THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

FINANCIAL STATEMENTS
(Audited)

JUNE 30, 2015

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	6
Statement of Activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Major Fund Description-General Fund	9
Balance Sheet – Governmental Fund	10
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the *Statement of Activities*	13
Statement of Fiduciary Net Position	14
Notes to Financial Statements	15-35
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund-Budgetary Comparison Schedule	37
Schedule of Employer's Share of Net Pension Liability	38
Schedule of Employer Contributions	39
COMPLIANCE AND INTERNAL CONTROL	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	41-42
Schedule of Audit Findings and Management's Corrective Action Plan	43
Schedule of Prior Audit Findings and Management's Corrective Action Plan	44

R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A
New Iberia, Louisiana 70560-3885

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

INDEPENDENT AUDITOR'S REPORT

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), a component unit of the City of Jeanerette, Louisiana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Jeanerette City Court's basic financial statements, as listed in the table of contents.

Management's Responsibility 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 United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Court's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of June 30, 2015, 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.

Emphasis of Matter

As described in Note 10 to the financial statements, the City Court of Jeanerette adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* in 2015. My opinion is not modified with respect to this matter.

Other Matters *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the budgetary comparison information on page 30 because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Requirements Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* I have issued my report dated December 16, 2015, on my consideration of the Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Court's internal control over financial reporting and compliance.

R. Perry Templeton

New Iberia, Louisiana
December 16, 2015

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF NET POSITION
June 30, 2015

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 347,799
Accounts Receivable	43,939
Non Current Assets:	
Capital Assets, Net	134,276
Total Assets	526,014
DEFERRED OUTFLOWS OF RESOURCES	-
LIABILITIES	
Current Liabilities:	
Accounts Payable	7,921
Other Current Liabilities	24,000
Long Term Liabilities	
Pension Plan Payable	51,399
Total Liabilities	83,320
DEFERRED INFLOWS OF RESOURCES	916
NET POSITION	
Invested in Capital Assets, Net of Related Debt	134,276
Unrestricted	307,502
Total Net Position	$ 441,778

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Governmental Activities	
Expenditures:	
Judiciary	
Payments to City of Jeanerette	$ 381,247
Payments to Jeanerette City Marshal	165,738
Salaries	94,702
Judge's Salary	85,202
Office Supplies & Printing	14,733
Legal & Accounting Costs	4,000
Judge & Employees Retirement and Benefits	66,775
Payments to the Sheriff	1,300
Other Miscellaneous Costs	35,699
Outside Services	7,940
Depreciation	18,053
Utilities and Telephones	4,467
Total Expenditures	879,856
Program Revenues	
Revenues:	
Fees, Charges and Commissions –	610,393
Net Program (Expense) Revenue	(269,463)
General Revenue	
Intergovernmental	
On Behalf Payments	249,168
Loss on Disposal of Equipment	(679)
Change in Net Position	(20,974)
Net Position (Deficit), Beginning of Year, As Restated	462,752
Net Position, End of Year	$ 441,778

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

FUND FINANCIAL STATEMENTS (FFS)

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

MAJOR FUND DESCRIPTION

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

BALANCE SHEET – GOVERNMENTAL FUND
June 30, 2015

	General Fund
ASSETS	
Assets:	
Cash and Cash Equivalents	$ 347,799
Accounts Receivable	43,939
Total Assets	$ 391,738
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	$ 7,921
Other Current Liabilities	24,000
Total Liabilities	$ 31,921
Fund Balances:	
Unassigned	$ 359,817
Total Liabilities and Fund Balance	$ 391,738

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF
NET POSITION
June 30, 2015

Total Fund Balance for the Governmental Fund at June 30, 2015		$ 359,817
Cost of Capital Assets at June 30, 2015	$ 203,053	
Less: Accumulated Depreciation	(68,777)	
		134,276
Noncurrent liabilities at June 30, 2015		
Net pension payable		(51,399)
The deferred inflows of contributions for the retirement systems are not payable from current expendable resources and, therefore, are not reported in the funds		(916)
Total Net Position of Governmental Activities at June 30, 2015		$ 441,778

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	General Fund
Revenues:	
Fees, Charges and Commissions –	
Fees and Fines	$ 610,393
Intergovernmental	
On Behalf Payments	249,168
Total Revenues	859,561
Expenditures:	
Current-	
General Government –	
Payments to City of Jeanerette	381,247
Payment to Jeanerette City Marshal	165,738
Salaries	94,702
Judge's Salary	85,202
Office Supplies & Printing	14,733
Legal & Accounting Costs	4,000
Judge & Employees Retirement and Benefits	72,093
Payments to Sheriff	1,300
Other Miscellaneous Costs	35,699
Outside Services	7,940
Utilities and Telephone	4,467
Capital Outlay	73,581
Total Expenditures	940,702
Excess (Deficiency) of Revenues Over Expenditures	(81,141)
Fund Balance, Beginning of Year	440,958
Fund Balance, End of Year	$ 359,817

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Total Net Change in Fund Balance for the Year Ended June 30, 2015 per Statement of Revenues, Expenditures and Changes in Fund Balance	$ (81,141)
Less: Depreciation Expense for Year Ended June 30, 2015	(18,053)
Less: Loss on Disposal of Equipment	(679)
Add: GASB 68 Adjustment	5,318
Add: Capital Outlay for Year Ended June 30, 2015	73,581
Total Change in Net Position for the Year Ended June 30, 2015 per *Statement of Activities*	$ (20,974)

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	Fines Agency Fund	Civil Court Fund	Bond Fund	Total
ASSETS				
Cash and Cash Equivalents	$ 320	$ 13,338	$ 83,468	$ 97,126
Total Assets	$ 320	$ 13,338	$ 83,468	$ 97,126
LIABILITIES				
Accounts Payable	$ 320	$ -	$ 83,468	$ 83,788
Held for Other Pending Court Action	-	13,338	-	13,338
Total Liabilities	$ 320	$ 13,338	$ 83,468	$ 97,126
NET POSITION				
Net Position	$ -	$ -	$ -	$ -

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected Official serving a term of six years. The population of the third ward is approximately 7,000. The court and its staff of 5 employees handle approximately 150 civil cases a year plus misdemeanor, criminal offenses, and traffic violations within the city of Jeanerette.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the City, for reporting purposes, the City of Jeanerette is the financial reporting entity. The financial reporting entity consists of the primary government (City), organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Jeanerette for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity are financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

1. Appointing a voting majority of an organization's governing body, and

2. The ability of the City to impose its will on that organization and/or

3. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.

4. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.

5. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the City provides the City Court of Jeanerette with office space and pays the salaries and benefits of Court employees, the Court was determined to be a component unit of the City of Jeanerette, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. 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 Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

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

Fund-Financial Statements (FFS)

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Court is considered to be a major fund. The funds of the Court are described below:

Governmental Funds –

General Fund – This fund is the primary operating fund of the Court and it accounts for the operations of the Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policy.

Fiduciary Funds –

Fiduciary funds reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants in civil suits, cash bonds for criminal proceedings, and fees held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The agency funds are as follows:

Fines Agency Fund – accounts for the receipt and disbursement of bonds, fines, and costs from criminal proceedings to the appropriate governmental entity.

Civil Court Fund – accounts for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

Bond Fund – accounts for the collection of bonds.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. The governmental fund utilizes a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.

b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

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

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

D. Budgets and Budgetary Accounting

The Third Ward Court follows these procedures in establishing the budgetary data reflected in the financial statements.

1. A proposed budget is prepared and submitted to the Judge of the Third Ward Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.

2. The budget is adopted on a basis consistent with generally accepted accounting principles (GAACP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Third Ward Court.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and Interest-Bearing Deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Court.

The Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. 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. See Note (3) for other GASB No. 3 disclosures.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/ payables.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The Court maintains a threshold level of $500 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. 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. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Asset Class	Estimated Useful Lives
Office furniture	7 years
Equipment	5 years
Building Improvements	20 years

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a further period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There are no deferred outflows or inflows at June 30, 2015.

Equity Classifications

In the government-wide 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 position – Consist 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.
c. Unrestricted net position – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. The Third Ward Court adopted GASB Statement 54 for the year ended June 30, 2011. As such, fund balances of the government funds are classified as follows:

a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
b. 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.
c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge, which is the highest level of decision-making authority for the Third Ward Court.
d. 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.
e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Third Ward Court considers restricted funds to have been spent first. When and expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Third Ward Court considers amounts for have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Third Ward Court has provided otherwise in its commitment or assignment actions.

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Court is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the funds financial statements, expenditures are classified as follows:

Government Funds – By Character

G. Estimates

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

H. Vacation and Sick Leave

Vacation is recorded as an expenditure of the period in which paid. It must be taken in the year accrued and cannot be carried over. There is no provision for sick leave at this time. Any liability the City Court of Jeanerette, Louisiana might have in this regard is considered immaterial; therefore, no liability has been recorded in the accounts.

(2) Cash and Interest-Bearing Deposits

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2015, the Court has cash and cash equivalents (book balances) totaling $444,685 as follows:

	Governmental Fund Type	Fiduciary Fund Type	Total
Demand Deposits	347,559	97,126	444,685

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2015, totaled $551,307 and are secured from risk by federal deposit insurance of $250,000 and $301,307 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits will not be returned to it. As of June 30, 2015, no collateral held by the custodial bank's trust department not in the Court's name was exposed to custodial credit risk. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Court that the fiscal agent has failed to pay deposited funds upon demand.

(3) Capital Assets

Capital asset activity for the year ended June 30, 2015 is as follows:

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
Governmental Activities:				
Furniture, Fixtures and Equipment	$ 159,131	$ 73,581	$ (29,659)	$ 203,053
Less: Accumulated Depreciation	(79,704)	(18,053)	28,980	(68,777)
Net Capital Assets	$ 79,427	$ 55,528	$ (679)	$ 134,276

Depreciation expense of $18,053 was charged to the general government function.

(4) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Fines Agency Fund	Civil Court Fund	Bond Fund	Total
Beginning Balance, July 1, 2014	$ -	$ 10,655	$ 72,463	$ 83,118
Additions	1,144,808	28,747	87,085	1,260,640
Reductions	(1,144,488)	(28,747)	(76,080)	(1,246,632)
Ending Balance, June 30, 2015	$ 320	$ 13,338	$ 83,468	$ 97,126

(5) On Behalf Payments for Salaries and Benefits

The Court follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This standard requires the Court to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the City Court Judge and salary and fringe benefits payments made by the City of Jeanerette to the Judge and the Court's employees.

Supplementary salary payments are made by the State directly to the City Court Judge and from the City to the Judge and the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State, the Parish, and the City. For the fiscal year ended June 30, 2015, the State, the Parish and City paid $132,590 in supplemental salary and benefits payments to the City Court Judge and the City made supplementary salary and benefit payments of $116,578 to the City Court's employees.

(6) ACT 706 – SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND OTHER PAYMENTS TO ENTITY HEAD

Under Act 706, the Assessor is required to disclose the compensation, reimbursements, benefits, and other payments made to the assessor, in which the payments are related to the position. The following is a schedule of payments made to the assessor as of December 31, 2015:

Agency Head Name: Honorable Cameron Simmons, Judge

Base salary	$ 85,202
Additional salary: Civil	7,542
Benefits - insurance	9,431
Benefits – retirement	40,786
Reimbursements	40
Total	$ 143,001

(7) Pending Litigation

At June 30, 2015, the Court was not involved in any litigation.

(8) Other Postretirement Benefits

The Jeanerette City Court provides no postretirement benefits.

(9) Risk Management

Potential significant losses are covered by the City of Jeanerette's commercial insurances.

(10) Pension Plans

For the year ended June 30, 2015, the Court adopted the requirements of GASB Statement 68. *Accounting and Financial Reporting of Pensions – an amendments of GASB Statement No. 27* and GASB Statement 71, *Pension for Contributions Made Subsequent to the Measurement Date, an amendment to GASB 68.* These standards revise and establish new financial reporting requirements for governments that provide their employees with pension benefits. These standards require the Court to record its proportionate share of each of the pension plans' net pension liability and report the following disclosures:

General Information about the Pensions Plans

Plan Descriptions:

Municipal Employees' Retirement System (MERS)

Employees of the Court are eligible for participation in the Municipal Employees' Retirement System of Louisiana (the "System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 356 of the 1954 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.mersla.com/annual-reports. The report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, LA 70809, or by calling (225) 925-4810. The employees are employees of the City of Jeanerette, which pays their retirement. Accordingly, no liability has been included on these financial statements.

Louisiana State Employees' Retirement System (LASERS)

The Judge is a member of the Louisiana State Employees' Retirement System (LASERS). LASERS is a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statures (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 plans and their benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Municipal Employees' Retirement System (MERS)

The system provides retirement, disability and death benefits. Retirement benefits are fenerally determined as 3.0% of the employee's final compensation multiplied b the employee's years of creditable service. Employees with 25 years of service are eligible for disability benefits under age 60 with 5 years or more of service. Survivor's venefits are available upon the death of a member who has credit for 5 or more years of service who is not eligible for normal retirement benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement.

Louisiana State Employees' Retirement System (LASERS)

(1) Retirement

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

Average compensation is defined as the members 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 retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after 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 of 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.

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

(2) Deferred Retirement Benefits

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

(3) Disability Benefits

All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

(4) Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of 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 for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

(5) Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statues, 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:

Municipal Employees' Retirement System (MERS)

Per Act 788 of the 1978 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System's Board of Trustees. Employees are required to contribute 9.5% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2015 was 19.75% of annual payroll. There were no contributions to the System from the Court for the year ended June 30, 2015.

Louisiana State Employees' Retirement System

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statues (La. R.S. 11:401) and may be amended by the Louisiana Legislative, Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2015 for the plan for judges hired before January 1, 2011 were 11.5% for the employee and 41.5 %for the employer. The status of the plan for judges hired before January 1, 2011 is closed.

The Court's contractually required composite contribution rate for the year ended June 30, 2015 was 41.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Agency were $2,829 for the year ended June 30, 2015.

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

At June 30, 2015, the Court reported a liability of $51,399 for its proportionate share of the net pension liability of LASERS. For LASERS, the net pension liability was measured as of June 30, 2015 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 plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Court's proportion was .000083% for LASERS which was a decrease of .000002% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Court recognized pension expense of $2,928.

At June 30, 2015, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LASERS
Deferred Outflows of Resources:	
Net difference between projected and actual earnings on pension plan investments	$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
Employer contributions subsequent to the measurement of date	-
Total Deferred Outflows of Resources	$ -

	LASERS
Deferred Inflows of Resources:	
Differences between expected and actual experience	$ 916
Changes in Assumptions	
Net difference between projected and actual earnings on pension plan investments	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-
Total Deferred Inflows of Resources	$ 916

$0 reported as deferred outflows of resources related to pensions resulting from the Court's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	MERS	LASERS	TOTAL
2016	-	916	916
2017	-	-	-
2018	-	-	-
2019	-	-	-

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2014 for LASERS are is follows:

	LASERS
Inflation	3.0%
Salary increases	3.0 – 5.5%
Investment rate of return	7.75%

For LASERS, mortality rates were based on RP-2000 Combined Healthy Mortality Table with mortality improvements projected to 2015 for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members.

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

For LASERS the long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Cash	0	0.50%
Domestic Equity	27.0%	4.69%
International Equity	30.0%	5.83%
Domestic Fixed Income	11.0%	2.54%
International Fixed Income	2.0%	4.00%
Alternative Investments	2.3%	8.09%
Global Asset Allocation	7.0%	3.42%
Total	100%	5.78%

Discount Rate

The discount rate used to measure the total pension liability was 7.75% for LASERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Court's proportionate share of the net pension liability calculated using the current discount rate, as well as what the Court's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate as of June 30, 2015 for LASERS:

LASERS

	Changes in Discount Rate Plan A:		
	1% Decrease 6.75%	Current Discount 7.75%	1% Increase 8.75%
Net pension liability (asset)	69,903	51,399	34,951

Pension Plans Fiduciary Net Position

MERS issued a stand-alone audit report on its financial statements for the year ended December 31, 2015. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2014 Comprehensive Annual Financial Report at www.lasersonline.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

(11) Subsequent Events

Subsequent events have been evaluated through December 16, 2015, the date of the financial statement issuance.

(12) Restatement of Net Position

During the year ended June 30, 2015, the Court implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions.* As a result of implementation, net position was restated as follows:

Net position at June 30, 2014	$ 520,385
Restatement due to implementation GASB 68	(57,633)
Net position at June 30, 2014 restated	$ 462,752

REQUIRED SUPPLEMENTARY INFORMATION

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENT FUNDS
Year Ended June 30, 2015

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fees, Charges and Commissions - Fees and Fines	$ 556,875	$ 556,875	$ 610,393	$ 53,518
Intergovernmental				
On Behalf Payments	245,000	245,000	249,168	4,168
Total Revenues	801,875	801,875	859,561	57,686
Expenditures:				
Current –				
General Government:				
Payments to City of Jeanerette	384,000	384,000	381,247	2,753
Payments to Jeanerette City Marshal	60,000	60,000	65,738	(5,738)
Salaries	92,000	92,000	94,702	(2,702)
Judge's Salary	85,000	85,000	85,202	(202)
Office Supplies & Printing	16,500	16,500	14,733	1,767
Legal & Accounting Costs	6,050	6,050	4,000	2,050
Judge & Employees Retirement And Benefits	68,000	68,000	72,093	(4,093)
Payment to Sheriff	3,500	3,500	1,300	2,040
Other Miscellaneous Costs	53,372	53,372	35,699	17,673
Outside Services	7,500	7,500	7,940	(440)
Utilities and Telephone	4,330	4,330	4,467	(167)
Capital Outlay	79,000	79,000	73,581	5,419
Total Expenditures	859,252	859,252	940,702	18,360
Excess (Deficiency) of Revenues Over Expenditures	(57,377)	(57,377)	(81,141)	(23,764)
Fund Balance, Beginning of Year	440,958	440,958	440,958	-
Fund Balance, End of Year	$ 383,581	$ 383,581	$ 359,817	$ (23,764)

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
Year Ended June 30, 2015

Schedule of Employer's Share of Net Pension Liability

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll Obligation	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
2015	1.423485	$1,335,086	$1,264,407	151.86%	79.37%

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

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

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Year Ended June 30, 2015

Schedule of Employer Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	$ 155,190	$ 240,237	$ (3,327)	$1,264,406	19.00%

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

COMPLIANCE

AND

INTERNAL CONTROL

R. PERRY TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT
(A PROFESSIONAL ACCOUNTING CORPORATION)

Phone 337/365-5546
Facsimile 337/365-5547
E-Mail: perry@ptempletoncpa.com

124 Washington Street
Suite A
New Iberia, Louisiana 70560-3885

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

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

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City Court of Jeanerette's basic financial statements, and have issued my report thereon dated December 16, 2015.

Internal Control Over Financial Reporting

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

My 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. However, as described in the accompanying schedule of prior and current audit findings and management's corrective action plan, I identified deficiencies in internal control that I consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. I consider the deficiencies described in the accompanying schedule of current audit findings and management's corrective action plan as items 2015-1 and 2015-2 to be material weaknesses.

Compliance and Other Matters

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

City Court of Jeanerette's Response to Finding

The City Court of Jeanerette's response to the finding identified in my audit is described in the accompanying schedules of prior and current audit findings and management's corrective action plan. The City Court of Jeanerette's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the City Court of Jeanerette, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

R. Ray Templeton

New Iberia, Louisiana
December 16, 2015

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Schedule of Current Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2015

Internal Control Over Financial Reporting

2015-1 Inadequate Segregation of Accounting Functions

Finding:
An inadequate segregation of duties exists with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.

Management's Corrective Action Plan:
The Court has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2015-2 Inadequate Controls over Financial Statement Preparation

Finding:
The Third Ward Court does not have a staff member who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Management's Corrective Action Plan:
The Court has evaluated the costs of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them, and accepting responsibility for their contents and presentation.

Compliance

There are no findings that are required to be reported at June 30, 2015.

Management Letter Items

There are no management letter items at June 30, 2015.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Schedule of Prior Audit Findings and Management's Corrective Action Plan
For the Year Ended June 30, 2015

Internal Control Over Financial Reporting

2014-1 Inadequate Segregation of Accounting Functions

Finding:
An inadequate segregation of duties exists with respect to cash transactions that result in inadequate control over cash receipts and disbursements. Due to the limited number of personnel, an adequate segregation of duties may not be achievable and the cost of correcting the weakness would exceed the benefits derived.

Status:
Unresolved. See item 2015-1

2014-2 Inadequate Controls over Financial Statement Preparation

Finding:
The Third Ward Court does not have a staff member who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Management Letter Items

There were no management letter items at June 30, 2014.