer Equipment	51,648	464	-	52,112
Total Accumulated Depreciation	136,997	25,221	-	162,218
Capital Assets, Net	\$ 72,772	\$ (23,921)	\$ -	\$ 48,851

Depreciation expense for the year ended June 30, 2023 was \$25,221.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 5. Postretirement Health Care and Life Insurance Benefits

At June 30, 2023, the City Court had no postretirement health care and life insurance benefit plan in existence.

Note 6. Pension Plans

The City Court follows the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment to GASB 68*, for pension plans. These standards revised and established new financial reporting requirements for governments that provide their employees with pension benefits.

These standards require the City Court to record its proportionate share of each of the pension plans' net pension liability and report the following disclosures:

General Information about the Pension Plans

Plan Descriptions

Parochial Employees' Retirement System of Louisiana

Employees of the City Court may elect to be members of the Parochial Employees' Retirement System (PERS) - Plan B, a cost-sharing, multiple-employer defined benefit plan administered by the Board of Trustees of Parochial Employees' Retirement System of Louisiana. PERS was established and provided for by R.S. 11:190. PERS - Plan B was designed for those employers that contribute to Social Security. PERS issues a publicly available financial report that can be obtained at www.persla.org.

Louisiana State Employees' Retirement System

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

Benefits Provided

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

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Parochial Employees' Retirement System of Louisiana

1. Retirement

All permanent parish government employees (except those employed by Orleans, Lafourche, and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Any member of Plan B can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

Age 55 with thirty (30) years of creditable service

Age 60 with a minimum of ten (10) years of creditable service

Age 65 with a minimum of seven (7) years of creditable service

For employees hired after January 1, 2007:

Age 55 with thirty (30) years of creditable service

Age 62 with a minimum of ten (10) years of creditable service

Age 67 with a minimum of seven (7) years of creditable service

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the members' final average compensation multiplied by his years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

2. Survivor Benefits

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage, if the remarriage occurs before age 55.

A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Parochial Employees' Retirement System of Louisiana (Continued)

3. Deferred Retirement Option Plan

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the retirement system. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan in which they are enrolled for three years and defer the receipt of benefits.

During participation in the DROP, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date. For individuals who become eligible to participate in the Deferred Retirement Option Plan on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the plan will be placed in liquid asset money market investments at the discretion of the Board of Trustees. These subaccounts may be credited with interest based on money market rates of return or, at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this plan must agree that the benefits payable to the participant are not the obligations of the State or the System, and that any returns and other rights of the plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

4. Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007, and has at least five years of creditable service or, if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Parochial Employees' Retirement System of Louisiana (Continued)

5. Cost-of-Living Increases

The Board is authorized to provide a cost-of-living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost-of-living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977 (or the member's retirement date, if later). Also, the Board may provide a cost-of-living increase up to 2.5% for retirees 62 and older (R.S. 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost-of-living adjustment commencing at age 55.

Louisiana State Employees' Retirement System

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS' rank-and-file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing 5 to 10 years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

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

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Louisiana State Employees' Retirement System (Continued)

1. Retirement (Continued)

As an alternative to the basic retirement benefits, members may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after 5 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 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is 10 years of service.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Louisiana State Employees' Retirement System (Continued)

2. Deferred Retirement Benefits

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

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

3. Disability Benefits

All members with 10 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.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Louisiana State Employees' Retirement System (Continued)

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of 5 years of service credit, at least 2 of which were earned immediately prior to death, or who had a minimum of 20 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 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

Parochial Employees' Retirement System of Louisiana

According to state statute, contributions for all employers are actuarially determined each year. The City Court's required contribution rate for the period July 1, 2022 to June 30, 2023 was 7.5%. Employees were required to contribute 3% of their annual salary for both periods. Contributions to PERS from the City Court were \$19,321 for the year ended June 30, 2023.

According to state statute, PERS also receives one-fourth of one percent of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge Parishes. PERS also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. The amount of non-employer contributions recognized as revenue in the government-wide statement of activities was \$2,674 for the year ended June 30, 2023.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

General Information about the Pension Plans (Continued)

Contributions (Continued)

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by R.S. 11:401 and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The City Court's contractually required composite contribution rate for the year ended June 30, 2023 was 8.26% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City Court were \$32,267 for the year ended June 30, 2023.

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

At June 30, 2023, the City Court reported a net pension liability of \$39,948 for its proportionate share of PERS and a net pension liability of \$152,486 for its proportionate share of LASERS. For PERS, the net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For LASERS, the net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the City Court's proportion was .167786% for PERS, which was an increase of .018668% from its proportion measured as of December 31, 2021. At June 30, 2022, the City Court's proportion was .00202% for LASERS, which was a decrease of .00204% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City Court recognized pension expenses of \$27,185 for PERS and \$20,277 for LASERS.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

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

At June 30, 2023, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	PERS	LASERS	Total
Differences between Expected and Actual Experience	\$ 831	\$ 416	\$ 1,247
Changes in Assumptions	1,883	2,776	4,659
Net Difference between Projected and Actual Earnings on Pension Plan Investments	62,830	12,300	75,130
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions City Court Contributions Subsequent to the Measurement Date	113	5,764	5,877
	8,635	31,132	39,767
Total Deferred Outflows of Resources	\$ 74,292	\$ 52,388	\$ 126,680
Deferred Inflows of Resources	PERS	LASERS	Total
Differences between Expected and Actual Experience	\$ 8,014	\$ -	\$ 8,014
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	2,635	44,479	47,114
Total Deferred Inflows of Resources	\$ 10,649	\$ 44,479	\$ 55,128

In the year ending June 30, 2023, \$39,767 reported as deferred outflows of resources related to pensions resulting from the City Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	PERS	LASERS	Total
June 30,			
2024	\$ 8,228	\$ (36,173)	\$ (27,945)
2025	19,937	(3,110)	16,827
2026	26,843	16,060	42,903
Total	\$ 55,008	\$ (23,223)	\$ 31,785

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

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

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022 for PERS and as of June 30, 2022 for LASERS is as follows:

Assumptions	PERS	LASERS
Inflation	2.30%	2.30%
Salary Increases	4.25% including inflation	Salary increases based on 2014-2018 experience study
Investment Rate of Return	6.40% (net of investment expense)	7.25% (net of investment expense)

For PERS, mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females using MP-2018 scale for annuitant and beneficiary mortality. Mortality rates for employees were based on the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using the MP-2018 scale. Mortality rates for disabled annuitants were based on the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP-2018.

For LASERS, mortality rates were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. For disabled members, mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

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

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

For PERS, the long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates 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 rates 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 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the PERS target asset allocation as of December 31, 2022 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real Assets	2%	0.12%
	<u>100%</u>	<u>5.60%</u>
Inflation		<u>2.10%</u>
Expected Arithmetic Nominal Return		<u>7.70%</u>

For LASERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class included in the LASERS target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Long-Term Expected Portfolio Real Rate of Return
Cash	0.39%
Domestic Equity	4.57%
International Equity	5.76%
Domestic Fixed Income	1.48%
International Fixed Income	5.04%
Alternative Instruments	8.30%
Total	5.91%

Discount Rate

For PERS, the discount rate used to measure the total pension liability was 6.4% which was same as the prior measurement date of December 31, 2021. For LASERS, the discount rate used to measure the total pension liability was 7.25% which was a decrease of .15% from the prior measurement date of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 6. Pension Plans (Continued)

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

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

The following presents the City Court's proportionate share of the net pension liability calculated using the current discount rate, as well as what the City Court's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate as of December 31, 2022 for PERS and as of June 30, 2022 for LASERS:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
PERS - Plan B			
City Court's Proportionate Share of the Net Pension Liability (Asset)	\$ 129,265	\$ 39,948	\$ (34,819)

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
LASERS			
City Court's Proportionate Share of the Net Pension Liability (Asset)	\$ 192,150	\$ 152,486	\$ 116,741

Pension Plans Fiduciary Net Position

PERS issued a stand-alone audit report on its financial statements for the year ended December 31, 2022. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Detailed information about LASERS' fiduciary net position is available in the separately issued LASERS 2022 Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Payables to the Pension Plans

At June 30, 2023, included in liabilities is a payable in the amount of \$6,044 to PERS and a payable in the amount of \$3,045 to LASERS. These payables are for normal legally required contributions to the pension plans.

CITY COURT OF DENHAM SPRINGS - WARD II

Notes to Financial Statements

Note 7. On-Behalf Payments for Salaries and Benefits

The City Court follows GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This standard requires the City Court to report in the financial statements on-behalf salary and fringe benefit payments made by the Livingston Parish Council (the Parish Council) to the City Court's employees.

Supplementary salary payments are made by the Parish Council directly to the City Court's employees. The City Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the Parish Council. For the fiscal year ended June 30, 2023, the Parish Council made supplementary salary and benefit payments of \$19,321 to the City Court's employees.

As an elected official, the Judge statutorily receives a portion of his compensation directly from the City of Denham Springs, the Livingston Parish Council, and the State of Louisiana. As the Judge considers himself to be employed by the State of Louisiana, his compensation is not reflected in these financial statements.

Note 8. Risk Management

The City 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 City Court has obtained general liability insurance, as well as professional liability insurance for its staff.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

CITY COURT OF DENHAM SPRINGS - WARD II
Schedule of Proportionate Share of the
Net Pension Liability by Plan
For the Years Ended

PERS*	2023	2022	2021	2020	2019	2018	2017	2016
City Court's Portion of the Net Pension (Asset)/Liability	0.167786%	0.149118%	0.185435%	0.202493%	0.193381%	0.270627%	0.293820%	0.294650%
City Court's Proportionate Share of the Net Pension (Asset)/Liability	\$ 79,948	\$ (83,329)	\$ (47,607)	\$ (14,650)	\$ 52,245	\$ (35,183)	\$ 39,182	\$ 52,461
City Court's Covered-Employee Payroll	\$ 490,780	\$ 348,405	\$ 187,245	\$ 224,997	\$ 176,875	\$ 195,825	\$ 292,795	\$ 283,195
City Court's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered-Employee Payroll	20.94%	-56.15%	-25.42%	-6.51%	29.54%	-17.97%	13.04%	18.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.26%	114.20%	106.75%	102.04%	91.93%	101.97%	95.50%	93.48%
LASERS**	2023	2022	2021	2020	2019	2018	2017	2016
City Court's Portion of the Net Pension Liability	0.002030%	0.004057%	0.003530%	0.003820%	0.003810%	0.003820%	0.003760%	0.003480%
City Court's Proportionate Share of the Net Pension Liability	\$ 152,480	\$ 223,241	\$ 292,120	\$ 276,793	\$ 250,838	\$ 268,883	\$ 205,296	\$ 236,827
City Court's Covered Payroll	\$ 77,490	\$ 73,160	\$ 73,000	\$ 70,008	\$ 68,600	\$ 69,000	\$ 66,600	\$ 64,800
City Court's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	196.78%	305.14%	400.16%	379.17%	373.33%	386.33%	443.33%	365.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.65%	72.80%	58.00%	62.90%	64.30%	62.54%	57.75%	62.66%

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

- * For PERS, the amounts presented were determined as of the calendar year-end that occurred within the fiscal year.
- ** For LASERS, the amounts presented have a measurement date of the previous fiscal year-end.

See independent auditor's report.

CITY COURT OF DENHAM SPRINGS - WARD II
Schedule of Contributions by Plan
For the Years Ended

PERS	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 15,758	\$ 14,378	\$ 13,362	\$ 17,098	\$ 16,725	\$ 14,676	\$ 20,871	\$ 25,258
Contributions in Relation to the Contractually Required Contribution	(15,758)	(14,378)	(13,362)	(17,098)	(16,725)	(14,676)	(20,871)	(25,258)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Court's Covered Payroll	\$ 190,739	\$ 171,451	\$ 154,782	\$ 226,773	\$ 223,000	\$ 188,654	\$ 260,877	\$ 297,295
Contributions as a Percentage of Covered Payroll	8.26%	8.39%	8.63%	7.50%	7.50%	7.78%	8.00%	8.50%
LASERS	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 32,267	\$ 28,816	\$ 31,093	\$ 30,698	\$ 28,036	\$ 27,909	\$ 26,840	\$ 25,375
Contributions in Relation to the Contractually Required Contribution	(32,267)	(28,816)	(31,093)	(30,698)	(28,036)	(27,909)	(26,840)	(25,375)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Court's Covered Payroll	\$ 80,400	\$ 77,490	\$ 73,160	\$ 73,000	\$ 70,008	\$ 69,600	\$ 68,000	\$ 66,600
Contributions as a Percentage of Covered-Employee Payroll	40.13%	37.19%	42.50%	42.05%	40.10%	40.10%	38.00%	38.10%

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

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CITY COURT OF DENHAM SPRINGS - WARD II
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2023

Agency Head
Honorable Jerry L. Denton, Judge

Purpose	Amount Paid by the Court
Salary	\$72,025
Benefits - Insurance	\$0
Benefits - Retirement	\$31,998
Benefits - Other	\$0
Car Allowance	\$0
Membership Dues	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

CITY COURT OF DENHAM SPRINGS - WARD II
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Civil Docket
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ 408,504	\$ 439,661
Add: Collections		
Civil Fees	298,361	267,867
Interest and Other	4,387	7,339
Subtotal Collections	302,748	275,206
Less: Disbursements to Governments and Nonprofits (Continued):		
Louisiana State Treasurer - Supplemental Compensation	33,961	22,410
Denham Springs Marshal - Ward II - Civil Fees	45,930	39,360
Louisiana Secretary of State - Civil Fees	-	200
Acadia Parish Sheriff - Civil Fees	61	20
Ascension Parish Clerk of Court - Civil Fees	573	-
Ascension Parish Sheriff - Civil Fees	1,274	1,120
Assumption Parish Sheriff - Civil Fees	36	-
Avoyelles Parish Sheriff - Civil Fees	-	50
Calcasieu Parish Sheriff - Civil Fees	414	-
East Baton Rouge Parish Sheriff - Civil Fees	8,384	10,364
East Feliciana Parish Sheriff - Civil Fees	122	46
Evangeline Parish Sheriff - Civil Fees	-	108
Honorable Nathaniel Williams, Sheriff - Civil Fees	503	332
Iberia Parish Sheriff - Civil Fees	85	-
Iberville Parish Sheriff - Civil Fees	122	87
Jefferson Parish Sheriff - Civil Fees	30	180
Lafayette Parish Sheriff - Civil Fees	80	51
Livingston Parish Sheriff - Civil Fees	2,783	1,245
Orleans Parish Sheriff - Civil Fees	210	540
Ouachita Parish Sheriff - Civil Fees	-	25
Pointe Coupee Parish Sheriff - Civil Fees	278	136
St. Charles Parish Sheriff - Civil Fees	75	-
St. Helena Parish Sheriff - Civil Fees	97	-
St. James Parish Sheriff - Civil Fees	48	-
St. John Parish Sheriff - Civil Fees	-	-
St. Landry Parish Sheriff - Civil Fees	-	60
St. Martin Parish Sheriff - Civil Fees	54	-
St. Tammany Parish Sheriff - Civil Fees	158	307
Tangipahoa Parish Sheriff - Civil Fees	756	549

CITY COURT OF DENHAM SPRINGS - WARD II
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Civil Docket (Continued)
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Less: Disbursements to Governments and Nonprofits (Continued):		
Terrebonne Parish Sheriff - Civil Fees	64	112
Vermillion Parish Sheriff - Civil Fees	-	-
Washington Parish Sheriff - Civil Fees	84	196
Webster Parish Sheriff - Civil Fees	-	-
West Baton Rouge Parish - Civil Fees	184	-
West Baton Rouge Parish Sheriff - Civil Fees	92	230
West Feliciana Parish Sheriff - Civil Fees	94	43
Less: Other Costs of Collection	563	-
Less: Amounts Retained by Collecting Agency		
City Court of Denham Springs - Ward 1 - Civil Fees	164,143	155,104
Less: Disbursements to Individuals/Third-Party Collection or Processing Agencies		
Other Disbursements to Individuals	10,333	9,979
Subtotal Disbursements/Retainage	271,591	242,854
Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 439,661	\$ 472,013
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

CITY COURT OF DENHAM SPRINGS - WARD II
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Criminal Docket
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ 53,485	\$ 63,764
Add: Collections		
Criminal Fines and Costs	472,235	559,112
Criminal - Other	2,794	2,373
Subtotal Collections	<u>475,029</u>	<u>561,485</u>
Less: Disbursements to Governments and Nonprofits:		
City of Denham Springs - Criminal Fees and Costs	125,684	171,229
Livingston Parish Council - Criminal Fees and Costs	135	381
Denham Springs Marshal, Ward 2 - Criminal Fees and Costs	77,207	82,211
Public Defender Board - Criminal Fees and Costs	51,094	59,946
21 st Judicial District Attorney - Criminal Fees and Costs	98	72
Louisiana Commission on Law Enforcement - Criminal Fees and Costs	1,273	1,242
Louisiana Department of Public Safety - Criminal Fees and Costs	275	150
Florida Parish Juvenile Justice Commission - Criminal Fees and Costs	6,113	7,414
Louisiana State Treasurer - CMIS - Criminal Costs	3,675	4,444
Louisiana Department of Health and Hospitals Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Costs	1,185	1,390
Louisiana Department of Public Safety and Corrections - Criminal Costs	1,621	2,275
Baton Rouge Crime Stoppers - Criminal Costs	2,454	2,962
Less: Refunds and Other Costs	17,632	18,391
Less: Amounts Retained by Collecting Agency		
City Court of Denham Springs - Ward 2 - Criminal Fees and Costs	<u>176,304</u>	<u>194,875</u>
Subtotal Disbursements/Retainage	<u>464,750</u>	<u>546,982</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 63,764</u>	<u>\$ 78,267</u>
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

CITY COURT OF DENHAM SPRINGS - WARD II
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Restitution
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ 1,231	\$ 1,111
Add: Collections		
Restitution	7,907	1,566
Subtotal Collections	<u>7,907</u>	<u>1,566</u>
Less: Disbursements to Governments and Nonprofits	-	-
Less: Restitution Paid	8,027	1,545
Less: Amounts Retained by Collecting Agency		
City Court of Denham Springs - Ward 2 - Restitution Fees	-	-
Subtotal Disbursements/Retainage	<u>8,027</u>	<u>1,545</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 1,111</u>	<u>\$ 1,132</u>
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

CITY COURT OF DENHAM SPRINGS - WARD II
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
Judicial College
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	<u>\$ 46</u>	<u>\$ 50</u>
Add: Collections		
Judicial College Fees	<u>1,226</u>	<u>1,147</u>
Subtotal Collections	<u>1,226</u>	<u>1,147</u>
Less: Disbursements to Governments and Nonprofits:		
Louisiana Supreme Court - Judicial College	<u>1,222</u>	<u>1,143</u>
Subtotal Disbursements/Retainage	<u>1,222</u>	<u>1,143</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u><u>\$ 50</u></u>	<u><u>\$ 54</u></u>
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

**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**

Independent Auditor's Report

Judge Jerry L. Denton
City Court of Denham Springs - Ward II
Denham Springs, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Denham Springs - Ward II (the City Court), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City Court of Denham Springs - Ward II's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Court of Denham Springs - Ward II's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the City Court's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Denham Springs - Ward II's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court'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 City Court'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.



A Professional Accounting Corporation

Baton Rouge, LA
December 15, 2023

CITY COURT OF DENHAM SPRINGS - WARD II
Schedule of Findings and Responses
For the Year Ended June 30, 2023

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? None.

Significant deficiency(ies) identified? None.

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Noncompliance material to financial statements noted? None.

Federal Awards

Not applicable.

Section II. Financial Statement Findings

None.

Section III. Federal Awards Findings and Questioned Costs

Not applicable.

CITY COURT OF DENHAM SPRINGS - WARD II
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

None.

AGREED-UPON PROCEDURES REPORT

Denham Springs City Court

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period July 1, 2022 – June 30, 2023

To Judge Jerry Denton
Of Denham Springs City Court
And the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the Denham Springs City Court's (the Court) control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2022 through June 30, 2023. The Court's management is responsible for those C/C areas identified in the SAUPs.

The Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2022 through June 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.

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- iii. **Disbursements**, including processing, reviewing, and approving.
- iv. **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).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **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).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: We noted that x. is not applicable as the Court does not have any debt. We noted no exceptions in performance of the remaining procedures.

2) **Board or Finance Committee**

- A. 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:
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned 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 unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: We noted that the procedures are not applicable as the Court is an independently elected official. We noted that the General Fund did not have a deficit in unassigned fund balance.

3) **Bank Reconciliations**

- A. Obtain a listing of entity 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 each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. 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.

Results: We noted exceptions for Procedure iii. Four of the bank reconciliations tested had uncleared transactions over a year old without indication of research. We noted no exceptions in the performance of the other procedures.

4) Collections (excluding electronic funds transfers)

- A. 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).

Results: We obtained management's representation that the listing provided is complete.

- B. 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:
- i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. 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.
 - iii. 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.
 - iv. 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/official verifies the reconciliation.

Results: No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.

Results: No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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:
- i. Observe that receipts are sequentially pre-numbered.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. 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 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of this procedure.

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

- A. 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).

Results: No exceptions were found as a result of this procedure.

- B. For each location selected under #5A 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:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. 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.
 - iv. 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.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of this procedure.

- C. 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:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: No exceptions were found as a result of this procedure.

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

- A. 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.

Results: We obtained management's representation that the listing provided is complete.

- B. 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:

- i. 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 (or electronically approved), 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.]

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

Results: We noted that finance charges and late charges were assessed on the statement of one of our selections.

- C. Using the monthly statements or combined statements selected under #6B 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results: We noted that six of the selected transactions did not contain specific documentation of the business/public purpose.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. 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:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. 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 Policies and Procedures procedure #1A(vii); and.
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Not applicable - the Court did not have any reimbursable travel expenses during fiscal years 2023.

8) Contracts

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

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
- iv. 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.

Results: No exceptions were found as a result of this procedure.

9) *Payroll and Personnel*

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

Results: No exceptions were found as a result of this procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- iv. Observe whether the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of this procedure.

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

Results: No exceptions were found as a result of this procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: We obtained management's representation that the employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of this procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of this procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: Not applicable – the Court does not carry any debt.

- B. 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: Not applicable – the Court does not carry any debt.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

Results: No exceptions were found as a result of this procedure.

- B. 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.

Results: We noted as exception for 12B. Notice required by R.S. 24:523.1 was not posted on the entity's website.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

14) Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #9 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: No exceptions were found as a result of this procedure.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results: No exceptions were found as a result of this procedure.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that it includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of this procedure.

We were engaged by the Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Baton Rouge, LA
December 15, 2023

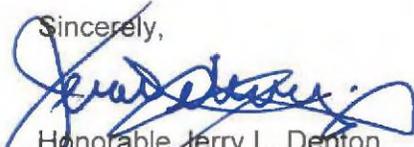
Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: SAUP Agreed-Upon Procedures

The management of the City Court of Denham Springs – Ward II wishes to provide the following responses relative to the results of the 2023 statewide agreed-upon procedures engagement:

- 1) In response to the results of the Bank Reconciliation procedures, the Court will investigate old outstanding checks.
- 2) In response to the results of the Credit Card procedures, management will ensure that all credit card transactions that are reimbursed have clear documentation of the business or public purpose.
- 3) In response to the results of the Fraud Notice procedures, management will post the required notice on their website.

Sincerely,



Honorable Jerry L. Denton,
Judge