

CITY COURT OF PORT ALLEN, LOUISIANA
A COMPONENT UNIT OF
THE CITY OF PORT ALLEN, LOUISIANA
ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2023



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Port Allen, Louisiana, a component unit of the City of Port Allen, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City Court of Port Allen's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City Court of Port Allen, Louisiana as December 31, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City Court of Port Allen and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Honorable William T. Kleinpeter
City Court of Port Allen, Louisiana
June 10, 2024

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court of Port Allen'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Port Allen'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.



To the Honorable William T. Kleinpeter
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June 10, 2024

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court of Port Allen’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, the schedule of employer’s proportionate share of the net pension liability, and the schedule of employer’s pension contributions on pages 5 through 9 and Schedules 1 through 3, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Port Allen’s basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and the accompanying justice system funding schedule-collective/disbursing entity is presented to comply with Act 87 of the 2020 Louisiana Legislative Session are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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



To the Honorable William T. Kleinpeter
City Court of Port Allen, Louisiana
June 10, 2024

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 of compensation, benefits, and other payments to agency head and schedules of justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2024, on our consideration of the City Court of Port Allen's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court of Port Allen's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Port Allen's internal control over financial reporting and compliance.

June 10, 2024
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

CITY COURT OF PORT ALLEN, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Our discussion and analysis of the City Court of Port Allen, Louisiana (Court) provides an overview of the Court’s activities for the year ended December 31, 2023. Please read it in conjunction with the Court’s financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023 fiscal year include the following:

- The Court’s net position decreased due to current period operations by \$14,750 or (3.8%).
- Program revenues of the Court increased \$6,091, or 1.6%.
- The total expenditures/expenses of the Court increased \$33,815, or 8.5%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

CITY COURT OF PORT ALLEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

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

FUND FINANCIAL STATEMENTS

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

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

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

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

The Court has one governmental fund and two fiduciary funds.

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

CITY COURT OF PORT ALLEN, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Court’s financial position.

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Assets	\$ 472,032	\$ 485,253
Deferred outflows of resources	10,386	29,607
Liabilities and deferred inflows of resources	102,186	126,745
Deferred inflows of resources	<u>6,866</u>	<u>-</u>
Total Net Position	<u>\$ 373,366</u>	<u>\$ 388,115</u>

Change in Net Position

The Court’s net position decreased by \$14,750 (3.8%) during the year ended December 31, 2023 compared to an decrease of \$2,699 (0.7%) during the prior year. The Court’s total revenues derived from program revenue during the current year increased by \$6,091 (1.6%). Expenses increased \$33,815 (8.5%).

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues:		
General government	\$ 396,912	\$ 390,821
General Revenues:		
Investment Income	<u>18,188</u>	<u>5,208</u>
Total Revenues	415,100	396,029
Total Expenses	<u>433,417</u>	<u>399,602</u>
Excess (Deficiency) before Transfers		
Transfers	<u>3,567</u>	<u>874</u>
Increase (Decrease) in Net Position	<u>\$ (14,750)</u>	<u>\$ (2,699)</u>

CITY COURT OF PORT ALLEN, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE COURT’S INDIVIDUAL FUNDS

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

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

As a measure of the Court’s liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 104% of total fund expenditures.

The fund balance of the Court decreased by \$19,987 during the current year.

BUDGETARY HIGHLIGHTS

The Court received \$13,821 less than budgeted revenues, with the decrease mainly contributable due to a decrease in court fees, fines and costs generated for the 2023 year. Total expenditures were \$15,733 more than budgeted due to an increase in general and administrative expenditures.

CAPITAL ASSETS

The Court’s investment in capital assets as of December 31, 2023 amounts to \$14,904 (net of accumulated depreciation of \$187,850). This investment in capital assets includes leasehold improvements and office furniture and equipment. The total increase in the Court’s investment in capital assets for 2023 was \$5,844 (64.5%).

	<u>2023</u>	<u>2022</u>
Equipment	\$ 9,725	\$ 3,551
Furniture & fixtures	1,471	1,550
Leasehold improvements	<u>3,708</u>	<u>3,959</u>
Total investment in capital assets	<u>\$ 14,904</u>	<u>\$ 9,060</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Management is unable to predict revenue as it is dependent on the level of tickets issued and the civil proceedings filed with the Court. Therefore, the budget for the year ending December 31, 2023, is set based on the actual revenue and expenditures of the previous year.

CITY COURT OF PORT ALLEN, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2023

CONTACTING THE COURT’S MANAGEMENT

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

CITY COURT OF PORT ALLEN, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

<u>ASSETS:</u>	Governmental Activities
Current Assets	
Cash	\$ 385,943
Investments	46,981
Prepaid expenses	2,517
Due from other funds	20,292
Due from other governments	<u>1,395</u>
Total current assets	<u>457,128</u>
Noncurrent Assets	
Capital assets, net	<u>14,904</u>
Total assets	<u>472,032</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>10,386</u>
<u>LIABILITIES:</u>	
Current Liabilities	
Accrued expenses	8,477
Unearned revenues	<u>200</u>
Total current liabilities	<u>8,677</u>
Noncurrent Liabilities	
Net pension liability	<u>93,509</u>
Total liabilities	<u>102,186</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>6,866</u>
<u>NET POSITION:</u>	
Investment in capital assets	14,904
Unrestricted	<u>358,462</u>
Total net position	<u>\$ 373,366</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for Services, Fines, and Forfeitures</u>	<u>Governmental Activities</u> <u>Net Revenues and Changes in Net Position</u>
<u>Governmental Activities:</u>			
General government-Judiciary	\$ 433,417	\$ 396,912	\$ (36,505)
General revenues and transfers:			
Investment income			18,188
Transfers to (from) other funds			<u>3,567</u>
Total general revenues and transfers			<u>21,755</u>
Change in net position			(14,750)
Net position - beginning			<u>388,116</u>
Net position - ending			<u>\$ 373,366</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
BALANCE SHEET-GOVERNMENTAL FUND - GENERAL FUND
DECEMBER 31, 2023

ASSETS

	<u>General Fund</u>
Cash and cash equivalents	\$ 385,943
Investments	46,981
Prepaid expenses	2,517
Due from other funds	20,292
Due from other governments	<u>1,395</u>
 Total assets	 <u>\$ 457,128</u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accrued expenses	\$ 8,477
Deferred revenues	<u>200</u>
 Total liabilities	 <u>8,677</u>

FUND BALANCE:

Nonspendable	2,517
Unassigned	<u>445,934</u>
 Total fund balances	 <u>448,451</u>
 Total liabilities and fund balance	 <u>\$ 457,128</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2023

Total fund balance for the governmental fund at December 31, 2023	\$ 448,451
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of :	
Furniture, equipment and leasehold improvements, net of accumulated depreciation of \$187,850	14,904
Liability for net pension liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	(93,509)
Deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds	(6,866)
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds	<u>10,386</u>
Total net position of governmental activities at December 31, 2023	<u>\$ 373,366</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES:

Court fees	\$ 125,352
Intergovernmental	259,175
Other fees	12,385
Investment income	<u>18,188</u>
Total revenues	<u>415,100</u>

EXPENDITURES:

Current	
General and administration	58,428
Travel	16,454
Dues and subscriptions	1,025
Office expense and maintenance	11,535
Personnel expenses	<u>342,802</u>
Total current expenditures	<u>430,244</u>
Capital outlays	<u>8,410</u>
Total expenditures	<u>438,654</u>

Excess (Deficiency) of Revenues Over Expenditures (23,554)

OTHER FINANCING SOURCES (USES):

Transfers in	<u>3,567</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(19,987)</u>

FUND BALANCE, BEGINNING 468,438

FUND BALANCE, ENDING \$ 448,451

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net change in fund balance - governmental fund		
statement of revenues, expenditures and changes in fund balance	\$	(19,987)
The change in net position reported for the governmental activities in the statement of activities is different because:		
Capital outlay	\$	8,410
Depreciation expense		<u>(2,566)</u>
		5,844
Pension expenses are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expenses		<u>(607)</u>
Total net change in net position of governmental activities	\$	<u>(14,750)</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023

	<u>Custodial Funds</u>		
	<u>Fines, Fees and Court Cost</u>	<u>Civil</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash	\$ 57,900	\$ 27,912	\$ 85,812
<u>LIABILITIES:</u>			
Due to other funds	13,275	7,017	20,292
Due to other governments	<u>29,255</u>	<u>2,080</u>	<u>31,335</u>
Total liabilities	<u>42,530</u>	<u>9,097</u>	<u>51,627</u>
<u>NET POSITION:</u>			
Restricted for individuals, organizations, and other governments	<u>\$ 15,370</u>	<u>\$ 18,815</u>	<u>\$ 34,185</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Custodial Funds</u>		<u>Total</u>
	<u>Fines, Fees and Court Cost</u>	<u>Civil</u>	
<u>ADDITIONS:</u>			
Deposits	\$ 591,858	\$ 64,673	\$ 656,531
Interest income	<u>2,208</u>	<u>1,359</u>	<u>3,567</u>
Total additions	<u>594,066</u>	<u>66,032</u>	<u>660,098</u>
<u>DEDUCTIONS:</u>			
Intergovernmental	461,606	1,873	463,479
Refunds of deposits	1,705	12,935	14,640
Personnel services	-	55,755	55,755
General and administration	363	315	678
Postage	-	1,003	1,003
Transfer to general fund	<u>125,870</u>	<u>1,359</u>	<u>127,229</u>
Total deductions	<u>589,544</u>	<u>73,240</u>	<u>662,784</u>
Change in net position	4,522	(7,208)	(2,686)
Net position - beginning	<u>10,848</u>	<u>26,023</u>	<u>36,871</u>
Net position - ending	<u>\$ 15,370</u>	<u>\$ 18,815</u>	<u>\$ 34,185</u>

The accompanying notes are an integral part of this statement

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

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

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

Fund Accounting

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

Equity Classifications

Government-Wide Financial Statements

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2023.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

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

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

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

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

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

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

Governmental Funds

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

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund

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

Fiduciary Fund

Fiduciary funds' reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Court are custodial funds. The Court maintains two custodial funds: the Civil Fund and the Traffic Fund.

Civil Fund

The Civil Fund accounts for advance deposits on civil suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Traffic Fund

The Traffic Fund accounts for the collection of fines and court costs and the payment of these collections to recipients in accordance with applicable laws.

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

Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (FFS)

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

The amounts reflected in the Governmental Fund Statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

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

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

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

Budgets

The proposed budget for the fiscal year was made available for public inspection at the Court's office on December 29, 2022. The budget is legally adopted and amended, as necessary, by the Court Judge. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments, if applicable.

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

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Investments

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

Capital Assets

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

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

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

Risk Management

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

Use of Estimates

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

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

Interfund Activities

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

Subsequent Events

Subsequent events have been evaluated through June 10, 2024, which is the date the financial statements were issued.

(2) DEPOSITS

At December 31, 2023, the City Court of Port Allen has cash in demand deposit accounts with a book balance of \$471,755 including \$85,812 attributable to fiduciary funds, which is not presented in the statement of net position.

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

At December 31, 2023, the Court has \$474,283 in deposits (collective bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$244,283 of pledged securities.

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(3) INVESTMENTS

As of December 31, 2023, the change in the Court’s investments is reported as follows:

	Change in Investments	
	Amortized Cost	Fair Value
Balance December 31, 2022	\$ 45,210	\$ 45,210
Add:		
Investment purchases	1,771	1,771
Balance December 31, 2023	\$ 46,981	\$ 46,981

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor’s.
- Custodial credit risk: LAMP participants’ investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity’s investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP’s total investments is 70 days as of December 31, 2023.
- Foreign currency risk: Not applicable.

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

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(3) INVESTMENTS (CONTINUED)

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

(4) INTERFUND RECEIVABLES/PAYABLES

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

	2023
General Fund	
Due from Fines, Fees, and Court Costs Fund	\$ 13,275
Due from Civil Fund	7,017
Fines, Fees, and Court Costs Fund	
Due to General Fund	(13,275)
Civil Fund	
Due to General Fund	(7,017)

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2023 are as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental Activities				
Equipment	\$ 162,873	\$ 8,410	\$ -	\$ 171,283
Furniture and fixtures	23,477	-	-	23,477
Leasehold improvements	7,994	-	-	7,994
Total	194,344	8,410	-	202,754
Less accumulated depreciation:				
Equipment	159,323	2,236	-	161,559
Furniture and fixtures	21,927	79	-	22,006
Leasehold improvements	4,034	251	-	4,285
Total	185,284	2,566	-	187,850
Capital assets, net	\$ 9,060	\$ 5,844	\$ -	\$ 14,904

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN

Plan Description

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

Benefits Provided

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

Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retired at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN (CONTINUED)

Retirement (Continued)

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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

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

Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends.

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN (CONTINUED)

Deferred Benefits (Continued)

At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

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

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

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years of surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN (CONTINUED)

Survivor's Benefits (Continued)

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

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

The Court's contractually required composite contribution rate was 45% for the period July 1, 2023 through December 31, 2023, and 44.8% for the period of January 1, 2023 through June 30, 2023 of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Employee contribution rate for the year 2023 was 11.5%. Contributions to the pension plan from the Court were \$15,484 for the year ended December 31, 2023.

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

At December 31, 2023, the Employer reported a liability of \$93,509 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 the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Court's proportion was .0014%, which was a decrease of .0002% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Court recognized pension expense of \$16,248. At December 31, 2023, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,024	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	535	-
Changes in proportion and differences between Court contributions and proportionate share of contributions	-	6,866
Board contributions subsequent to the measurement date	7,827	-
Total	\$ 10,386	\$ 6,866

The deferred outflows of resources related to pension resulting from the Court's contributions subsequent to the measurement date totaling \$7,827 will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and all amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30:	LASERS
2024	\$ (4,310)
2025	(3,377)
2026	4,606
2027	(1,226)
	\$ (4,307)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date:	June 30,
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.25% per annum
Inflation	2.3% per annum
Expected Remaining Service Lives	2 years

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates	<p>Non-disabled members – Mortality rates based on the RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>																		
Termination, Disability, and retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System’s members.																		
Salary increases	Salary increases were projected based on a 2014-2018 experience study of the System’s members. The salary increase ranges for specific types of members are:																		
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																	
Regular	3.0%	12.8%																	
Judges	2.6%	5.1%																	
Corrections	3.6%	13.8%																	
Hazardous Duty	3.6%	13.8%																	
Wildlife	3.6%	13.8%																	
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2023 are summarized in the following table:

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(6) PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Expected Real Rate of Return
Cash	0.80%
Domestic Equity	4.45%
International Equity	5.44%
Domestic Fixed Income	2.04%
International Fixed Income	5.33%
Alternative Investments	8.19%
Total Fund	5.75%

Discount Rate

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

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Court's proportionate share of the net pension liability	\$ 122,442	\$ 93,509	\$ 68,996

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2023 Comprehensive Annual Financial Report at www.lasersonline.org.

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(7) RELATED PARTY TRANSACTIONS

The City of Port Allen, Louisiana incurs expenditures on behalf of the Court. During the year ended December 31, 2023, the City paid the expenditures for other services and supplies in the amount of \$14,518 on behalf of the Court, which are not included in the accompanying financial statements.

The Court distributes a portion of all fines collected to the City. During the year ended December 31, 2023, the portion of fines collected by the Court, which were allocable to the City, totaled \$27,861, of which \$2,257 was included in due to other governments at year end.

(8) ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

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

City of Port Allen	\$ 129,163
State of Louisiana	80,516
West Baton Rouge Parish	<u>42,242</u>
	<u>\$ 251,921</u>

(9) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Statement did not have a material effect on the Court’s financial statements upon implementation.

The GASB has issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” The primary objective of this Statement is to provide temporary relief from certain newer accounting and financial reporting requirements to governments due to the COVID-19 pandemic. The effective date of certain Statements and Implementation Guides—through GASB Statement No. 93, Replacement of Interbank Offered Rates, and Implementation Guide No. 2019-03, Leases—that first became effective or were scheduled to become effective for periods beginning after June 15, 2018, and later are deferred by either one year or eighteen months.

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2023

(9) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Statement did not have a material effect on the Court’s financial statements upon implementation.

The GASB has issued Statement No. 99, “Omnibus 2022”. The Statement addresses three key areas. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The Statement did not have a material effect on the Court’s financial statements upon implementation.

The GASB has issued Statement No. 100, “Accounting Changes and Error Corrections— an amendment of GASB Statement No. 62”. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. The Court plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 101, “Compensated Absences”. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The Court plans to adopt this Statement as applicable by the effective date.

CITY COURT OF PORT ALLEN, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)-
GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Original Budget	Final Budget	Variance Favorable (Unfavorable)
Revenues						
Court fees, fines, and cost	\$ 125,352	\$ -	\$ 125,352	\$ 150,000	\$ 150,000	\$ (24,648)
Intergovernmental	259,175	(251,921) (1)	7,254	8,000	8,000	(746)
Other fees	12,385	-	12,385	13,000	13,000	(615)
Interest	18,188	-	18,188	6,000	6,000	12,188
Total revenues	<u>415,100</u>	<u>(251,921)</u>	<u>163,179</u>	<u>177,000</u>	<u>177,000</u>	<u>(13,821)</u>
Expenditures						
Current						
General and administration	58,428	-	58,428	10,000	10,000	(48,428)
Travel	16,454	-	16,454	15,000	15,000	(1,454)
Dues and subscriptions	1,025	-	1,025	1,000	1,000	(25)
Office expense and maintenance	11,535	-	11,535	25,000	25,000	13,465
Personnel expenses	342,802	(251,921) (1)	90,881	115,000	115,000	24,119
Total current expenditures	<u>430,244</u>	<u>(251,921)</u>	<u>178,323</u>	<u>166,000</u>	<u>166,000</u>	<u>(12,323)</u>
Capital outlays	<u>8,410</u>	<u>-</u>	<u>8,410</u>	<u>5,000</u>	<u>5,000</u>	<u>(3,410)</u>
Total expenditures	<u>438,654</u>	<u>(251,921)</u>	<u>186,733</u>	<u>171,000</u>	<u>171,000</u>	<u>(15,733)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,554)</u>	<u>-</u>	<u>(23,554)</u>	<u>6,000</u>	<u>6,000</u>	<u>(29,554)</u>
Other Financing Sources (Uses)						
Transfers in	3,567	-	3,567	-	-	3,567
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(19,987)</u>	<u>\$ -</u>	<u>\$ (19,987)</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ (25,987)</u>
Fund Balance						
Beginning	<u>468,438</u>					
Ending	<u>\$ 448,451</u>					

Explanation of differences:

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

(See Independent Auditor's Report)

CITY COURT OF PORT ALLEN, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered- Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered- Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>LASERS:</u>					
2023	0.0014%	\$ 93,509	\$ 41,086	227.60%	68.4%
2022	0.0016%	\$ 118,990	\$ 29,833	398.85%	63.7%
2021	0.0014%	\$ 75,460	\$ 26,551	284.21%	72.8%
2020	0.0020%	\$ 163,759	\$ 37,075	441.70%	58.0%
2019	0.0027%	\$ 198,221	\$ 26,120	758.89%	62.9%
2018	0.0000%	\$ -	\$ -	0.00%	64.3%
2017	0.0000%	\$ -	\$ -	0.00%	62.5%
2016	0.0000%	\$ -	\$ -	0.00%	57.7%
2015	0.0021%	\$ 141,403	\$ 35,655	396.59%	62.7%

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

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

(See Independent Auditor's Report)

CITY COURT OF PORT ALLEN, LOUISIANA
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
<u>LASERS:</u>					
2023	\$ 15,484	\$ 15,484	\$ -	\$ 34,006	45.53%
2022	\$ 18,505	\$ 18,668	\$ (163)	\$ 41,738	44.73%
2021	\$ 11,227	\$ 11,064	\$ 163	\$ 26,070	42.44%
2020	\$ 11,938	\$ 11,938	\$ -	\$ 28,121	42.45%
2019	\$ 19,675	\$ 19,675	\$ -	\$ 47,819	41.14%
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2017	\$ -	\$ -	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ 12,354	\$ 12,354	\$ -	\$ 31,132	39.68%
2014	\$ 14,323	\$ 14,323	\$ -	\$ 36,975	38.74%

(See Independent Auditor's Report)

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF PORT ALLEN, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2023

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

For LASERS, a 1.5% cost of living adjustment, effective July 1, 2016, was provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and the system added benefits for members of the Harbor Police Retirement System, which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

Changes of Assumptions

During the year ended December 31, 2022, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.40% to 7.25%.

During the year ended December 31, 2021, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.55% to 7.40%.

During the year ended December 31, 2020, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.60% to 7.55%. LASERS lowered its inflation rate assumption from 2.50% to 2.30%. Additionally, mortality rates used changed from RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 to RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected using the MP-2018. They adjusted the ranges of its salary increase assumptions from 3.2% – 14.0% to 3.0% – 13.8%.

During the year ended December 31, 2019, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. They adjusted the ranges of its salary increase assumptions from 3.4% – 14.3% to 3.2% – 14.0%.

During the year ended December 31, 2018, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.70% to 7.65%.

During the year ended December 31, 2017, the LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.75% to 7.70%. LASERS lowered its inflation rate assumption from 3.0% to 2.75%. Additionally, LASERS adjusted the ranges of its salary increase assumptions from 3.6% – 14.5% to 3.4% – 14.3%.

There were no changes in assumptions during any other years presented.

OTHER SUPPLEMENTARY INFORMATION

CITY COURT OF PORT ALLEN, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2023

Agency Head Name: William T. Kleinpeter

Purpose

Salary	\$ 133,462
Benefits-insurance	17,830
Benefits-retirement	61,033
Dues	600
Conferences	2,045
Conference travel	6,685
Per diem	<u>443</u>
 Total compensation, benefits, and other payments	 <u><u>\$ 222,098</u></u>

(See Independent Auditors' Report)

CITY COURT OF PORT ALLEN, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	First Six Month Period Ended 6/30/2023	Second Six Month Period Ended 12/31/2023
Beginning Balance of Amounts Collected:	\$ 72,350	\$ 103,390
Add: Collections		
Civil Fees	32,164	32,510
Criminal Court Costs/Fees	240,856	223,853
Criminal Fines - Other	64,413	60,198
Probation/Parole/Supervision Fees	1,568	970
Interest Earnings on Collected Balances	1,671	1,895
Subtotal Collections	<u>340,672</u>	<u>319,426</u>
Less: Disbursements to Governments and Non-Profits:		
City of Port Allen, Criminal Court Costs/Fees	14,423	12,656
City of Port Allen Marshall, Criminal Court Costs/Fees	60,899	69,343
City of Port Allen Marshall - Probation/Parole/Supervision Fees	1,270	1,145
Judicial College, Criminal Court Costs/Fees	636	765
Indigent Defender Fund, Criminal Court Costs/Fees	57,771	69,563
Louisiana Commission On Law Enforcement, Criminal Court Costs/Fees	36	18
Crime Victims Reparations Fund, Criminal Court Costs/Fees	135	68
Louisiana Dept. of Health and Hospitals, Criminal Court Costs/Fees	490	690
Treasurer, State of Louisiana CMIS, Criminal Court Costs/Fees	3,844	4,613
West Baton Rouge Parish Council, Criminal Court Costs/Fees	71,479	81,113
City of Port Allen Marshall, Civil Fees	7,149	7,246
City of Denham Springs Marshall, Civil Fees	30	-
Judicial College, Civil Fees	73	60
Treasurer, State of Louisiana, Civil Fees	4,015	3,471
West Baton Rouge Clerk of Court, Civil Fees	105	210
Iberville Parish Sheriffs Office, Civil Fees	-	5
East Baton Rouge Parish Sheriffs Office; Civil Fees	81	161
Ascension Parish Sheriffs Office, Civil Fees	93	-
Lafayette Parish Sheriffs Office, Civil Fees	68	62
Pointe Coupee Parish Sheriffs Office, Civil Fees	147	293
Orleans Parish Sheriffs Office, Civil Fees	30	-
East Baton Rouge City Constable, Civil Fees	540	240
Less: Amounts Retained by Collecting Agency:		
City Court of Port Allen, Criminal Fines - Other	57,404	65,137
City Court of Port Allen, Civil Fees	16,993	15,688
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies:		
Civil Fee Refunds	10,904	2,031
Bond Fee Refunds	356	1,349
Restitution Payments to Individuals	-	300
Other Disbursements to Individuals	663	417
Payments to 3rd Party Collection/Processing Agencies	-	363
Subtotal Disbursements/Retainage	<u>309,632</u>	<u>337,005</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 103,390</u>	<u>\$ 85,812</u>

(See Independent Auditors' Report)



**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City Court of Port Allen, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City Court of Port Allen's basic financial statements, and have issued our report thereon dated June 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Court of Port Allen's internal control over financial reporting (internal control) 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 of Port Allen's internal control. Accordingly, we do not express an opinion on the effectiveness of the City Court of Port Allen's internal control.

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

Our consideration of internal control 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying *schedule of findings and responses* as item 2023-001 that we consider to be a material weakness.



To the Honorable William T. Kleinpeter
City Court of Port Allen, Louisiana
June 10, 2024

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Port Allen's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying *schedule of findings and responses* as item 2023-002.

City Court of Port Allen's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City Court of Port Allen's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City Court of Port Allen'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Accordingly, this communication is not suitable for any other purpose.

June 10, 2024
Baton Rouge, Louisiana

Erickson Krentel, LLP
Certified Public Accountants

CITY COURT OF PORT ALLEN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I- SUMMARY OF AUDITORS' REPORT

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the City Court of Port Allen (the Court).
2. One material weakness in internal control relating to the audit of the financial statements was reported in the 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*.
3. One instance of noncompliance material to the financial statements was reported in the 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*.
4. A management letter was not issued for the year ended December 31, 2023.

SECTION II – FINDINGS - FINANCIAL STATEMENT AUDIT

Material Weakness

Finding 2023-001 Inadequate Segregation of Duties

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

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

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

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

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

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

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

CITY COURT OF PORT ALLEN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Compliance Findings

Finding 2023-002 Failure to Comply with Local Government Budget Act Regarding Requirement to Amend the Budget If Greater Than 5% Unfavorable Variance in Total Revenues or Expenditures

Condition: Total revenues failed to meet total budgeted revenues by 5% or more and total expenditures exceed total budgeted expenditures by 5% or more.

Criteria: R.S. 39:1311 requires that the budget of an entity be amended in the event that total revenue and other sources plus projected revenue and other sources for the remainder of the year, with a fund, are failing to meet budgeted revenues and other sources by 5% or more, and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, with a fund, are exceeding the total budgeted expenditures and other uses by 5% or more.

Effect: The Court failed to comply with the Local Government Budget Act and is non-compliant with its requirements.

Cause: Management did not amend the budget to cover total actual revenues which failed to meet total budgeted revenues by 5% or more and total actual expenditures which exceeded total budgeted expenditures by 5% or more.

Recommendation: Management should review actual revenues and expenditures as compared to budget throughout the year to ensure compliance with applicable statutes and make budgetary adjustments when deemed necessary.

View of Responsible Officials: Management will monitor actual revenues as compared to budget throughout the year to evaluate if any budgetary revisions are required.

CITY COURT OF PORT ALLEN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

INTERNAL CONTROL FINDINGS

Finding 2022-001 Preparation of Financial Statements

Condition: The City Court of Port Allen does not have controls in place to prepare financial statements in accordance with generally accounting principles.

This finding has been resolved as of December 31, 2023.

Finding 2022-002 Inadequate Segregation of Duties

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

This finding has not been resolved as of December 31, 2023.

COMPLIANCE FINDINGS

Finding 2022-003 Failure to Comply with Local Government Budget Act Regarding Requirement to Amend the Budget If Greater Than 5% Variance in Total Revenues and Expenditures

Condition: Total revenues failed to meet total amended budgeted revenues by 5% or more.

This finding has not been resolved as of December 31, 2023.

CITY COURT OF PORT ALLEN
PORT ALLEN, LOUISIANA
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
DECEMBER 31, 2023



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Judge William Kleinpeter and
the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2023. The City Court of Port Allen's management is responsible for those C/C areas identified in the SAUPs.

City Court of Port Allen 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 year ended December 31, 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.

Our procedures and associated findings are detailed in Schedule "1".

We were engaged by City Court of Port Allen 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 Port Allen 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.

June 10, 2024
Baton Rouge, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2023

1) WRITTEN POLICIES AND PROCEDURES

- A. Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) ***Credit Cards (and debit cards, fuel cards, 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).
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

1) **WRITTEN POLICIES AND PROCEDURES (CONTINUED)**

- k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) ***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.

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

2) **BOARD OR FINANCE COMMITTEE**

- A. **Procedures:** Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - d) 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.

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

2) BOARD OR FINANCE COMMITTEE (CONTINUED)

Results: The entity does not have a board or finance committee. Therefore, this procedure was not applicable to the entity.

3) BANK RECONCILIATIONS

A. Procedure: 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:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged)
- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Results: Exception noted, all 4 accounts have no evidence of research for reconciling items that have been outstanding for more than 12 months from closing date.

4) COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS)

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

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

4) **COLLECTIONS (EXCLUDING ELECTRONIC FUNDS TRANSFERS) (CONTINUED)**

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

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

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

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

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

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

5) **NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

- A. **Procedure:** 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 five).

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

5) NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)

B. Procedures: For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

C. Procedures: For each location selected under #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 five disbursements for each location, obtain supporting documentation for each transaction and:

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

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

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

5) **NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES) (CONTINUED)**

D. Procedures: Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was

- a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy,
- b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

6) **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**

A. Procedures: 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.

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

B. Procedures: Using the listing prepared by management, randomly select five cards (or all cards if less than five) 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:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (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 the Lawrason Act municipality, should not be reported); and
- b) Observe that finance charges and late fees were not assessed on the selected statements.

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

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

7) **CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS (CARDS)**
(CONTINUED)

C. **Procedures:** Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

8) **TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)**

A. **Procedures:** 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

- a) 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).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

9) CONTRACTS

- A. Procedures:** 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 five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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

10) PAYROLL AND PERSONNEL

- A. Procedure:** 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 authorized salaries/pay rates in the personnel files.

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

- B. Procedures:** Randomly select one pay period during the fiscal period. For the five employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

10) **PAYROLL AND PERSONNEL (CONTINUED)**

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

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

- C. **Procedures:** 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 of termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or officials' personnel files, and agree the termination payment to entity policy.

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

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

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

11) **ETHICS**

- A. **Procedures:** Using the five randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above: obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period, as applicable.
- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

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

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

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

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

12) DEBT SERVICE

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

Results: No debt instruments were issued during the fiscal period; therefore, this procedure is not applicable.

- B. Procedure:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No debt instruments were issued during the fiscal period; therefore, this procedure is not applicable.

13) FRAUD NOTICE

- A. Procedure:** 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 Organization attorney of the parish in which the entity is domiciled.

Results: There were no misappropriations of public funds and assets during the fiscal period; therefore, this procedure is not applicable.

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

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

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

14) INFORMATION TECHNOLOGY DISASTER RECOVERY/BUSINESS CONTINUITY

- A. **Procedures:** Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

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

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

- C. **Procedures:** Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267 . The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

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

CITY COURT OF PORT ALLEN
AGREED-UPON PROCEDURES (COUNTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

15) **SEXUAL HARASSMENT**

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

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

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

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

C. **Procedure:** 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 it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and amount of time it took to resolve each complaint.

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

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

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June 11, 2024

Ericksen Krentel, LLP
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RE: Independent Accountant's Report on the Application of Agreed-Upon Procedures

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

Procedure 3c:

The checks for the City Court of Port Allen now include a statement that the check is void after 90 days. Any uncashed checks will be voided.

If you have any questions or if any further action is needed, please contact me at (225)346-4702 or at will@portallencitycourt.com.

Sincerely,

A handwritten signature in blue ink, which appears to read "William T. Kleinpeter". The signature is fluid and cursive.

William T. Kleinpeter
Judge, City Court of Port Allen