

CITY COURT
OF WEST MONROE, LOUISIANA

Component Unit Financial Statements
For the Year Ended June 30, 2023



CITY COURT
OF WEST MONROE, LOUISIANA
JUNE 30, 2023

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OF WEST MONROE, LOUISIANA
JUNE 30, 2023

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Independent Auditors' Report

Honorable Judge Jim Norris,
City Court of West Monroe, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of West Monroe, a component unit of the City of West Monroe, Louisiana, 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 West Monroe's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of West Monroe 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Court of West Monroe 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 these 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 misstatements, 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 of West Monroe's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 of West Monroe'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 of West Monroe'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, budgetary comparison information, schedule of proportionate share of net pension liability, and schedule of the employer's pension contribution on pages 4-7 and 28-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of West Monroe's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Heads, shown on page 37, and the Justice System Funding Schedules for Receiving Entities and for Collecting/Disbursing Entities, shown on pages 38-40, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management. The Justice System Funding Schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session. Section 1 of the Schedule of Compensation, Benefits and Other Payments to Agency Heads and the Justice System Funding Schedules were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This 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, Section 1 of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads and the Justice System Funding Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads shown on page 36 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023, on our consideration of City Court of West Monroe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of West Monroe's internal control over financial reporting and compliance.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
December 13, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City Court of West Monroe, Louisiana (the Court) provides an overview of the Court's activities for the year ended June 30, 2023. Please read it in conjunction with the Court's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

- The **Statement of Net Position** presents all of the Court's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the Court's net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.

- The **Statement of Activities** presents information showing how the Court's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Court's near-term financing decisions. Due to the nature of the operations, there were no differences between the fund financial statements and the government-wide financial statements.

The Court has three governmental funds: the General Fund, the Probation Fund, and the Civil Court Cost Fund.

- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the Court. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Court's own programs. The accrual basis of accounting is used for fiduciary funds.

The Court has one fiduciary fund: the Restitution Fund.

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

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Court's financial position. The Court's assets exceed liabilities by \$705,210 and \$738,382 as of June 30, 2023 and 2022, respectively.

The entire portion of the Court's assets totaling \$775,652 consists of cash and cash equivalents.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Current Assets	\$ 775,652	\$ 777,956
Deferred Outflows	33,710	23,555
Current Liabilities	(886)	(494)
Net Pension Liability	(103,266)	(75,515)
Deferred Inflows	<u>-</u>	<u>(17,610)</u>
Total Net Position	<u>\$ 705,210</u>	<u>\$ 738,382</u>

Changes in Net Position

The Court's net position decreased by \$33,172 (4%) during the year ended June 30, 2023 compared to an increase of \$36,198 (5%) during the prior year. The Court's total revenues increased by \$107,702 during the current year. Expenses increased \$177,072 during the current year.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program Revenues:		
Judge's Supplement	\$ 116,783	\$ 74,010
Probation Fees	43,317	33,947
Advance Deposits	354,624	275,136
Intergovernmental – City Of West Monroe	613,168	637,279
General Revenues:		
Interest	<u>257</u>	<u>75</u>
Total Revenues	1,128,149	1,020,447
Total Expenses – Judiciary	<u>1,161,321</u>	<u>984,249</u>
Increase (Decrease) in Net Position	(33,172)	36,198
Net Position – Beginning of Year	<u>738,382</u>	<u>702,184</u>
Net Position – End of Year	<u>\$ 705,210</u>	<u>\$ 738,382</u>

FINANCIAL ANALYSIS OF THE COURT'S INDIVIDUAL FUNDS

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

Governmental Funds

The focus of the Court's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Court's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Court's net resources available for spending at June 30, 2023.

As of June 30, 2023, the Court's governmental funds reported a combined ending fund balance of \$774,766, a decrease of \$33,186 (4%) compared to the prior year.

The General Fund accounts for fees earned by the Judge, which are transferred from the Civil Court Cost Fund and are used to pay a portion of the Judge's salary and other costs of operating the City Court. Unassigned fund balance was \$237,871 at the end of the current fiscal year, an increase of \$3,250 (1%) from the prior year.

The Probation Fund accounts for the collection of monthly probation fees levied on certain defendants. Unassigned fund balance was \$46,635 at the end of the current fiscal year, a decrease of \$15,795 (25%) from the prior year.

The Civil Court Cost Fund accounts for advance deposits for civil lawsuits. Restricted fund balance was \$490,260 at the end of the current fiscal year, a decrease of \$20,641 (4%) from the prior year.

\$284,506 of the ending governmental fund balance is unassigned and available for spending in the coming year. The remaining \$490,260 is restricted for to be either refunded to the litigants or used in the civil lawsuits.

GENERAL FUND BUDGETARY HIGHLIGHTS

A budget is prepared by the City Court of West Monroe, Louisiana for the operations other than those provided by the City of West Monroe, Louisiana. This budget is shown on page 28 with notes to the budget on page 29.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

There are no rate changes for next year. The next year's budget is made using a conservative approach using prior year operations combined with other known facts for the upcoming year.

CONTACTING THE COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Court's finances and to show the Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Court's offices at 2303 North 7th Street, West Monroe, Louisiana.

CITY COURT
OF WEST MONROE, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 775,652
Total Assets	<u>\$ 775,652</u>
Deferred Outflow of Resources	33,710
<u>LIABILITIES</u>	
Payroll Liabilities	\$ 886
Non-Current Liabilities	
Net Pension Liability	<u>103,266</u>
Total Liabilities	104,152
Deferred Inflow of Resources	-
<u>NET POSITION</u>	
Restricted Net Position	490,260
Unrestricted Net Position	<u>214,950</u>
Total Net Position	<u>\$ 705,210</u>

The notes to the financial statements are an integral part of this statement.

CITY COURT
OF WEST MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges</u>	<u>Intergovernmental -</u>	<u>Revenue and Changes</u>
		<u>for</u>	<u>City of West</u>	<u>in Net Position</u>
		<u>Services</u>	<u>Monroe</u>	<u>Government Activities</u>
Judicial:				
Salaries/Related Expenses	\$ 602,603	\$ 514,724	\$ 613,168	\$ 525,289
Travel	31,721	-	-	(31,721)
Operating Expense	<u>526,997</u>	<u>-</u>	<u>-</u>	<u>(526,997)</u>
 Total Governmental Activities	 <u>\$1,161,321</u>	 <u>\$ 514,724</u>	 <u>\$ 613,168</u>	 <u>\$ (33,429)</u>
				General Revenues:
				Interest
				<u>257</u>
				Change in Net Position
				(33,172)
				Net Position July 1, 2022
				<u>738,382</u>
				Net Position June 30, 2023
				<u><u>\$ 705,210</u></u>

The notes to the financial statements are an integral part of this statement.

CITY COURT
OF WEST MONROE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

<u>ASSETS</u>	<u>General Fund</u>	<u>Probation Fund</u>	<u>Civil Court Cost Fund</u>	<u>Total Governmental Funds</u>
Cash	\$ 237,871	\$ 47,521	\$ 490,260	\$ 775,652
<u>TOTAL ASSETS</u>	<u>\$ 237,871</u>	<u>\$ 47,521</u>	<u>\$ 490,260</u>	<u>\$ 775,652</u>
<u>LIABILITIES</u>				
Payroll Liabilities	\$ -	\$ 886	\$ -	\$ 886
Total Liabilities	-	886	-	886
<u>FUND BALANCE</u>				
Assigned Fund Balance	-	-	490,260	490,260
Unassigned Fund Balances	237,871	46,635	-	284,506
Total Fund Balances	237,871	46,635	490,260	774,766
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 237,871</u>	<u>\$ 47,521</u>	<u>\$ 490,260</u>	<u>\$ 775,652</u>

The notes to the financial statements are an integral part of this statement.

CITY COURT
OF WEST MONROE, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO STATEMENT OF NET POSITION
JUNE 30, 2023

Total Governmental Fund Balances	\$	774,766
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Net Pension Liability		(103,266)
Deferred Outflows Related to Pensions		33,710
Deferred Inflows Related to Pensions		-
Total Deferred Inflows/Outflows Related to Pensions		33,710
 Net Position of Governmental Activities		 \$ 705,210

The accompanying notes are an integral part of this financial statement.

**CITY COURT
OF WEST MONROE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Probation Fund	Civil Court Cost Fund	Total Governmental Funds
Revenues:				
Judges Fees	\$ 116,783	\$ -	\$ -	\$ 116,783
Intergovernmental - City of West Monroe	613,168	-	-	613,168
Probation Fees	-	43,317	-	43,317
Advanced Deposits	-	-	354,624	354,624
Interest	257	-	-	257
Total Revenues	<u>730,208</u>	<u>43,317</u>	<u>354,624</u>	<u>1,128,149</u>
Expenditures:				
Judge's Salary	102,839	-	-	102,839
Judge's Retirement	44,057	-	-	44,057
Salaries - Staff	315,679	39,540	-	355,219
Payroll Taxes	5,847	1,630	-	7,477
Security	-	1,020	-	1,020
Other Reductions	145,823	-	-	145,823
Travel	14,871	16,850	-	31,721
Supplies	4,817	72	-	4,889
City Marshal Fees	-	-	72,600	72,600
Refunds to Litigants	-	-	106,649	106,649
Civil Court Costs	-	-	196,016	196,016
Retirement	93,025	-	-	93,025
Miscellaneous	-	-	-	-
Total Expenditures	<u>726,958</u>	<u>59,112</u>	<u>375,265</u>	<u>1,161,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,250	(15,795)	(20,641)	(33,186)
Fund Balances at Beginning of Year	<u>234,621</u>	<u>62,430</u>	<u>510,901</u>	<u>807,952</u>
Fund Balances at End of Year	<u>\$ 237,871</u>	<u>\$ 46,635</u>	<u>\$ 490,260</u>	<u>\$ 774,766</u>

The notes to the financial statements are an integral part of this statement.

CITY COURT
OF WEST MONROE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ (33,186)
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*Amounts reported for governmental
activities in the statement of activities
are different because:*

Pension net change- GASB 68	<u>14</u>
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Change in Net Position in Governmental Activities	<u><u>\$ (33,172)</u></u>
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The accompanying notes are an integral part of this financial statement.

CITY COURT
OF WEST MONROE, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

	Custodial Funds
<u>ASSETS</u>	
Cash	\$ 4,580
<u>TOTAL ASSETS</u>	\$ 4,580
<u>LIABILITIES</u>	
Deposits Due to Others	\$ -
<u>TOTAL LIABILITIES</u>	\$ -
<u>NET POSITION</u>	
Restricted for:	
Individuals, organizations, and other governments	\$ 4,580
<u>TOTAL NET POSITION</u>	\$ 4,580

The notes to the financial statements are an integral part of this statement.

CITY COURT
OF WEST MONROE, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

		<u>Custodial Funds</u>
Additions:		
Restitution Recipients	\$	37,186
Total Additions		<u>37,186</u>
 Reductions:		
Restitution Recipients		37,186
Total Reductions		<u>37,186</u>
 Net increase (decrease) in fiduciary net position		 -
 Net Position - Beginning		 <u>4,580</u>
 Net Position - Ending	 \$	 <u><u>4,580</u></u>

The notes to the financial statements are an integral part of this statement.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies

The City Court of West Monroe, Louisiana, (the “City Court”), is a component unit of the City of West Monroe, Louisiana. As provided for by Chapter 7 of Title 13 of the Louisiana Revised Statutes, the City Court has jurisdiction in all civil matters in the City of West Monroe, Louisiana including all of Ward Five of Ouachita Parish. The criminal jurisdiction of the City Court is limited to offenses committed within the city limits of West Monroe, Louisiana, which are not punishable by imprisonment and hard labor. The City Judge is elected for six-year terms.

A. Financial Reporting Entity

As a governing authority of the city, for reporting purposes, the City of West Monroe, Louisiana, is the financial reporting entity for the city. The financial reporting entity consists of (a) the primary government (city), (b) organizations for which the primary government is financially accountable, and (c) 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.

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

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

Because of item 2 above, the City Court of West Monroe, Louisiana, was determined to be a component unit of the City of West Monroe, Louisiana, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

C. Fund Accounting

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

Funds of the Court are classified into two categories: governmental funds and fiduciary (agency) funds. These funds are described as follows:

Governmental Funds

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

General Fund – The General Fund accounts for fees earned by the Judge, which are transferred from the Civil Court Cost Fund and are used to pay a portion of the Judge's salary and other costs of operating the City Court.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Accounting (continued)

Probation Fund – The Probation Fund accounts for the collection of monthly probation fees levied on certain defendants. The probation fees are used to reimburse the City of West Monroe for the salary of the probation officer.

Civil Court Cost Fund – The Civil Court Cost Fund accounts for the Court’s share of court costs assessed by the City Court as authorized by Louisiana Statute R.S. 13:1899C, collections of traffic fines, and collections of court-imposed fines remitted to the City Court.

Fiduciary Funds

Fiduciary funds’ reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Court are custodial funds. The Court maintains one custodial fund: the Restitution Fund.

Restitution Fund – The Restitution Fund accounts for assets held by the Court as an agent for others pending court action.

These funds are custodial in nature, have an economic resources measurement focus, and use the accrual basis of accounting. In addition, the custodial funds are not available to support the Court’s operations.

D. Measurement Focus and Basis of Accounting

Fund Financial Statements

The amounts reflected in the Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources and uses of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Court’s operations.

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year end.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

Revenues

Recordings, cancellations, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when susceptible to accrual.

Substantially all other revenues are recorded when received by the Court.

Based on the above criteria, recordings, criminal costs, and other fees, charges, and commissions for service are treated as susceptible to accrual.

Expenditures

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Court.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted as other financing sources (uses) and are recognized when the underlying events occur.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the Court as a whole. These statements include all non-fiduciary activities of the Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs, regardless of when cash is received or disbursed.

Program Revenues

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

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Under state law, the Court may deposit

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

E. Cash and Cash Equivalents (continued)

funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Use of Estimates

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

G. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

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

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city aldermen and the Court – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the city aldermen and the Court remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the court’s “intent” to be used for specific purposes but are neither restricted nor committed. The court’s management has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

G. Fund Equity (continued)

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

When both restricted and unrestricted resources are available for use, it is the court’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Note 2 - Budgets and Budgetary Accounting

A budget is prepared by the City Court for the portion of revenues and expenses not paid for by the on-behalf payment from the City of West Monroe. The detail of this payment is shown in Note 6.

Note 3 - Cash

Custodial Credit Risk – Deposits

The custodial credit risk is the risk that in the event of a bank failure, the Court’s deposits may not be returned to it. The Court’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Court has no custodial risk related to its deposits at June 30, 2023.

At June 30, 2023, the City Court had cash (book balances) totaling \$780,232 as follows:

Bank Balances	\$ <u>829,635</u>
Federal Deposits Insurance	\$ 324,510
Pledged Securities (Uncollateralized)	<u>606,534</u>
Total	<u>931,044</u>
Amount Over (Under) Pledged	<u>\$ 101,409</u>
 Governmental Funds:	
General Fund	\$ 237,871
Probation Fund	47,521
Civil Court Cost Fund	<u>490,260</u>
Total Governmental Funds	<u>775,652</u>

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 3 - Cash (continued)

Fiduciary (Custodial) Funds:	
Restitution Fund	4,580
Total Fiduciary (Custodial) Funds	4,580
Total – All Funds	\$ 780,232

These deposits are stated at cost, which approximates market value. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Court in a holding or custodial bank that is mutually acceptable to both parties.

Note 4 - Changes in Fiduciary Net Position

A summary of changes in fiduciary net position follows:

	Balance at Beginning of Year	Additions	Reductions	Balance at End of Year
Restitution Recipients, Civil Court, West Monroe, Louisiana	4,580	37,186	37,186	4,580

Note 5 - Expenditures of the Court Paid by the City

The Court’s administrative office is located in a building owned by the City of West Monroe. The costs of maintaining and operating the building, as required by statute, are paid by the City government and are not included in the accompanying financial statements.

Note 6 - On-Behalf Payments

The City of West Monroe provides a substantial amount of fiscal support to the Court for its operations. The City of West Monroe made on-behalf payments of \$613,168 for the Court for the year ended June 30, 2023, as follows:

Salaries (including sick pay and vacation pay)	\$ 366,660
Fringe Benefits	176,192
Operating expenses	70,316
Total	\$613,168

The City of West Monroe makes contributions to the Municipal Employees’ Retirement System of Louisiana on behalf of the employees of the City Court of West Monroe.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7- Pension and Retirement Plans

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

The City Judge is eligible to participate in the Louisiana State Employees' Retirement System (LASERS), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. LASERS provides benefits for certain elected officials and officials appointed by the governor. Eligibility for full retirement is based on years of credible service and age as established by state statute and vary depending on date of which you were first hired, employer and job classification. The basic annual retirement benefit amount is 2-1/2 to 3-1/2 percent 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 thirty-six to sixty consecutive months of employment based on date of hire. 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. The system also provides death and disability benefits. Benefits are established by state statute.

Deferred Retirement Option Plan (DROP) is eligible to employees at retirement age that allows them to continue to work and draw their salary for a period of up to three years. Amounts that would have been distributed monthly to you at retirement are deposited and tracked separately from your normal retirement. At the end of three years, the amount can be withdrawn as a lump sum or distributed monthly.

Disability and survivor benefits are also available.

Funding Policy - State statute requires covered employees to contribute 11.50 percent of their salaries to the system. The City Court is required to contribute 44.8 percent of covered employees' salaries. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City Court's contribution to the plan for the years ending June 30, 2023, 2022 and 2021 were \$23,232, \$21,630 and \$18,555, respectively, equal to the required contributions for the year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, 3401 United Plaza Blvd., Baton Rouge, Louisiana 70809, or by calling (225) 922-0600.

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 liability of \$103,266 for its proportionate share of the net pension liability for the LASERS plan. The net pension liability was measured as of June 30, 2022 and the method used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7 - Pension and Retirement Plans (continued)

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 LASERS pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City Court's proportion was .00137%, which was unchanged from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City Court recognized pension expense of \$13,678 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

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	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 282	\$ -
Changes of assumptions	1,878	-
Net difference between projected and actual earnings on pension plan investments	8,318	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	23,232	-
Total	<u>\$ 33,710</u>	<u>\$ -</u>

The City Court reported a total of \$23,232 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022 which will be recognized as a reduction in net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year	LASERS
2023	\$ 5,159
2024	1,719
2025	(2,103)
2026	5,703
	<u>\$ 10,478</u>

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7 - Pension and Retirement Plans (continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25%, net of investment expense
Salary Increases	Various between 2.6 and 3.6%
Projected inflation increases	2.3% per annum
Mortality	The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement
Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.25% for 2022. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 7 - Pension and Retirement Plans (continued)

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 Investments	8.30%
Total Fund	5.81%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City Court's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the City Court's proportionate share of the NPL 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 used by each of the Retirement Systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
LASERS			
Rates	6.25%	7.25%	8.25%
WM City Court Share-NPL	\$ 129,939	\$ 103,266	\$ 78,944

CITY COURT
OF WEST MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 9 - Subsequent Events

Subsequent events have been evaluated through December 13, 2023, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

CITY COURT OF WEST MONROE
MONROE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Revenues & Expenditures</u>	<u>Variance With Final Budget - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Program revenues:				
Judges Fees	\$ 100,000	\$ 116,500	\$ 116,783	\$ 283
Probation Fees	35,000	37,846	43,317	5,471
Interest	-	-	257	257
	<u>135,000</u>	<u>154,346</u>	<u>160,357</u>	<u>6,011</u>
EXPENDITURES				
Judiciary - Current:				
Judge's Salary	39,344	41,283	51,858	(10,575)
Judge's Retirement	27,322	29,195	23,232	5,963
Salaries - Staff	7,657	16,892	24,822	(7,930)
Payroll Taxes	8,305	9,306	2,386	6,920
Security	1,400	1,020	1,020	-
Other Reductions	25,957	21,702	8,770	12,932
Travel	9,697	28,122	33,137	(5,015)
Supplies	2,795	3,010	6,367	(3,357)
Reimbursement to City Hall	17,500	18,260	21,310	(3,050)
	<u>139,977</u>	<u>168,790</u>	<u>172,902</u>	<u>(4,112)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,977)	(14,444)	(12,545)	1,899
FUND BALANCE AT BEGINNING OF YEAR	<u>292,955</u>	<u>297,545</u>	<u>311,468</u>	<u>13,923</u>
FUND BALANCE AT END OF YEAR	<u>\$ 287,978</u>	<u>\$ 283,101</u>	<u>\$ 298,923</u>	<u>\$ 15,822</u>

See accompanying notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) Basis and Actual.

CITY COURT OF WEST MONROE
MONROE, LOUISIANA
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 – BUDGETARY POLICIES

The proposed budget for the General Fund and Probation Fund is prepared on the modified accrual basis of accounting. The budget is then legally adopted by the judge and amended during the year, as necessary. The budget is established and controlled by the judge at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget adopted by the Court does not include the Court's expenditures budgeted annually by the City of West Monroe.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying schedule include the original adopted budget amount and the final amended budget.

CITY COURT
OF WEST MONROE, LOUISIANA
Schedule of Proportionate Share of Net Pension Liability
LASERS
For the Year Ended June 30, 2023

Year Ended June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0015%	\$ 91,105	\$ 44,058	206.78%	65.02%
2016	0.0014%	96,173	44,659	215.35%	62.70%
2017	0.0015%	116,218	45,761	253.97%	57.70%
2018	0.0015%	104,667	45,658	229.24%	62.50%
2019	0.0014%	97,730	44,157	221.32%	64.03%
2020	0.0014%	99,473	48,816	203.77%	62.90%
2021	0.0013%	109,504	43,658	250.82%	58.00%
2022	0.0014%	75,515	49,495	152.57%	72.80%
2023	0.0014%	103,266	51,858	199.13%	63.70%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

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

CITY COURT
OF WEST MONROE, LOUISIANA
Schedule of Proportionate Share of Net Pension Liability
LASERS
For the Year Ended June 30, 2023

Year Ended June 30,	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll ³	Contributions as a % of Covered Employee Payroll
2015	\$ 18,284	\$ 18,284	\$ -	\$ 44,058	41.50%
2016	17,015	17,015	-	44,659	38.10%
2017	17,389	17,389	-	45,761	38.00%
2018	18,309	18,309	-	45,658	40.10%
2019	17,707	17,707	-	44,157	40.10%
2020	19,868	19,868	-	48,816	40.70%
2021	18,555	18,555	-	43,658	42.50%
2022	21,630	21,630	-	49,495	43.70%
2023	23,232	23,232	-	51,858	44.80%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2015.

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to LASERS*

³ *Employer's covered employee payroll amount for the fiscal year ended noted.*

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

Honorable Judge Jim Norris
City Court of West Monroe, 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 component unit financial statements of the governmental activities, the aggregate remaining fund information, and each major fund of the City Court of West Monroe, Louisiana, a component unit of the City of West Monroe, Louisiana, 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 West Monroe, Louisiana basic financial statements and have issued our report thereon dated December 13, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Marshal's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the component unit financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and thereof, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Judge Jim Norris
City Court of West Monroe, Louisiana
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Court's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 of West Monroe, Louisiana'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 of West Monroe, Louisiana's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

West Monroe, Louisiana
December 13, 2023

Cameron Hines & Company (APAC)

**West Monroe City Court
Schedule of Findings and Responses
For The Year Ended June 30, 2023**

Honorable Judge Jim Norris
West Monroe, Louisiana

We have audited the component unit financial statements of the West Monroe City Court as of and for the year ended June 30, 2023 and have issued our report thereon dated December 13, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2023, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

	Yes	No
<u>Internal Control</u>		
Material Weaknesses		X
Significant Deficiencies		X
<u>Compliance</u>		
Noncompliance Material to Financial Statements		X

B. Federal Awards – N/A

Internal Control

Material Weakness Identified _____ yes _____ no

Significant Deficiencies not considered to be

Material Weaknesses _____ yes _____ no

Type of Opinion on Compliance For Major Programs

Unmodified _____ Modified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards (Uniform Guidance)?

C. Identification of Major Programs: N/A

Dollar threshold used to distinguish between Type A and Type B Programs.

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?

**West Monroe City Court
Schedule of Findings and Responses
For The Year Ended June 30, 2023**

Section II- Financial Statement Findings

No matters were reported.

Section III-Federal Award Findings and Questioned Costs

This section is not applicable for this entity.

CITY COURT OF
WEST MONROE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

Section I- Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

CITY COURT OF WEST MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD
FISCAL YEAR ENDING JUNE 30, 2023

Agency Head
Honorable Judge Jim Norris

Section I

<u>City of West Monroe</u>	<u>Salary</u>	<u>Other Benefits</u>	<u>Total</u>
Salary	\$ 52,942		\$ 52,942
Health Insurance (Employer Share)		8,500	8,500
Retirement (Employer Share)		23,653	23,653
Gym Membership		240	240
Life Insurance Premium		102	102
Medicare Tax		737	737
Long Term Disability Premium		200	200

City Court of West Monroe

Salary	51,858		51,858
Retirement (Employer Share)		23,232	23,232
Continuing Legal Education: Per Diem and Mileage		860	860
Registration Fees and Dues		1,150	1,150

Section II

Ouachita Parish Police Jury

Salary	9,828		9,828
	<u>9,828</u>		<u>9,828</u>
	<u>\$ 114,628</u>	<u>\$ 58,674</u>	<u>\$ 173,302</u>

CITY COURT OF WEST MONROE, LOUISIANA
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Cash Basis Presentation		
Receipts From:		
City Court of West Monroe (Civil Court Cost Fund), Civil Fees	<u>\$ 52,287</u>	<u>\$ 63,529</u>
Total Receipts	<u><u>\$ 52,287</u></u>	<u><u>\$ 63,529</u></u>

CITY COURT OF WEST MONROE, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 578,405	\$ 565,791
Add: Collections		
Civil Fees	173,350	171,274
Restitution	15,536	21,650
Probation/Parole/Supervision Fees	16,930	26,387
Subtotal Collections	<u>205,816</u>	<u>219,311</u>
Less: Disbursements to Governments & Nonprofits		
City Court of West Monroe (Judge's Accrued Cost Fund) - Civil Fees	51,834	63,529
Judicial College Fund - Civil Fees	392	361
Louisiana State Treasurer - Civil Fees	21,533	19,882
City Marshal of West Monroe - Civil Fees	36,600	36,000
Avoyelles Parish Sheriff - Civil Fees	43	-
Bienville Parish Sheriff - Civil Fees	74	229
Bossier Parish Sheriff - Civil Fees	49	-
Caddo Parish Sheriff - Civil Fees	379	159
Caldwell Parish Sheriff - Civil Fees	210	328
East Baton Rouge Parish Sheriff - Civil Fees	1,894	1,483
Franklin Parish Sheriff - Civil Fees	525	500
Jackson Parish Sheriff - Civil Fees	515	223
Jefferson Parish Sheriff - Civil Fees	150	180
Lafayette Parish Sheriff - Civil Fees	220	201
Lafourche Parish Sheriff - Civil Fees	-	29
Lincoln Parish Sheriff - Civil Fees	580	364
Louisiana Department of Insurance - Civil Fees	25	-
Louisiana Secretary of State - Civil Fees	150	250
Madison Parish Sheriff - Civil Fees	120	-
Morehouse Parish Sheriff - Civil Fees	36	141
Orleans Parish Sheriff - Civil Fees	210	30
Ouachita Parish Sheriff - Civil Fees	11,467	11,379
Rapides Parish Sheriff - Civil Fees	77	4
Red River Parish Sheriff - Civil Fees	-	23
Richland Parish Sheriff - Civil Fees	507	847

CITY COURT OF WEST MONROE, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023 (continued)

Cash Basis Presentation	First Six Month Period Ended <u>12/31/2022</u>	Second Six Month Period Ended <u>6/30/2023</u>
Second Circuit Court of Appeals - Civil Fees	-	328
St. Tammany Parish Sheriff - Civil Fees	38	-
Tangipahoa Parish Sheriff - Civil Fees	-	44
Union Parish Sheriff - Civil Fees	621	547
Webster Parish Sheriff - Civil Fees	40	-
West Baton Rouge Parish Sheriff - Civil Fees	66	72
West Carroll Parish Sheriff - Civil Fees	43	-
Winn Parish Sheriff - Civil Fees	52	-
Less: Amounts Retained by Collecting Agency		
Probation/Parole/Supervision Fees	16,930	26,387
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	48,915	48,187
Restitution Payments to Individuals (additional detail is not required)	15,536	21,650
Other Disbursements to Individuals (additional detail is not required)	8,599	9,384
Subtotal Disbursements/Retainage	<u>218,430</u>	<u>242,741</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ 565,791</u>	<u>\$ 542,361</u>

CITY COURT
OF WEST MONROE, LOUISIANA

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended June 30, 2023



CAMERON, HINES & COMPANY
(A Professional Accounting Corporation)
Certified Public Accountants
104 Regency Place
West Monroe, Louisiana 71291

Mailing Address:
P. O. Box 2474
West Monroe, LA 71294-2474

Phone (318) 323-1717
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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the City Court of West Monroe and the Louisiana Legislative Auditor:

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

The City Court of West Monroe 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 LLA's SAUPs for the fiscal period July 1, 2022, through June 30, 2023. Additionally, 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 associated findings 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:¹
- 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.
 - 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.,

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

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 rates 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, purchase 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***², 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. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: No exceptions noted.

2) Board or Finance Committee³

- 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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- 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 funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ 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.⁶

Findings: This test is not applicable as the Court operates without a board or finance committee.

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 accounts⁷ (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 written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Findings: No exceptions noted.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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 responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also 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 also 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; and
 - 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- 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 receipt¹² 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.

Findings: No exceptions noted.

5) *Non-Payroll Disbursements (excluding card purchases, 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).
- B. For each location selected under procedure #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, then 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 or 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; and
 - 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.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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

¹² As required by Louisiana Revised Statute 39:1212.

- 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.
- 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.

Findings: No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing 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 whether 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection)¹⁴. 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

Findings: No exceptions noted.

7) *Travel and Travel-Related Expense Reimbursements*¹⁵ (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 and 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.

Findings: No exceptions noted.

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. *Alternatively, 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 Law¹⁶ (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, the documented approval); and

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

- 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.

Findings: The Court did not have any contracts initiated or renewed during the fiscal year. This test is not applicable.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁸ 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; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- 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.

Findings: The City of West Monroe processes all payroll transactions for the Court. Those were included in the population to be tested for the City of West Monroe.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) *Ethics*¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: The City of West Monroe maintains documentation of ethics training for all employees of the Court. This will be tested in the statewide agreed-upon procedures for the City of West Monroe.

11) *Debt Service*²⁰

- 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.
- 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).

Findings: This procedure is not applicable as the Court has no outstanding debt.

12) *Fraud Notice*²¹

- 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.

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

- 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.

Findings: No exceptions noted.

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.
- 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.

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

14) Prevention of Sexual Harassment²²

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.
- 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).

²² While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report 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.

Findings: The City of West Monroe maintains documentation of sexual harassment training for all employees of the Court. This will be tested in the statewide agreed-upon procedures for the City of West Monroe.

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

Cameron Hines & Company (APAC)

West Monroe, Louisiana
December 13, 2023