

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Annual Financial Report and Independent Auditors' Report

Year Ended June 30, 2023

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## INDEPENDENT AUDITORS' REPORT

December 14, 2023

Honorable Charles Schrupf, Judge  
City Court of Sulphur in and for Ward Four  
Sulphur, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***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 Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, 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'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 Sulphur in and for Ward Four, Sulphur, Louisiana as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***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 Financial Statements section of our report. We are required to be independent of City Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibility 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 but it is not absolute 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit and 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 budgetary comparison and pension schedules, on pages 36 through 39 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court's basic financial statements. The Schedule of General Government Expenditures, Justice System Funding Schedule – Collecting/Disbursing Entity, and Justice System Funding Schedule – Receiving Entity is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our audit report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of Sulphur in and for Ward Four's internal control over financial reporting and compliance.

*Shagor, Cassidy: Skully*

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Statement of Net Position

June 30, 2023

ASSETS	
Cash	\$ 237,907
Restricted Cash	1,151,425
Accounts Receivable	-
Capital assets, net	4,087
Total assets	<u>1,393,419</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>71,160</u>
LIABILITIES	
Accounts and other accrued payables	9,852
Net pension liability	260,753
Total liabilities	<u>270,605</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>16,864</u>
NET POSITION	
Net investment in capital assets	4,087
Restricted	1,308,794
Unrestricted	(135,771)
Total net position	<u>\$ 1,177,110</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Statement of Activities

Year Ended June 30, 2023

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	\$ 610,773	\$ 470,109	\$ -	\$ (140,664)
		General Revenues:		
				\$ 258,827
				5,267
			Total General Revenues	<u>264,094</u>
			Change in Net Position	123,430
			Net Position, beginning	<u>1,053,680</u>
			Net Position, ending	<u>\$ 1,177,110</u>

The accompanying notes are an integral part of the basic financial statements.

## FUND FINANCIAL STATEMENTS

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Balance Sheet - Governmental Fund

June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 80,537	157,370	\$ 237,907
Due from other funds	-	-	-
Restricted assets:			
Cash	1,151,425	-	1,151,425
Total Assets	1,231,962	157,370	1,389,332
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	\$ 1,231,962	\$ 157,370	\$ 1,389,332
<b>LIABILITIES</b>			
Accounts payable	9,852	\$ -	\$ 9,852
Due to other funds	-	-	-
Total Liabilities	9,852	-	9,852
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	-	-	-
<b>FUND BALANCE</b>			
Restricted	1,151,424	157,370	1,308,794
Unassigned	70,686	-	70,686
	1,222,110	157,370	1,379,480
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
	\$ 1,231,962	\$ 157,370	\$ 1,389,332

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

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

June 30, 2023

Total fund equity of governmental activities at June 30			\$ 1,379,480
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Capital assets, net of \$185,576 accumulated depreciation			4,087
Deferred outflow and inflows are not financial resources or currently payable:			
Deferred outflows	\$	71,160	
Deferred inflows		<u>(16,864)</u>	54,296
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Net pension liability			<u>(260,753)</u>
Total net position of governmental activities at June 30			<u><u>\$ 1,177,110</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Statement of Revenues, Expenditures and Changes  
in Fund Balance - Governmental Fund

Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES			
Court costs and fines	\$ 188,380	\$ 281,729	\$ 470,109
Intergovernmental	258,827	-	258,827
Interest income	5,267	-	5,267
TOTAL REVENUES	<u>452,474</u>	<u>281,729</u>	<u>734,203</u>
EXPENDITURES			
General Government	374,978	251,414	626,392
Capital Outlay	1,282	-	1,282
TOTAL EXPENDITURES	<u>376,260</u>	<u>251,414</u>	<u>627,674</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	76,214	30,315	106,529
OPERATING TRANSFERS IN (OUT)	<u>14,375</u>	<u>(14,375)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	90,589	15,940	106,529
FUND BALANCE - BEGINNING OF YEAR	<u>1,131,521</u>	<u>141,430</u>	<u>1,272,951</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,222,110</u>	<u>\$ 157,370</u>	<u>\$ 1,379,480</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

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

Year Ended June 30, 2023

Total net changes in fund balance at June 30 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 106,529
<p>The change in net assets reported for governmental activities in the statement of activities different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 1,282	
Depreciation expense for the year ended June 30	<u>(10,785)</u>	(9,503)
<p>Net pension expense is reported in the governmental funds as expenditures as they are paid, however, in the statement of activities the net position expense is reported according to estimates required by GASB 68:</p>		
Pension expenses paid	39,142	
Pension expenses per GASB 68	<u>(12,738)</u>	<u>26,404</u>
Total changes in net position at June 30 per Statement of Activities		<u>\$ 123,430</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Statement of Net Position - Fiduciary Funds

June 30, 2023

ASSETS	
Cash	\$ 83,691
DEFERRED OUTFLOWS OF RESOURCES	-
	<u>\$ 83,691</u>
LIABILITIES	
Bonds held for disposition of civil cases	\$ 11,727
Due to other agencies	<u>71,964</u>
	83,691
DEFERRED INFLOWS OF RESOURCES	-
	<u>\$ 83,691</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Sulphur in and for Ward Four was created under the authority of LSA-RS 13:1871-2512 and is a City/Ward Court handling traffic and misdemeanor criminal matters, civil matters with money jurisdiction not exceeding \$25,000 and juvenile matters.

1. Reporting Entity

The City Court judge is an independently elected official. However, the City Court is fiscally dependent on the City of Sulphur, Louisiana for office space, court rooms, partial funding of salary costs and other operating expenses. Because the City Court is fiscally dependent on the City, the City Court was determined to be a component unit of the City of Sulphur, Louisiana, the financial reporting entity.

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

2. Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City Court as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through costs, intergovernmental revenues, and other nonexchange revenues.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the City Court; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Fund (Major Fund) – Special Revenue Funds are used to account for all specific revenue sources that are legally restricted to expenditures for specified purposes.

FIDUCIARY FUND TYPE

Agency Fund – The Agency Fund is used to account for assets held by the City Court as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results in operations.

3. Measurement Focus/Basis of Accounting

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

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash Deposits

Deposits include amounts in demand deposits and interest-bearing demand deposits, as well as short-term investments with an original maturity date of 90 days or less. State statutes authorize the City Court to invest in obligations of the U.S. Treasury, U.S. Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or any other federally insured investment.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

These deposits are stated at cost, which approximates market. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2023, the City Court has \$1,556,110 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$806,110 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

5. Restricted Assets

Restricted assets on the balance sheet represent amounts which have accumulated in accordance with the following:

Building fund	\$ 760,030
Judicial expense fund	270,486
Accrued judicial fund	<u>120,909</u>
Total restricted cash	<u>\$ 1,151,425</u>

Building Fund – In accordance with Louisiana Statute RS 13.1899, the City Court collects a fee and places it in a fund dedicated exclusively to the acquisition, leasing, construction, equipping and/or maintenance of new and existing city courts.

Judicial Expense Fund – In accordance with Louisiana Statute RS 13.996, the City Court collects court costs to be placed in a separate account designated as the Judicial Expense Fund. This fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration or function of the City Court. No salary may be paid from the Judicial Expense Fund to any of the judges of the City Court.

Accrued Judicial Fund – The City Court transfers excess earnings from the civil fund into this fund. Funds are accumulated and used only to pay the Judges in years that their salary falls below the legal maximum allowed.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Budgets

A general fund and special revenue fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the end of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The City Court holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

7. Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	3-10 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Governmental Fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. In accordance with the provisions of Statement Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At June 30, 2023 the City Court's liability for compensated absences was \$9,846.

9. Equity Classification

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of "restricted" or "Net investment in capital assets".

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

- a. Restricted Fund Balance – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Assigned fund balance – includes fund balance amounts that are intended to be used for specific purposes which are internally imposed
- c. Unassigned fund balance – includes fund balance within the general fund which has not been classified within the above-mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balance shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

10. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

11. Subsequent Events

Management has evaluated subsequent events through December 14, 2023, which is the date the financial statements were available to be issued. The City Court is not aware of any subsequent events which required recognition or disclosure in the financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Equipment	\$ 222,773	\$ 1,282	\$ 34,392	\$ 189,663
Less accumulated depreciation for:				
Equipment	<u>209,183</u>	<u>10,785</u>	<u>34,392</u>	<u>185,576</u>
Governmental activities capital assets, net	<u>\$ 13,590</u>	<u>\$ (9,503)</u>	<u>\$ -</u>	<u>\$ 4,087</u>

NOTE C – PENSION PLANS

Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System. The Judge is eligible to participate in the Louisiana State Employees' Retirement System.

1. Municipal Employees Retirement System of Louisiana (System)

*Plan Description.* Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Court are members of Plan A.

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with twenty (20) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS - CONTINUED

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

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 Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 10.00% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current rate is 29.50% of annual covered payroll. The City Court contributions to the System under Plan A for the year ended June 30, 2023 was \$17,960.

At June 30, 2023, the Court reported a liability of \$74,405 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the District's proportion was .0179150%.

For the year ended June 30, 2023, the District recognized pension expense (benefit) of \$(30,350) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$0.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS - CONTINUED

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 87	\$ 284
Difference between expected and actual investment	12,382	-
Difference between expected and actual assumption	722	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	-	16,696
Amortization	-	(244)
Contributions subsequent to the measurement date	17,960	-
Total	\$ 31,151	\$ 16,736

\$17,960 reported as deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2023	\$(36,666)
2024	(2,885)
2025	1,267
2026	6,019
2027	-
Thereafter	-

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS – CONTINUED

*Actuarial methods and assumption.* The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2022 are as follows:

	Plan A	Plan B
Total Pension Liability	\$1,292,471,340	\$ 288,388,827
Plan Fiduciary Net Pension	877,147,955	200,590.478
Total Net Pension Liability	\$ 415,323,385	\$ 87,798.349

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.5%
Expected Remaining Service Lives	3 years
Salary Increases, including inflation and merit increases:	
-1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B
-More than 4 years of service	4.5% Plan A and 4.9%-Plan B
Annuitant and beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS – CONTINUED

Disabled lives mortality                      PubNS-2010(B) Disabled Retiree Table set equal 120% for males and females with the full generational MP2018 scale.

Employee mortality                              PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

The discount rate used to measure the total pension liability was 6.85% for Plan A. 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 and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System'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 to changes in discount rate.* The following presents the net pension liability of the District calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.85% or one percentage point higher 7.85% than the current rate (assuming all other assumptions remain unchanged):

	Changes in Discount Rate 2022		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability (Asset)	\$98,973	\$74,405	\$53,646

2. Louisiana State Employees' Retirement System

*Plan Description.* The Judge of the City Court of Sulphur, is a member of the Louisiana State Employees' Retirement System, a cost-sharing, single-employer defined benefit pension plan administered by a separate board of trustees.

Any person legally occupying a position in state service except those specifically excepted from participation are eligible to participate in the System.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS - CONTINUED

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 among completing 25 years of creditable service, and at age 60 upon completing ten (10) years of accredited service, depending on their plan.

The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006.

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, P.O. Box 44213, Baton Rouge, LA, 70804-4213.

*Funding Policy.* Members are required by state statute to contribute 11.5 percent of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current rate is 44.8 percent of annual covered payroll. The City Court's contributions to the System for the year ending June 30, 2023 were \$21,181.

At June 30, 2023, the Court reported a liability of \$186,348 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the District's proportion was .00247%.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS – CONTINUED

For the year ended June 30, 2023, the District recognized pension expense (benefit) of \$(7,960) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions is \$0. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 508	\$ -
Difference between expected and actual investment	15,010	-
Difference between expected and actual assumption	3,388	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	(14)	128
Amortization	(64)	-
Contributions subsequent to the measurement date	21,181	-
Total	\$ 40,009	\$ 128

\$21,181 reported as deferred outflows of resources related to pensions resulting from Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2022	\$ 9,289
2023	3,080
2024	(3,817)
2025	10,269
2026	-
Thereafter	-

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS – CONTINUED

*Actuarial methods and assumption.* The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2022 are as follows:

Total Pension Liability	\$ 20,798,321,945
Plan Fiduciary Net Pension	13,238,580,140
Total Net Pension Liability	<u>\$ 7,559,741,805</u>

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.25% per annum, net of investment expenses.
Expected Remaining Service Lives	2 years.
Inflation Rate	2.3% per annum.
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.



CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE C – PENSION PLANS – CONTINUED

	Changes in Discount Rate 2022		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$234,955	\$186,726	\$142,747

*Sensitivity to changes in discount rate.* The following presents the net pension liability of the District calculated using the discount rate of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.40% or one percentage point higher 8.40% than the current rate.

NOTE D – RISK MANAGEMENT

The City Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City Court maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City Court. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE E – CHANGES IN CUSTODIAL FUND BALANCE

A summary of changes custodial fund unsettled deposits follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Cash Appearance Bond	\$ -	\$ -	\$ -	\$ -
Fines	-	385,480	385,480	-
Court Costs	-	1,044,837	1,044,837	-
Total	\$ -	\$1,430,317	\$1,430,317	\$ -

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2023

NOTE F – ON-BEHALF PAYMENTS

Employees receive payments directly from the City of Sulphur, LA, the Calcasieu Parish Government, and the State of Louisiana for salaries, payroll taxes, health insurance, unemployment benefits, retirement plan contributions and workers' compensation. Salaries paid to these employees include \$172,036 from the City, \$32,844 from the Calcasieu Parish Government, and \$53,947 from the State of Louisiana.

REQUIRED SUPPLEMENTAL INFORMATION

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Budgetary Comparison-General Fund

Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Court costs and fines	\$ 185,000	\$ 188,380	\$ 3,380
Intergovernmental	255,000	258,827	3,827
Interest	1,700	5,267	3,567
Total Revenues	441,700	452,474	10,774
<b>EXPENDITURES</b>			
General and administrative	415,440	374,978	40,462
Capital outlay	-	1,282	(1,282)
Total Expenditures	415,440	376,260	39,180
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	26,260	76,214	49,954
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out)	14,115	14,375	260
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	40,375	90,589	50,214
<b>FUND BALANCE - BEGINNING</b>	1,131,521	1,131,521	-
<b>FUND BALANCE - ENDING</b>	\$ 1,171,896	\$ 1,222,110	\$ 50,214

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Budgetary Comparison-Special Revenue Fund

Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Court costs and fines	\$ 280,000	\$ 281,729	\$ 1,729
Interest	-	-	-
Total Revenues	<u>280,000</u>	<u>281,729</u>	<u>1,729</u>
EXPENDITURES			
General and administrative	<u>248,630</u>	<u>251,414</u>	<u>(2,784)</u>
Total Expenditures	<u>248,630</u>	<u>251,414</u>	<u>(2,784)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	31,370	30,315	(1,055)
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>(14,115)</u>	<u>(14,375)</u>	<u>(260)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	17,255	15,940	(1,315)
FUND BALANCE - BEGINNING	<u>141,430</u>	<u>141,430</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 158,685</u></u>	<u><u>\$ 157,370</u></u>	<u><u>\$ (1,315)</u></u>

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended June 30, 2023

Municipal Employees Retirement System of Louisiana (System).

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Employer's portion of the net pension liability (asset)	0.01792%	0.02249%	0.02721%	0.02721%	0.04484%	0.03922%	0.03537%	0.03351%	0.00000%
Employer's proportionate share of the net pension liability (asset)	\$ 74,405	\$ 62,553	\$ 117,623	\$ 117,623	\$ 185,680	\$ 164,075	\$ 144,987	\$ 119,696	\$ -
Employer's covered payroll	\$ 60,883	\$ 35,024	\$ 44,532	\$ 52,066	\$ 65,348	\$ 81,872	\$ 71,227	\$ 63,189	\$ 57,191
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	122.21%	178.60%	264.13%	225.91%	284.14%	200.40%	203.56%	189.43%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	80.62%	144.42%	104.43%	104.96%	67.00%	63.49%	76.68%	66.17%	73.99%

Louisiana State Employees' Retirement System

Employer's portion of the net pension liability (asset)	0.00247%	0.00248%	0.00239%	0.00239%	0.00260%	0.00257%	0.00254%	0.00256%	0.00278%
Employer's proportionate share of the net pension liability (asset)	\$ 186,348	\$ 136,223	\$ 197,586	\$ 197,586	\$ 176,977	\$ 180,968	\$ 199,612	\$ 150,666	\$ 139,189
Employer's covered payroll	\$ 47,280	\$ 47,280	\$ 47,280	\$ 49,395	\$ 47,835	\$ 47,460	\$ 46,416	\$ 45,348	\$ 47,363
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	394.14%	288.12%	417.91%	400.01%	369.97%	381.31%	430.05%	332.24%	293.88%
Plan fiduciary net position as a percentage of the total pension liability	78.60%	104.62%	76.16%	76.05%	87.01%	62.50%	88.46%	62.66%	65.02%

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

\*The amounts presented have a measurement date of June 30, 2022.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Schedule of Employer Contributions

Year Ended June 30, 2023

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
<b>Municipal Employees Retirement System of Louisiana (System):</b>					
2015	\$ 11,295	\$ 11,295	\$ -	\$57,191	19.7%
2016	\$ 12,480	\$ 12,480	\$ -	\$63,189	19.8%
2017	\$ 16,204	\$ 16,204	\$ -	\$71,227	22.7%
2018	\$ 20,263	\$ 20,263	\$ -	\$81,872	24.7%
2019	\$ 16,990	\$ 16,990	\$ -	\$65,348	26.0%
2020	\$ 14,430	\$ 14,430	\$ -	\$52,066	27.7%
2021	\$ 13,137	\$ 13,137	\$ -	\$44,532	29.5%
2022	\$ 10,332	\$ 10,332	\$ -	\$35,024	29.5%
2023	\$ 17,960	\$ 17,960	\$ -	\$60,883	29.5%
<b>Louisiana State Employees' Retirement System:</b>					
2015	\$ 19,449	\$ 19,449	\$ -	\$47,363	41.1%
2016	\$ 17,407	\$ 17,407	\$ -	\$45,348	38.4%
2017	\$ 17,638	\$ 17,638	\$ -	\$46,416	38.0%
2018	\$ 19,032	\$ 19,032	\$ -	\$47,460	40.1%
2019	\$ 19,182	\$ 19,182	\$ -	\$47,835	40.1%
2020	\$ 20,943	\$ 20,943	\$ -	\$49,395	42.4%
2021	\$ 20,094	\$ 20,094	\$ -	\$47,280	42.5%
2022	\$ 20,661	\$ 20,661	\$ -	\$47,280	43.7%
2023	\$ 21,181	\$ 21,181	\$ -	\$47,280	44.8%

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

OTHER SUPPLEMENTAL INFORMATION

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Schedule of General Government Expenditures-Governmental Fund

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Total
Attorney, witness and curator fees	\$ 1,300	\$ 500	\$ 1,800
Audit fees	14,000	-	14,000
Bank charges	1,756	500	2,256
Civil fees-Judge and Marshall	-	90,098	90,098
Clerical	271,754	-	271,754
Conventions and seminars	12,242	-	12,242
Court cost refunds	-	56,342	56,342
Dues	1,425	-	1,425
Judge ad hoc	2,221	-	2,221
Library	443	6,008	6,451
Miscellaneous	1,336	1,711	3,047
Miscellaneous services	4,189	21,179	25,368
Office supplies and postage	18,876	1,507	20,383
Recordation of judgment	325	29,575	29,900
Repairs and maintenance	25,765	-	25,765
Retirement funds - Clerical	17,960	-	17,960
Retirement funds - Judge	-	21,181	21,181
Supplementary state fees	-	22,121	22,121
Taxes	910	692	1,602
Utilities	476	-	476
	<u>\$ 374,978</u>	<u>\$ 251,414</u>	<u>\$ 626,392</u>

CITY COURT OF SULPHUR IN AND FOR WARD FOUR

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2023

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
<b>Cash Presentation</b>		
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ 52,304	\$ 80,420
<b>Add: Collections</b>		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	140,332	140,447
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	338,831	513,463
Criminal Fines - Contempt	-	-
Criminal Fines - Other	158,021	227,460
Restitution	5,654	7,817
Probation/Parole/Supervision Fees	475	450
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	26,317	44,653
Interest Earnings on Collected Balances	159	249
Other	1,084	7,334
<b>Subtotal Collections</b>	<b>670,873</b>	<b>941,873</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
City of Sulphur, Criminal Court Costs/Fees	623	425
City of Sulphur, Criminal Fines - Other	66,227	80,995
Parish of Calcasieu, Criminal Court Costs/Fees	5,015	8,330
Parish of Calcasieu, Criminal Fines - Other	91,794	146,464
Calcasieu Clerk of Court, Criminal Court Costs/Fees	220	105
Calcasieu Parish DA, Criminal Court Costs/Fees	19,860	33,178
Calcasieu Parish Sheriff's Office, Criminal Court Costs/Fees	5,170	8,460
Calcasieu Parish Sheriff's Office, Civil Fees	5,408	7,268
Calcasieu Parish Police Jury, Civil Fees	2,985	3,023
Crimestoppers, Criminal Court Costs/Fees	3,018	4,680
Department of Public Safety & Correction, Criminal Court Costs/Fees	1,250	925
DHH-TH/SCI T.F., Criminal Court Costs/Fees	4,385	7,135
Judicial Administrator's Office, Criminal Court Cost/Fees	744	1,158
Judicial Administrator's Office, Civil Fees	200	201
La.Commission on Law Enforcement, Criminal Court Costs/Fees	4,434	6,073
Keep Louisiana Beautiful, Criminal Court Costs/Fees	-	25
Louisiana State Treasurer, Criminal Court Costs/Fees	4,591	6,956
Public Defenders Office, Criminal Court Costs/Fees	66,677	102,792
Southwest Louisiana Regional Crime Lab, Criminal Court Costs/Fees	52,425	77,298
Ward 4 Marshal's Office, Criminal Court Costs/Fees	69,288	103,991
Ward 4 Marshal's Office, Civil Fees	7,556	9,009
Acadia Parish Sheriff's Dept, Civil Fees	-	66
Allen Parish Sheriff's Dept, Civil Fees	218	-
Beauregard Parish Sheriff, Civil Fees	586	663
Bossier Parish Sheriff's Office, Civil Fees	163	90
Cameron Parish Sheriff, Civil fees	267	331
Department of Motor Vehicles, Civil Fees	8	16
East Baton Rouge Parish Sheriff's Office, Civil Fees	1,771	1,889
Iberia Parish Sheriff, Civil fees	35	35
Jefferson Davis Parish Sheriff, Civil Fees	290	205
Jefferson Parish Sheriff, Civil Fees	180	-

CITY COURT OF SULPHUR IN AND FOR WARD FOUR

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION - CONTINUED

Year Ended June 30, 2023

	First Six Month Period Ended December 31, 2022	Second Six Month Period Ended June 30, 2023
<b>Less: Disbursements To Governments &amp; Nonprofits - Continued:</b>		
<i>Lafayette Parish Sheriff, Civil Fees</i>	38	165
<i>Lincoln Parish Sheriff, Civil Fees</i>	17	-
<i>Orleans Parish Civil Sheriff, Civil Fees</i>	-	30
<i>Rapides Parish Sheriff, Civil Fees</i>	114	85
<i>Secretary of State, Civil Fees</i>	400	200
<i>St. Landry Parish Sheriff, Civil Fees</i>	53	56
<i>St. Martin Parish Sheriff, Civil fees</i>	68	-
<i>St. Mary Parish Sheriff, Civil fees</i>	31	-
<i>St. Tammany Parish Sheriff, Civil Fees</i>	108	242
<i>State Treasurer, Civil Fees</i>	10,970	11,152
<i>Terrebonne Parish Sheriff, Civil Fees</i>	49	-
<i>Vernon Parish Sheriff's Office, Civil Fees</i>	105	-
<i>Clerk of Court, Civil Fees</i>	13,355	17,000
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection Amounts "Self-Disbursed" to Collecting Agency:	61	94
- Civil Fees	24,398	26,088
- Criminal Court Costs/Fees	101,476	151,295
- Probation/Parole/Supervision Fees	475	450
- Service/Collection Fees	25	-
- Interest Earnings on Collected Balances	97	156
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	40,571	42,025
Restitution Payments to Individuals (additional detail is not required)	4,976	7,700
Other Disbursements to Individuals (additional detail is not required)	1,530	8,209
Payments to 3rd Party Collection/Processing Agencies	28,452	47,104
<b>Subtotal Disbursements/Retainage</b>	<u>642,757</u>	<u>923,837</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	<u>\$ 80,420</u>	<u>\$ 98,456</u>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b>	-	-
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected	44,954	69,558
Total Waivers During the Fiscal Period	35,208	32,395

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY  
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2023

<b>Cash Basis Presentation</b>	<u>First Six Month Period Ended December 31, 2022</u>	<u>Second Six Month Period Ended June 30, 2023</u>
<b>Receipts From:</b>		
<i>Ward 4 Marshal's Office, Criminal Fines - Other</i>	1,525	2,658
<i>Ward 4 Marshal's Office, Criminal Court Costs/Fees</i>	5,758	6,266
<i>American Municipal Services, Criminal Fines - Other</i>	3,081	6,573
<i>American Municipal Services, Criminal Court Costs/Fees</i>	8,678	17,793
<i>State of Louisiana, Criminal Fines - Other</i>	260	3,396
<i>State of Louisiana, Criminal Court Costs/Fees</i>	1,500	27,808
<i>Ncourt, Criminal Fines - Other</i>	99	15
<i>Ncourt, Criminal Court Costs/Fees</i>	376	160
<i>Michel &amp; Pratt-QuickCourt, Criminal Fines - Other</i>	19,042	29,545
<i>Michel &amp; Pratt-QuickCourt, Criminal Court Costs/Fees</i>	39,820	63,053
<b>Subtotal Receipts</b>	<u>80,139</u>	<u>157,267</u>
<b>Ending Balance of Amounts Assessed but Not Received</b>	-	-

## OTHER INFORMATION

CITY COURT OF SULPHUR IN AND FOR WARD FOUR

Schedule of Compensation, Benefits and Other Payments  
To Chief Executive Officer

Year Ended June 30, 2023

Chief Executive Officer: Charles Schrupf, Judge

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 47,280
Benefits - insurance	-
Benefits - retirement	21,181
Benefits - cell phone	-
Mileage	1,039
Vehicle provided by government	-
Per diem	530
Reimbursements-tolls/parking	132
Conference Travel - rooms	2,285
Conference registration	950
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meal reimbursements	-
Dues	900

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

December 14, 2023

Honorable Charles Schrupf, Judge  
City Court of Sulphur in and for Ward Four  
Sulphur, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City Court of Sulphur in and for Ward Four's basic financial statements and have issued our report thereon dated December 14, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Honorable Charles Schrupf, Judge  
City Court of Sulphur in and for Ward Four  
Sulphur, Louisiana  
December 14, 2023  
Page 2

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

### **Report on Compliance and Other Matters**

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

### **City Court of Sulphur in and for Ward Four's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City Court of Sulphur in and for Ward Four's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City Court of Sulphur in and for Ward Four's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Thagson, Casiday: Hillory*

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Schedule of Findings and Responses

Year Ended June 30, 2023

I. Summary of Auditors' Results

Auditor issued an unmodified opinion on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Control deficiency(s) identified that are not considered to be material weakness(es)?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

II. Financial Statement Findings

Finding 2023-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the City Court's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Corrective Action Planned/ Management Response: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
Sulphur, Louisiana

Schedule of Findings and Responses - Continued

Year Ended June 30, 2023

III. Federal Award Findings and Questioned Costs

N/A

IV. Prior Year Audit Findings

Item 2022-001: Segregation of duties –due to lack of sufficient financial resources, this cannot be resolved. This is a repeat finding in 2023.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

December 14, 2023

Honorable Charles Schruppf, Judge  
City Court of Sulphur in and for Ward Four  
Sulphur, Louisiana

We have performed the procedures included 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 year July 1, 2022 through June 30, 2023. The City Court of Sulphur in and for Ward Four's management is responsible for those C/C areas identified in the SAUPs.

The City Court of Sulphur in and for Ward Four 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 year 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:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

***The City Court's written policies and procedures manual addresses this area.***

- 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.

***The City Court's written policies and procedures manual addresses this area.***

- iii. *Disbursements*, including processing, reviewing, and approving.

***The City Court's written policies and procedures manual addresses this area.***

- iv. *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmations with outside

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parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)

***The City Court's written policies and procedures manual addresses this area.***

- 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.

***The City Court's written policies and procedures manual addresses this area.***

- 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.

***The City Court's written policies and procedures manual addresses this area.***

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

***The City Court's written policies and procedures manual addresses this area.***

- 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).

***The City Court's written policies and procedures manual addresses this area.***

- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

***The City Court's written policies and procedures manual addresses this area.***

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

***The City Court's written policies and procedures manual addresses this area.***

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (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.

***The City Court's written policies and procedures manual addresses this area.***

- 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.

*The City Court's written policies and procedures manual addresses this area.*

## ***2) Board or Finance Committee***

---

- A. Obtain and inspect the board finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The City Court does not have a board.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds

*The City Court does not have a board or minutes.*

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

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

## ***3) Bank Reconciliations***

---

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged),

*No exception were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*Two of the accounts selected did not have documentation reflecting research of reconciling items that have been outstanding for more than 12 months.*

*Management Response: Management will document its research of reconciling items that have outstanding for more than 12 months.*

#### **4) Collections**

---

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash check 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).

*The listing was provided by management.*

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

- i. Employees that are responsible for cash collections do not share cash drawers registers;

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 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 responsible for collecting cash, unless another employee/official verifies the reconciliation.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure 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 no the same day). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

**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).

*The listing was provided by management.*

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, 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;  
*At least two employees are involved in initiating, approving and making a purchase.*
  - ii. At least two employees are involved in processing and approving payments to vendors;  
*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;  
*The employee responsible for processing payments is not prohibited from adding/modifying vendor files. However, 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  
*The employee responsible for signing checks also mails the checks.*
  - 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.  
*No exceptions were found as a result of this procedure.*
- 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  
*No exceptions were found as a result of this procedure.*
  - 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.  
*No exceptions were found as a result of this procedure.*
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements

if less than 5) 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.

*No exceptions were found as a result of this procedure.*

**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 cards. Obtain management's representation that the listing is complete.

*Not applicable. The City Court does not have any active credit cards, bank debit cards, fuel cards, nor P-cards.*

- 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 excess 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

*Not applicable. The City Court does not have any active credit cards, bank debit cards, fuel cards, nor P-cards.*

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

*Not applicable. The City Court does not have any active credit cards, bank debit cards, fuel cards, nor P-cards.*

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observed 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.

*Not applicable. The City Court does not have any active credit cards, bank debit cards, fuel cards, nor P-cards.*

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

---

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements 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](http://www.gsa.gov));

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- 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

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

**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 Law (e.g., solicited quotes or bids, advertised), if required by law;

*No exceptions were found as a result of this procedure.*

- 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);

*No exceptions were found as a result of this procedure.*

- 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

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

### ***9) Payroll and Personnel***

---

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

*No exceptions were found as a result of this procedure.*

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

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

*No exceptions were found as a result of this procedure.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exceptions were found as a result of this procedure.*

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials 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 cumulate 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 the entity policy.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

#### **10) Ethics**

---

- 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 each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

*No exceptions were found as a result of this procedure.*

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

#### **11) Debt Service**

---

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

*The City Court did not issue any debt during the fiscal period.*

- 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).

*The City Court does not have any debt.*

## ***12) Fraud Notice***

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- 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.

*The City Court was not aware of any misappropriation of public funds or assets during the fiscal year.*

- B. Observe 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.

*No exceptions were found as a result of this procedure.*

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. Perform the following procedures

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.

*No exceptions were found as a result of this procedure.*

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

- 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.

*No exceptions were found as a result of this procedure.*

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe 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.

*No exceptions were found as a result of this procedure.*

- B. Observe 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).

*No exceptions were found as a result of this procedure.*

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

*No exceptions were found as a result of this procedure.*

- ii. Number of sexual harassment complaints received by the agency;

*No exceptions were found as a result of this procedure.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

*No exceptions were found as a result of this procedure.*

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

*No exceptions were found as a result of this procedure.*

- v. Amount of time it took to resolve each complaint.

*No exceptions were found as a result of this procedure.*

We were engaged by the City Court of Sulphur in and for Ward Four 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 Sulphur in and for Ward Four 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.

*Shagun, Cassidy: Shilley*