

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2021**

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 FINANCIAL STATEMENTS  
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The Honorable Judge Michael Distefano  
City Court of Plaquemine

## **INDEPENDENT AUDITOR'S REPORT**

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Plaquemine ( a component unit of the City of Plaquemine, LA), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City Court of Plaquemine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Plaquemine as of December 31, 2021, 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 the City Court of Plaquemine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### ***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 Plaquemine's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court of Plaquemine'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 and budgetary comparison information, schedule of City Court of Plaquemine's proportionate share of the net pension liability, and schedule of City Court of Plaquemine's contributions on pages 3 through 7 and 42 through 47 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 an opinion on the financial statements that collectively comprise the City Court of Plaquemine's basic financial statements. The combining nonmajor special revenue fund financial statements, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, the schedule of compensation, benefits and other

payments to agency head and justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor special revenue fund financial statements, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, the schedule of compensation, benefits and other payments to agency head and justice system funding schedules are the responsibility of management and were 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 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, this information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022 on our consideration of City Court of Plaquemine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court of Plaquemine'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 Plaquemine's internal control over financial reporting and compliance.

*Barley & Associates, LLC*

Plaquemine, Louisiana  
June 10, 2022

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

As management of the City Court of Plaquemine, we are pleased to provide an overview of our financial activities for the year ended December 31, 2021. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, and adherence to budget. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

**FINANCIAL HIGHLIGHTS**

- City Court's net position increased by \$27,355 from (\$13,704) in 2020 to \$13,651 in 2021.
- City Court's revenues decreased by \$26,322 from \$560,017 in 2020 to \$533,695 in 2021.
- City Court's expenses decreased by \$20,409 from \$526,749 in 2020 to \$506,340 in 2021.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City Court's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

The City Court of Plaquemine's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City Court of Plaquemine's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination of reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the City Court of Plaquemine's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City Court of Plaquemine as a whole is improving or deteriorating. Evaluation of the overall health of the City Court of Plaquemine would extend to other non-financial factors, in addition to the financial information provided in this report.

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

The second government-wide statement is the Statement of Activities, which reports how the City Court of Plaquemine's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when the City Court of Plaquemine receives or pays cash. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements are presented along with the fund financial statements on pages 10 and 11 of this report.

**Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City Court of Plaquemine uses a general fund, special revenue funds, and agency funds to ensure and demonstrate compliance with finance-related laws and regulations.

The Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City Court of Plaquemine's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental funds balance sheet and governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two perspectives.

The basic governmental fund financial statements are presented on pages 12 and 13 of this report.

**Notes to the Basic Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

**Other Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the City Court of Plaquemine's budgetary control, on pages 43-46. Schedules of the City Court's Proportionate Share of the Net Pension Liability and City Court's Contributions can be found on page 47-48.

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF CITY COURT OF PLAQUEMINE AS A WHOLE**

The City Court of Plaquemine's net position at fiscal year-end is \$13,651. The table that follows provides a summary of the City Court of Plaquemine's net position:

<b>Summary of Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets:</b>		
Current assets	\$ 97,918	\$ 98,676
Capital assets, net of accumulated depreciation	-	-
<b>Total Assets</b>	<b>97,918</b>	<b>98,676</b>
Deferred outflows of resources - pension	<b>40,871</b>	<b>53,337</b>
<b>Liabilities:</b>		
Current liabilities	-	-
Long-term liabilities	54,214	96,519
<b>Total Liabilities</b>	<b>54,214</b>	<b>96,519</b>
Deferred inflows of resources - pension	<b>70,924</b>	<b>69,198</b>
<b>Net position:</b>		
Unrestricted	13,651	(13,704)
<b>Total Net Position</b>	<b>\$ 13,651</b>	<b>\$ (13,704)</b>

Current assets decreased by \$758. The agency funds are not included on the Statement of Net Position.

The City Court of Plaquemine reported a positive balance in net position for its governmental activities. Net position at December 31, 2021 increased from net position at December 31, 2020 by \$27,355.

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF CITY COURT OF PLAQUEMINE AS A WHOLE  
(continued)**

The following table provides a summary of the City Court of Plaquemine's change in net position:

	Changes in Net Position	
	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Court fees, fines, and costs	\$ 740	\$ 1,090
General revenues:		
Intergovernmental	492,011	498,663
Miscellaneous	40,912	60,223
Investment earnings	32	41
Transfers	-	-
Total Revenues	533,695	560,017
Expenses:		
Program expenses:		
General government - City Court	506,340	526,749
Total Expenses	506,340	526,749
Change in Net Position	27,355	33,268
Beginning net position	(13,704)	(46,972)
Ending net position	\$ 13,651	\$ (13,704)

The revenues of the City Court of Plaquemine reflect the actual revenues as opposed to anticipated revenues. Each year's budget is based on city and parish funding and not on an accrual basis. The court's revenues consist of fees, fines, state and federal grants, and the balance being supported by the city and parish subsidiaries. Revenues decreased by 5% from 2020 to 2021.

The expenditures consist of court administration, personnel salaries and benefits, operating services, communication, maintenance of equipment, continuing education, travel, and court materials. Expenditures decreased by 4% from 2020 to 2021.



**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BUDGETARY HIGHLIGHTS**

The City Court of Plaquemine submits an annual budget to the city and adheres to the budget on the expense side, but the Court can only anticipate the revenues from fines and fees. The operations budget for the court maintains not only the traffic and misdemeanor court proceedings, but handles all small claims, civil suits, garnishments, and eviction services to the citizens of Plaquemine. Budgetary comparison statements can be found on pages 42-45. These statements compare the original adopted budget, the budget if amended throughout the year, and the actual revenues and expenditures prepared on a budgetary basis.

In the General fund, actual revenues exceeded budgeted revenues by \$195,227 and actual expenditures exceeded budgeted expenditures by \$199,640. In the Marshal's fund, actual revenues exceeded budgeted revenues by \$51,832 and actual expenditures exceeded budgeted expenditures by \$54,693. In the Probation fund, actual revenues exceeded budgeted revenues by \$83,758 and actual expenditures exceeded budgeted expenditures by \$83,099.

**CAPITAL ASSETS**

The City Court of Plaquemine's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2021 was \$0. The net decrease in net investment in capital assets from 2020 to 2021 was \$0. No additions or deletions were made in 2021.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City Court of Plaquemine's finances and its operations for all those with an interest in the Court's finances. If you have questions about this report or need additional financial information, please contact Melissa Schnebelen at (225) 687-3661.

## **BASIC FINANCIAL STATEMENTS**



CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2021

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 81,558
Intergovernmental receivables	15,000
Accounts receivable	160
Prepaid expense	1,200
<b>TOTAL ASSETS</b>	<b>\$ 97,918</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	<b>\$ 40,871</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>Liabilities</b>	
Net pension liability	54,214
<b>Total Liabilities</b>	<b>54,214</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	<b>70,924</b>
<b>NET POSITION</b>	
Unrestricted	13,651
<b>TOTAL NET POSITION</b>	<b>\$ 13,651</b>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues from Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities:</b>				
City Court	\$ 506,340	\$ 740	\$ -	\$ (505,600)
<b>Total Governmental Activities</b>	<u>\$ 506,340</u>	<u>\$ 740</u>	<u>\$ -</u>	<u>\$ (505,600)</u>
	General Revenues:			
				492,011
				32
				<u>40,912</u>
			Total General Revenues	<u>532,955</u>
			<b>Change in Net Position</b>	\$ 27,355
			<b>Net Position at Beginning of the Year</b>	<u>(13,704)</u>
			<b>Net Position at End of the Year</b>	<u>\$ 13,651</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 COMBINED BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2021

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 34,962	\$ 25,590	\$ 6,759	\$ 14,247	\$ 81,558
Account receivable	-	-	-	160	160
Intergovernmental receivables	10,000	5,000	-	-	15,000
Prepaid expense	-	-	-	1,200	1,200
Interfund receivables	9,595	-	1,100	1,320	12,015
<b>TOTAL ASSETS</b>	<b>\$ 54,557</b>	<b>\$ 30,590</b>	<b>\$ 7,859</b>	<b>\$ 16,927</b>	<b>\$ 109,933</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	1,920	37	9,558	500	12,015
<b>Total Liabilities</b>	<b>1,920</b>	<b>37</b>	<b>9,558</b>	<b>500</b>	<b>12,015</b>
<b>Fund Balance</b>					
Nonspendable	-	-	-	1,200	1,200
Restricted	-	30,553	(1,699)	-	28,854
Unassigned	52,637	-	-	15,227	67,864
<b>Total Fund Balance</b>	<b>52,637</b>	<b>30,553</b>	<b>(1,699)</b>	<b>16,427</b>	<b>97,918</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 54,557</b>	<b>\$ 30,590</b>	<b>\$ 7,859</b>	<b>\$ 16,927</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Net pension liability					(54,214)
Deferred inflows of resources					(70,924)
Deferred outflows of resources					40,871
Net position of governmental activities					<u>\$ 13,651</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Totals 2021
<b>REVENUES</b>					
Court fees, fines and costs	\$ -	\$ 740	\$ -	\$ -	\$ 740
Intergovernmental	270,445	120,869	83,758	16,939	492,011
Interest	32	-	-	-	32
Miscellaneous revenue	175	3,223	-	60	3,458
<b>TOTAL REVENUES</b>	<b>270,652</b>	<b>124,832</b>	<b>83,758</b>	<b>16,999</b>	<b>496,241</b>
<b>EXPENDITURES</b>					
Auto and travel	-	14,400	-	-	14,400
Drug testing	-	-	655	-	655
Dues and seminars	2,454	8,159	-	230	10,843
Office supplies and expense	1,001	845	36	97	1,979
Professional fees	12,000	-	22,000	-	34,000
Personnel services and related benefits	207,090	108,597	83,758	56,670	456,115
Domestic Violence Grant expense	-	-	-	-	-
Repairs and maintenance	3,502	-	-	-	3,502
Telephone	3,049	-	-	1,588	4,637
Miscellaneous	6,094	2,192	-	36	8,322
<b>TOTAL EXPENDITURES</b>	<b>235,190</b>	<b>134,193</b>	<b>106,449</b>	<b>58,621</b>	<b>534,453</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>35,462</b>	<b>(9,361)</b>	<b>(22,691)</b>	<b>(41,622)</b>	<b>(38,212)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	20,201	10,222	22,065	42,121	94,609
Operating transfers out	(57,155)	-	-	-	(57,155)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(36,954)</b>	<b>10,222</b>	<b>22,065</b>	<b>42,121</b>	<b>37,454</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(1,492)</b>	<b>861</b>	<b>(626)</b>	<b>499</b>	<b>(758)</b>
<b>FUND BALANCE (DEFICIT), Beginning</b>	<b>54,129</b>	<b>29,692</b>	<b>(1,073)</b>	<b>15,928</b>	<b>98,676</b>
<b>FUND BALANCE (DEFICIT), Ending</b>	<b>\$ 52,637</b>	<b>\$ 30,553</b>	<b>\$ (1,699)</b>	<b>\$ 16,427</b>	<b>\$ 97,918</b>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2021

**Amounts reported for governmental activities are different because:**

Net Change in fund balances - total governmental funds (page 13)	\$ (758)
Non-employer contributions to cost-sharing pension plan	-
Pension expense	<u>28,113</u>
<b>Change in net position of governmental activities (page 11)</b>	<b><u>\$ 27,355</u></b>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2021

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash	\$ 77,886
<b>TOTAL ASSETS</b>	<u>77,886</u>
<b>NET POSITION</b>	
Restricted for individuals and other governments	77,886
<b>TOTAL NET POSITION</b>	<u>\$ 77,886</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Custodial Funds</u>
<b>ADDITIONS:</b>	
Contributions:	
Individuals for garnishments	\$ 178,362
Fines and fees collected for other agencies	108,277
<b>Total Additions</b>	<b>286,639</b>
<b>DEDUCTIONS:</b>	
Payments to City of Plaquemine	5,750
Payments to other governments	128,458
Payments to individuals	151,668
<b>TOTAL EXPENDITURES</b>	<b>285,876</b>
<b>CHANGE IN NET POSITION</b>	<b>763</b>
<b>Net Position - Beginning of year</b>	<b>77,123</b>
<b>Net Position - End of year</b>	<b>\$ 77,886</b>

The accompanying notes are an integral part of this statement.

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The City Court of Plaquemine was created under the provisions of Louisiana Revised Statute 13:2488.61. The City Court judge and marshal are elected by the voters of the City of Plaquemine and serve a term of six years as provided by Louisiana Revised Statutes 13:1872 and 13:1879 respectively.

The financial statements of the City Court of Plaquemine have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies and practices:

**Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 61, codified into Section 2100 – *Defining the Financial Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The City Court judge and marshal are independently elected officials. However, under the provisions of this statement, City Court is considered a component unit of the City of Plaquemine since it is fiscally dependent on the City of Plaquemine for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

As a component unit, the accompanying financial statements are to be included within the reporting of the City of Plaquemine, the primary government, either blended within those financial statements or separately reported as a discrete component unit. The financial statements present information only on the funds maintained by the City Court and do not present information on the City of Plaquemine, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity. Under the provisions of this statement, there are no component units of the City Court.

**Fund Accounting**

The accounts of the City Court of Plaquemine are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped in the financial statements in this report into three generic fund types as follows:



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**, continued

**A. Governmental Funds**

1. General Fund

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

2. Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specific purposes.

**B. Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others that cannot be used to support the entity's own programs. Custodial funds are purely custodial and do not involve measurement of results of operations. The Court maintains three custodial funds: Fines, Fees, and Costs Fund, Civil Fund, and Garnishment Fund.

During the course of operations, the Court has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and fiduciary funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City Court of Plaquemine. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**, continued

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

On January 1, 2003, the Court adopted the provisions of Governmental Accounting Standards Board Statement No. 34 (Statement 34) "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments.*" Statement 34 established standards for external reporting for all state and local governmental entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components—invested in capital assets, net of related debt; restricted; and unrestricted.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual accounting and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

City Court of Plaquemine, Louisiana reports the following governmental funds:

**Major Fund – General**

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Major Special Revenue Funds**

The *Marshal's Fund* is used to account for the activities of the Marshal's Office financed by revenue from court costs designated for that purpose.

The *Probation Fund* is used to account for probation fees collected by the City Court.

**Non Major Special Revenue Funds**

The *Pre-Trial Diversion Fund* is used to account for pre-trial diversion costs.

The *Public Defender Fund* was created in 1988 to account for the activities of the Public Defender financed by revenue from court costs designated for that purpose, as provided by R.S. 13:2488.61(c).

The *City Prosecutor Fund* is used to account for activities of the City Prosecutor's Office financed by revenue from court costs designated for that purpose.

**Non Major - Fiduciary Funds-Custodial**

The *Fines, Fees, and Costs Fund* is used to account for fines and costs collected for and payable to the City of Plaquemine, Court Expense General Fund, Marshal's Fund, Subpoena Fund, City Prosecutor Fund, Public Defender Fund, and various state agencies.

The *Civil Fund* is used to account for advance costs collected from plaintiffs filing civil suits. These costs are payable to the City Court of Plaquemine's Judge and Marshal and to the Judges' Supplemental Compensation Fund as costs are assessed. The difference between the costs advanced by the plaintiffs and the costs assessed against the advance is classified as receivable from or payable to the plaintiff.

The *Garnishment Fund* is used to account for collection and distribution of garnishments by the City Marshal. Garnishments are collected from garnishees by the Marshal on behalf of petitioners to be paid to petitioners less a fee paid to the Marshal. The Pre-Trial Diversion Fund is used to account for pre-trial diversion costs.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**, continued

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. "Measurable" meaning the amount of the transaction can be determined, and "available" meaning collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The City considers all revenue available if collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when obligations are expected to be liquidated with expendable available financial resources. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual funds use the following practices in recording revenues and expenditures:

**A. Revenues**

Substantially all revenues are recorded when received. Certain receipts, as advanced deposits on fines to be finalized on the next court session, are recorded as advance deposits on fines and are not allocated to individual funds until formalized by court action.

**B. Expenditures**

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

**C. Other Financing Sources (Uses)**

Transfers between funds, which are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). Other financing sources (uses) are recorded when the City Judge determines a transfer will not be repaid.

**Basis of Presentation**

The accompanying financial statements of the City Court of Plaquemine have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**Assets, Liabilities, and Net Position or Equity**

**A. Cash and Cash Equivalents**

Cash includes amounts in both interest bearing and noninterest-bearing demand deposits. Under state law, the City Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal office in Louisiana. Accounts with a maturity of three months or less are considered to be cash equivalents. These deposits are stated at cost which approximates market value.

**B. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**C. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and estimated useful lives in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

Property, plant, and equipment for the primary government is depreciated using the straight-line method using the following useful lives:

Asset Class	Governmental Funds
Buildings	40 Years
Furniture and Fixtures	5 -10 Years
Vehicles	5 Years

**D. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until then.

**E. Interest Cost**

Interest costs are not capitalized.

**F. Net Position / Fund Balances**

In the government-wide financial statements, net position is classified in the following categories:

*Net Invested In Capital Assets* – The amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

*Restricted Net Position* – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments.

*Unrestricted Net Position* – This amount is all net positions that do not meet the definition of “net invested in capital assets” or “restricted net position.”

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**, continued

In the fund financial statements, fund balance of the governmental funds is classified as follows:

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

*Restricted* – Amounts that can be spent only for a specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or regulations of other governments.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the Court. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

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

*Unassigned* – All other spendable amounts.

As of December 31, 2021, \$ 67,864 of the total fund balance was unassigned. Restricted funds are used first as appropriate. Total restricted fund balance was \$28,854 . Nonspendable funds, \$1,200, are reduced to the extent that expenditure authority has been budgeted by the Court or the assignment has been changed by the Court. Decreases in fund balance first reduce Unassigned fund balance; in the event that Unassigned becomes zero, then Assigned and Committed fund balances are used in that order.

**Budget and Budgetary Accounting**

The proposed budget for the year ended December 31, 2021 was prepared and is available at the City Court's office for public inspection. The budget is legally adopted and amended, as necessary, by the City Court Judge. All appropriations lapse at year-end.

In preparing its budgets, the City Court does not include on-behalf payments made on its behalf by other governmental entities for salaries, benefits, and expenses. On-behalf payments are discussed in Note K.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**Use of Estimates**

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

**Operating Transfers**

Advances between funds which are not expected to be repaid are accounted for as operating transfers. In the cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts. These are eliminated in the government-wide statements.

**Pension Plans**

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

**NOTE B – COURT OPERATIONS**

All fines collected by the court are required to be remitted to the City of Plaquemine. Court costs (both criminal & civil) assessed by the Judge in accordance with applicable schedules are used to pay the operational expenses of the court and other expenditures as approved by the Judge. The salaries of the City Marshal, City Court Clerk, City Court Prosecutor, and other City Court employees are to be paid by the City of Plaquemine. The Marshal receives supplementary pay from the state of Louisiana. The Judge's salary is paid by State Judiciary Department, City of Plaquemine, and the Iberville Parish Council. As required by Louisiana Revised Statutes, the City of Plaquemine is responsible for funding the operations of the City



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B – COURT OPERATIONS**, continued

Court. The City pays all salaries and some expenses of the Court. The City Court reimburses the City for some of the salaries paid by the City on behalf of the Court and pays some of its own expenses if funds are available.

In addition to a salary, the Judge is entitled to receive the same fees as are payable to the Justices of the Peace in all civil cases where the amount involved does not exceed \$100, exclusive of interest, and the same fees as are payable to the Clerk of District Court in all other civil cases. The Judge shall receive no fees in criminal matters. These fees are collected by and paid out of the Civil Fund, an agency fund.

R.S. 13:1899 provides that the City Judge in all criminal cases may assess a sum not to exceed ten dollars as additional costs of court, the proceeds from which shall be deposited in a special account, subject to audit, and used to defray operational expenses of the office of the Marshal of the Court, all as may be useful and necessary for the proper conduct of the Marshal's office, and all as may be approved by said Marshal.

R.S. 13:2488.61 C. was amended in July, 1988 to include a public defender's salary that shall be fixed by the Judge and paid out of court costs assessed for the public defender.

R.S. 13:2488.62 C. (4) provides that the City Court Judge may assess court costs against every defendant who is convicted after trial or after he pleads guilty to a traffic violation or misdemeanor to defray the expenses of the City Prosecutor. Such court costs shall not exceed seventeen dollars and fifty cents per violation or misdemeanor.

In addition to paying the salaries noted above, the City of Plaquemine also provides services, insurance, and facilities to the City Court at no charge to the Court.

**NOTE C – CHANGES IN CAPITAL ASSETS**

The following is a summary of capital assets as of December 31, 2021:

	<u>Balance</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2021</u>
Furniture and fixtures	\$ 142,903	\$ -	\$ -	\$ 142,903
	<u>\$ 142,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,903</u>

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE C – CHANGES IN CAPITAL ASSETS, continued**

	Accumulated Depreciation Balance 12/31/2020	Additions	Deletions	Accumulated Depreciation Balance 12/31/2021	Capital Assets Net of Accumulated Depreciation
Furniture and fixtures	\$ 142,903	\$ -	\$ -	\$ 142,903	\$ -
	<u>\$ 142,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,903</u>	<u>\$ -</u>

**NOTE D – INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS**

	Interfund Receivables	Interfund Payables
General Fund:		
Court Expense Fund	\$ 9,595	\$ 1,920
Major Special Revenue Fund:		
Marshal's Fund	-	37
Probation	1,100	9,558
Non-Major Special Revenue Fund:		
Public Defender	1,320	500
	<u>\$ 12,015</u>	<u>\$ 12,015</u>
Interfund Transfers	Transfer In	Transfer Out
Major Governmental Funds:		
General	\$ 20,202	\$ 57,155
Marshal	10,222	-
Probation	22,065	-
Non Major Special Revenue Fund		
Pre Trial Diversion	25,555	-
Public Defender	15,426	-
Prosecution	1,140	-
Custodial Funds	-	37,455
	<u>\$ 94,610</u>	<u>\$ 94,610</u>

The principal purpose of the above interfund transfers from the General Fund, Marshal Fund, Probation Fund, and Custodial Funds is to supplement revenues for ongoing operations and to supplement future capital outlay purchases.

**NOTE E – DEPOSITS AND CASH EQUIVALENTS**

At year end, the City Court of Plaquemine's carrying amount of deposits was \$159,444 and the bank balance was \$221,730. The entire bank balance was covered by federal depository insurance.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E – DEPOSITS AND CASH EQUIVALENTS, continued**

Cash Equivalents (near cash investments) are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by government or its agent in City Court's name.
2. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent in City Court's name.
3. Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in City Court's name.

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 fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered collateralized (Category 1) under the provisions of GASB Statement 3, 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 City Court that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE F – RELATED PARTY TRANSACTIONS**

Salaries and benefits of the City Marshal, City Court Clerk, City Prosecutor, and other City Court employees are paid by the City of Plaquemine. The City also pays expenses of the City Court as required by law. Retirement systems' contributions and other benefits for eligible employees are paid by the City of Plaquemine. The Judge's salary is paid by the State Judiciary Department, the City of Plaquemine, and the Iberville Parish Council. The Probation Officer's and a portion of the Public Defender's salaries and/or benefits are paid by the City of Plaquemine. The City is reimbursed out of the various funds of the Court for a portion of the salaries paid.

The City of Plaquemine insures the fixed assets of the City Court against any loss or damage. In addition, the City provides facilities, liability insurance, audit, and other services to the Court at no cost to the Court.

**NOTE G – RISK MANAGEMENT**

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

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE H – INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended December 31, 2021 consisted of the following:

<u>General Fund</u>	<u>2021</u>
General support:	
Iberville Parish Council	\$ 65,355
City of Plaquemine	10,000
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	22,755
City of Plaquemine	<u>172,335</u>
Total General Fund	<u>\$ 270,445</u>
<u>Special Revenue Funds</u>	
<u>Marshal's Fund</u>	<u>2021</u>
General support:	
Iberville Parish Council	\$ 27,600
City of Plaquemine	38,400
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	20,355
City of Plaquemine	<u>34,514</u>
Total Marshal's Fund	<u>\$ 120,869</u>
<u>Probation Fund</u>	
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	\$ 20,355
City of Plaquemine	<u>63,403</u>
Total Probation Fund	<u>\$ 83,758</u>
<u>Public Defender Fund</u>	
On-behalf payments of salaries and benefits:	
City of Plaquemine	<u>\$ 16,939</u>
Total Public Defender Fund	<u>\$ 16,939</u>
<b>Total All Funds</b>	<u><u>\$ 492,011</u></u>

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN**

The City Court of Plaquemine's office implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting Related to Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require that the City Court of Plaquemine's office to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures for its retirement systems:

**Louisiana State Employee's Retirement System (LASERS)**

The City Court's Judge is provided with pensions through a 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](http://www.lasersonline.org). The following is a description of the plan and its benefits and is provided for general information only.

**Retirement Benefits:**

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 the 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 retire 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 basic retirement benefits, a member may elect to receive their retirement benefits throughout their life, with certain benefits being paid to their designated beneficiary after their death.



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN, continued**

Act 992 on 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 received 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 classifications.

**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 its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN**, continued

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 plan (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 at 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 a result of an intentional act of violence.

**Survivor Benefits:**

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular 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 for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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 in 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

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN, continued**

are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

**Employer 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. Rates for the year ended June 30, 2021 are as follows:

Plan	Plan Status	Employer Contribution Rate
Appellate Law Clerks	Closed	40.1%
Appellate Law Clerks hired on or after 7/1/06	Open	40.1%
Alcohol Tobacco Control	Closed	38.1%
Bridge Police	Closed	38.5%
Bridge Police hired on or after 7/1/06	Closed	38.5%
Corrections Primary	Closed	38.7%
Corrections Secondary	Closed	43.0%
Harbor Police	Closed	12.1%
Hazardous Duty	Open	45.0%
Judges hired before 1/1/2011	Closed	42.5%
Judges hired after 12/31/2010	Closed	43.6%
Judges hired on or after 7/1/05	Open	43.6%
Legislators	Closed	36.5%
Optional Retirement Plan (ORP) before 7/1/06	Closed	40.1%
Optional Retirement Plan (ORP) after 7/1/06	Closed	40.1%
Peace Officers	Closed	40.9%
Regular Employees hired before 7/1/06	Closed	40.1%
Regular Employees hired after 7/1/06	Closed	40.1%
Regular Employees hired on or after 1/1/11	Closed	40.1%
Regular Employees hired on or after 7/1/15	Opeb	40.1%
Special Legislative Employees	Closed	38.5%
Wildlife Agents	Closed	50.5%
<b>Aggregate Rate</b>		<b>40.6%</b>

The City Court's contractually required composite contribution rate for the year ended December 31, 2021 was 42.5% 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 City Court for the years ended December 31, 2021, 2020, and 2019, were \$7,740, \$7,174, and \$17,061, respectively.



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN, continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows and Resources and Deferred Inflows of Resources:**

At December 31, 2021, the City Court reported a liability of \$54,214 for its proportionate share of the net pension liability for LASERS. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City Court's proportion for LASERS was 0.00099%, which was a decrease of 0.00018% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City Court recognized pension expense of \$3,801 for LASERS less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$24,174).

At December 31, 2021, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions for LASERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 54	\$ (12,643)
Changes of assumptions	1,328	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	31,749	(58,281)
Employer contributions subsequent to the measurement date	7,740	-
Total	<b>\$ 40,871</b>	<b>\$ (70,924)</b>

The City Court reported a total of \$7,740 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2021, which will be recognized as a reduction in net pension liability for the year ended December 31, 2021.

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

Year		
2022	\$	(22,619)
2023		(6,674)
2024		(2,872)
2025		(5,628)
	\$	(37,793)

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN, continued**

**Actuarial Assumptions:**

A summary of actuarial methods and assumptions used in determining the total net pension liability for LASERS as of June 30, 2021 is as follows:

<b>Valuation Date</b>	June 30, 2021																		
<b>Actuarial Cost Method</b>	Entry Age Normal																		
<b>Actuarial Assumptions:</b>																			
<b>Inflation Rate</b>	2.3% per annum																		
<b>Expected Remaining Service Lives</b>	2 years																		
<b>Investment Rate of Return</b>	7.40% per annum, net of investment expenses*																		
<b>Mortality</b>	<p><b>Non-disabled members</b> - 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><b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>																		
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.																		
<b>Salary increases</b>	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%																	
<b>Cost of Living Adjustments</b>	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 investment rate of return used in the actuarial valuation for funding purposes was 7.75%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.40%, which is the same as the discount rate. Therefore, the System's management conclude that the 7.40% discount is reasonable.

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

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE I – PENSION PLAN, continued**

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 nominal rate of return is 7.61% for 2021. Best estimates of geometric real rates of return for each major asset class included in LASERS target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Expected Long Term Real Rates of Return
Cash	-0.29%
Domestic Equity	4.09%
International Equity	5.12%
Domestic Fixed Income	0.49%
International Fixed Income	3.94%
Alternative Investments	6.93%
Total Fund	5.81%

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table represents the City Court's proportionate share of the net pension liability (NPL) using the discount rate for LASERS as well as the City Court's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by LASERS:

	1.0% Decrease 6.40%	Current Discount Rate 7.40%	1.0% Increase 8.40%
Net Pension Liability	\$ 73,456	\$ 54,214	\$ 37,842

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE J – MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (MERS)**

**Plan Description:**

The City Marshal and other eligible court employees participate in the MERS, a multiple-employer, cost-sharing pension plan administered by a separate board of trustees. The Marshal receives compensation from the City Court Civil Fund on which retirement contributions are based. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provided retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. MERS has issued a stand-alone audit report on their financial statements for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.la.gov](http://www.la.gov), or by contacting the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809.

**Retirement Benefits:**

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria: (1) any age with twenty-five (25) or more years of creditable service, (2) age 60 with a minimum of ten (10) years of creditable service, (3) any age with five (5) years of creditable service eligible for disability benefits, (4) survivor's benefits require five (5) or more years creditable service with legal spouse at least last 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated) or (5) any age with 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit.

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

Any member of Plan A Tier 2 can retire providing he or she meets one of the following requirements: (1) age 67 with seven years of creditable service; (2) age 62 with ten years of creditable service; (3) age 55 with thirty years of creditable service; (4) any age with twenty-five years of creditable service with an actuarially reduced early benefit; (5) survivor's benefits require five or more years of creditable service with legal spouse at least 12 months before death – 40% at age 60 or minimum of 20% immediately (actuarially calculated).

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outline in the statutes, the benefits are limited

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE J – MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (MERS),**  
continued

to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings. See Plan booklet for further details.

**Survivor Benefits:**

Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

Any member of Plan A who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits. Any member of Plan A who had not withdrawn their accumulated contributions and had at least twenty years of service credit at time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

**DROP Benefits:**

In lieu of terminating employment and accepting a service retirement allowance any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits would be payable, had the person elected to cease employment and received a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if non, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

**Disability Benefits:**

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE J – MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF LOUISIANA (MERS),  
continued**

Amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

**Cost of Living Increases:**

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

**Deferred Benefits:**

Plan A provides for deferred benefits for members who terminate before becoming eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

**Employer Contributions:**

Contributions for all plan members are established by statute. Member contributions are at 10.00% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating municipality. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2021, the actual employer contribution rate was 29.50% for Plan A.

According to state statute, the System also received one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes, except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from Iberville Parish are apportioned between the Municipal Employee's Retirement System and the Employee's Retirement System of The City of Plaquemine. The System also received revenue sharing funds each year as apportioned by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Administrative costs of the System are financed through employer contributions.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE J – MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM OF LOUISIANA (MERS),  
continued**

Plan members are required by state statute to contribute 10.00 percent of their annual covered salary to the System, and the City Court is required to make contributions at an actuarially determined rate. The rate paid by the City during the past fiscal period was 29.50% from January 1, 2021 through December 31, 2021 of annual covered payroll. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Court’s contributions to MERS for the years ended December 31, 2021, 2020, and 2019, were \$4,362, \$4,523, and \$9,684, and respectively.

As reported in the MERS actuarial report, the City Court of Plaquemine has no pension liability, deferred outflows of resources, and deferred inflows of resources reported for the fiscal year end.

**NOTE K – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES**

In accordance with GASB Statement 24, on-behalf payments made by the City of Plaquemine, the Iberville Parish Council, and the State of Louisiana are recognized as revenues and expenditures in these financial statements. The on-behalf payments are shown as intergovernmental revenue in these financial statements. The details of the amount recognized as revenue are disclosed in Note H. A summary for the year ending December 31, 2021 is as follows:

	<b>2021</b>
General Fund	\$ 195,090
Marshal's Fund	54,869
Probation Fund	83,758
Public Defender Fund	16,939
Total	\$ 350,656



**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L – PUBLIC DEFENDER REVENUES AND EXPENDITURES**

For the year ended December 31, 2021, the major sources of governmental fund revenues and expenditures for the Public Defender were as follows:

Local government		
On behalf payments		\$ 16,939
Miscellaneous - Transfer in from other funds		<u>15,426</u>
Total Revenues		<u>\$ 32,365</u>
Personnel Services & Benefits		
Salaries	\$ 14,400	
Miscellaneous	-	
On behalf payments - insurance	<u>16,939</u>	
Total Expenditures		<u>\$ 31,339</u>

**NOTE M – DEFICIT FUND BALANCES**

The Probation Special Revenue Fund had a deficit fund balance at December 31, 2021 of \$1,699. This deficit will be financed through future revenues of the fund.

**NOTE N – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

**GASB Statement 87, Leases:** This standard will require all leases to be reported on the statement of net positions under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases including those previously reported as operating leases. All leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after June 15, 2021. The City Court will include the requirements of this standard, as applicable, in its December 31, 2022 financial statement. All of the City Court's lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the City Court is unknown at this time.

**GASB Statement 96, Subscription-Based Information Technology Arrangements:** This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement for government end users. This Statement is effective for fiscal years beginning after June 15, 2022.

**CITY COURT OF PLAQUEMINE  
NOTES TO FINANCIAL STATEMENTS**

GASB Statement 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for the IRS Section 457 Deferred Compensation Plans. The requirements of this Statement related to the accounting and financial reporting for IRS Code Section 457 plans are effective for periods beginning after June 15, 2021.

GASB Statement 91, Conduit Debt Obligations: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effect for reporting periods beginning with the fiscal year that ends December 31, 2022.

GASB Statement 92, Omnibus 2020: The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issue that have been identified during implementation and application of certain GASB statements. This statement is effective for reporting periods beginning after June 15, 2021.

GASB Statement 93, Replacement of Interbank Offered Rates: The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirement in paragraph 11b will take effect for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2021.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements: The primary object of this statement is to improve financial reporting by addressing issues related to these arrangements. This statement is effective for reporting periods beginning after June 15, 2022.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements, if any.

**NOTE O – SUBSEQUENT EVENTS**

The City Court has evaluated subsequent events through the date that the financial statements were available to be issued, June 10, 2022. No events occurring after this date have been evaluated for inclusion in these financial statements.

As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The City Court is closely monitoring its financial statements for 2022 impacts.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	DECEMBER 31, 2021			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Intergovernmental	\$ 75,355	\$ 75,355	\$ 270,445	\$ 195,090
Miscellaneous	50	50	175	125
Interest	20	20	32	12
<b>TOTAL REVENUES</b>	<b>75,425</b>	<b>75,425</b>	<b>270,652</b>	<b>195,227</b>
<b>EXPENDITURES</b>				
Dues and subscriptions	5,000	5,000	2,454	2,546
Office supplies and expense	1,550	1,550	1,001	549
Professional fees	12,000	12,000	12,000	-
Personnel services and related benefits	12,000	12,000	207,090	(195,090)
Domestic Violence Grant expense	-	-	-	-
Repairs and maintenance	-	-	3,502	(3,502)
Telephone	3,000	3,000	3,049	(49)
Miscellaneous	2,000	2,000	6,094	(4,094)
<b>TOTAL EXPENDITURES</b>	<b>35,550</b>	<b>35,550</b>	<b>235,190</b>	<b>(199,640)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>39,875</b>	<b>39,875</b>	<b>35,462</b>	<b>(4,413)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	22,000	22,000	20,201	(1,799)
Operating transfers out	(57,555)	(57,555)	(57,155)	400
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(35,555)</b>	<b>(35,555)</b>	<b>(36,954)</b>	<b>(1,399)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>4,320</b>	<b>4,320</b>	<b>(1,492)</b>	<b>(5,812)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>54,129</b>	<b>54,129</b>	<b>54,129</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 58,449</b>	<b>\$ 58,449</b>	<b>\$ 52,637</b>	<b>\$ (5,812)</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 MARSHAL'S FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	DECEMBER 31, 2021			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Court fees, fines and costs	\$ 1,000	\$ 1,000	\$ 740	\$ (260)
Intergovernmental	66,000	66,000	120,869	54,869
Miscellaneous	6,000	6,000	3,223	(2,777)
<b>TOTAL REVENUES</b>	<b>73,000</b>	<b>73,000</b>	<b>124,832</b>	<b>51,832</b>
<b>EXPENDITURES</b>				
Auto and travel	14,400	14,400	14,400	-
Dues and subscriptions	6,000	6,000	8,159	(2,159)
Office supplies and expense	1,450	1,450	845	605
Personnel services and related benefits	55,400	55,400	108,597	(53,197)
Telephone	-	-	-	-
Miscellaneous	2,250	2,250	2,192	58
<b>TOTAL EXPENDITURES</b>	<b>79,500</b>	<b>79,500</b>	<b>134,193</b>	<b>(54,693)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,500)</b>	<b>(6,500)</b>	<b>(9,361)</b>	<b>(2,861)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	15,000	15,000	10,222	(4,778)
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>10,222</b>	<b>10,222</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>(6,500)</b>	<b>(6,500)</b>	<b>861</b>	<b>7,361</b>
<b>FUND BALANCES - BEGINNING</b>	<b>29,692</b>	<b>29,692</b>	<b>29,692</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 23,192</b>	<b>\$ 23,192</b>	<b>\$ 30,553</b>	<b>\$ 7,361</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 PROBATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	DECEMBER 31, 2021			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Court fees, fines and costs	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	83,758	83,758
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>83,758</b>	<b>83,758</b>
<b>EXPENDITURES</b>				
Auto and travel	-	-	-	-
Bank charges	50	50	36	14
Drug testing	1,300	1,300	655	645
Professional fees	22,000	22,000	22,000	-
Personnel services and related benefits	-	-	83,758	(83,758)
Miscellaneous	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>23,350</b>	<b>23,350</b>	<b>106,449</b>	<b>(83,099)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(23,350)</b>	<b>(23,350)</b>	<b>(22,691)</b>	<b>659</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	22,065	22,065	22,065	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>22,065</b>	<b>22,065</b>	<b>22,065</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>(1,285)</b>	<b>(1,285)</b>	<b>(626)</b>	<b>659</b>
<b>FUND BALANCES - BEGINNING</b>	<b>(1,073)</b>	<b>(1,073)</b>	<b>(1,073)</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ (2,358)</b>	<b>\$ (2,358)</b>	<b>\$ (1,699)</b>	<b>\$ 659</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 SCHEDULE OF CITY COURT OF PLAQUEMINE'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Retirement System	Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System	2021	0.00099%	\$ 54,214	\$ 17,991	301.3396%	72.80%
	2020	0.00117%	\$ 96,519	\$ 18,006	536.0380%	58.00%
	2019	0.00201%	\$ 145,768	\$ 32,676	446.1011%	62.90%
	2018	0.00214%	\$ 146,151	\$ 42,887	340.7816%	64.30%
	2017	0.00018%	\$ 110,369	\$ 45,997	239.9483%	62.50%
	2016	0.00018%	\$ 137,498	\$ 44,027	312.3038%	57.70%
	2015	0.00197%	\$ 133,786	\$ 56,419	237.1293%	62.70%

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



CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 SCHEDULE OF CITY OF PLAQUEMINE, LOUISIANA'S CONTRIBUTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

Retirement System	Year Ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Louisiana State Employees' Retirement System	2021	\$ 7,740	\$ 7,740	\$ -	\$ 17,991	43.0215%
	2020	\$ 7,174	\$ 7,174	\$ -	\$ 18,006	39.8423%
	2019	\$ 17,061	\$ 17,061	\$ -	\$ 32,676	52.2126%
	2018	\$ 17,213	\$ 17,213	\$ -	\$ 42,887	40.1357%
	2017	\$ 14,814	\$ 14,814	\$ -	\$ 45,997	32.2064%
	2016	\$ 13,681	\$ 13,681	\$ -	\$ 44,027	31.0741%
	2015	\$ 18,395	\$ 18,395	\$ -	\$ 56,419	32.6043%

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

**OTHER SUPPLEMENTARY INFORMATION**

## NON MAJOR SPECIAL REVENUE FUNDS

### **Pre-Trial Diversion Fund**

This fund is used to account for pre-trial diversion costs.

### **Public Defender Fund**

This fund was created in 1988 to account for the activities of the Public Defender financed by revenue from court costs designated for that purpose, as provided by R. S. 13:2488.61(c).

### **City Prosecutor Fund**

This fund is used to account for activities of the City Prosecutor's office financed by revenue from court costs designated for that purpose.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 NON MAJOR SPECIAL REVENUE FUNDS  
 BALANCE SHEET  
 DECEMBER 31, 2021

	<u>Pre-Trial Diversion Fund</u>	<u>Public Defender Fund</u>	<u>Prosecutor Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$ 10,786	\$ 2,532	\$ 929	\$ 14,247
Account receivable	-	-	160	160
Prepaid expense	-	1,200	-	1,200
Interfund receivables	-	1,320	-	1,320
<b>TOTAL ASSETS</b>	<b><u>\$ 10,786</u></b>	<b><u>\$ 5,052</u></b>	<b><u>\$ 1,089</u></b>	<b><u>\$ 16,927</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
Interfund payables	\$ -	\$ 500	\$ -	\$ 500
Fund balances	10,786	4,552	1,089	16,427
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 10,786</u></b>	<b><u>\$ 5,052</u></b>	<b><u>\$ 1,089</u></b>	<b><u>\$ 16,927</u></b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 NON MAJOR SPECIAL REVENUE FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Pre-Trial Diversion Fund	Public Defender Fund	Prosecutor Fund	Total
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 16,939	\$ -	\$ 16,939
Miscellaneous	60	-	-	60
<b>TOTAL REVENUES</b>	<b>60</b>	<b>16,939</b>	<b>-</b>	<b>16,999</b>
<b>EXPENDITURES</b>				
Dues	-	-	40	40
Domestic Violence grant	-	-	-	-
Drug Testing	-	-	-	-
Professional fees	-	-	-	-
Personnel services and related benefits	25,332	31,338	-	56,670
Training	-	-	190	190
Office supplies and expense	-	-	97	97
Telephone	-	-	1,588	1,588
Miscellaneous	36	-	-	36
<b>TOTAL EXPENDITURES</b>	<b>25,368</b>	<b>31,338</b>	<b>1,915</b>	<b>58,621</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(25,308)</b>	<b>(14,399)</b>	<b>(1,915)</b>	<b>(41,622)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	25,555	15,426	1,140	42,121
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>247</b>	<b>1,027</b>	<b>(775)</b>	<b>499</b>
<b>FUND BALANCE, BEGINNING</b>	<b>10,539</b>	<b>3,525</b>	<b>1,864</b>	<b>15,928</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 10,786</b>	<b>\$ 4,552</b>	<b>\$ 1,089</b>	<b>\$ 16,427</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 DECEMBER 31, 2021

	Civil Fund	Fines, Fees, and Costs Fund	Garnishments Fund	Total Custodial Funds
<b>ASSETS</b>				
Cash	\$ 44,324	\$ 1,826	\$ 31,736	\$ 77,886
<b>TOTAL ASSETS</b>	<u>44,324</u>	<u>1,826</u>	<u>31,736</u>	<u>77,886</u>
<b>NET POSITION</b>				
Restricted for individuals and other governments	44,324	1,826	31,736	77,886
<b>TOTAL NET POSITION</b>	<u>\$ 44,324</u>	<u>\$ 1,826</u>	<u>\$ 31,736</u>	<u>\$ 77,886</u>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Civil Fund	Fines, Fees, and Costs Fund	Garnishments Fund	Total Custodial Funds
<b>ADDITIONS:</b>				
Contributions:				
Individuals for garnishments	\$ -	\$ -	\$ 178,362	\$ 178,362
Fines and fees collected for other agencies	62,864	45,413	-	108,277
<b>Total Additions</b>	<b>62,864</b>	<b>45,413</b>	<b>178,362</b>	<b>286,639</b>
<b>DEDUCTIONS:</b>				
Payments to City of Plaquemine	-	5,750	-	5,750
Payments to other governments	57,373	39,894	31,191	128,458
Payments to individuals	-	-	151,668	151,668
<b>TOTAL EXPENDITURES</b>	<b>57,373</b>	<b>45,644</b>	<b>182,859</b>	<b>285,876</b>
<b>CHANGE IN NET POSITION</b>	<b>5,491</b>	<b>(231)</b>	<b>(4,497)</b>	<b>763</b>
<b>Net Position - Beginning of year</b>	<b>38,833</b>	<b>2,057</b>	<b>36,233</b>	<b>77,123</b>
<b>Net Position - End of year</b>	<b>\$ 44,324</b>	<b>\$ 1,826</b>	<b>\$ 31,736</b>	<b>\$ 77,886</b>



CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
PAID TO AGENCY HEAD  
DECEMBER 31, 2021

Agency Head Name: MICHAEL DISTEFANO

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 92,966
Benefits - insurance	15,434
Benefits- retirement	31,067
Benefits - other	-
Travel	-
Registration fees	1,025
Conference Travel	1,079
Conference Housing	2,420
<b>TOTAL</b>	<b>\$ 143,991</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 JUSTICE SYSTEM FUNDING SCHEDULE-RECEIVING ENTITY  
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21
<b>Receipts From:</b>		
<i>Bond Fees from Plaquemine Police Department</i>	\$ 300	\$ 550
<b>Subtotal Receipts</b>	300	550

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING ENTITY  
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ 12,590	\$ 27,456
<b>Add: Collections</b>		
Civil Fees	125,444	112,207
Criminal Court Costs/Fees	26,245	19,098
<b>Subtotal Collections</b>	<b>151,689</b>	<b>131,305</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
<i>Misdemeanor fines to City of Plaquemine</i>	2,850	2,900
<i>La Law Act 562</i>	154	136
<i>LCLE</i>	245	109
<i>LA Judicial College Collections</i>	66	48
<i>LRS5</i>	286	301
<i>Substance Abuse (Iberville Parish)</i>	60	30
<i>Treasurer, State of Louisiana</i>	253	274
<i>Subpoena fees to City of Plaquemine</i>	924	684
<i>Judges Supplemental Compensation Fund</i>	2,756	2,016
<i>LA Judicial College Collections - Civil</i>	118	87
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	3,248	3,470
Criminal fines/fees	20,727	14,045
Civil Fees	1,315	1,009
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	88,021	80,827
Other Disbursements to Individuals	15,800	14,424
<b>Subtotal Disbursements/Retainage</b>	<b>136,823</b>	<b>120,360</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>\$ 27,456</b>	<b>\$ 38,401</b>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

# BAXLEY AND ASSOCIATES, LLC

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## SCHEDULE 1

The Honorable Judge Michael Distefano  
City Court of Plaquemine, Louisiana

### **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**

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 the major funds of City Court of Plaquemine, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City Court of Plaquemine's basic financial statements and have issued our report thereon dated June 10, 2022.

#### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Court'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the City Court's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-1 and 2021-4 to be material weaknesses.

**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**

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-3 and 2021-5 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2021-2.

City Court of Plaquemine's Response to Findings

City Court of Plaquemine's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City Court of Plaquemine's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we 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.

*Barley & Associates, LLC*

Plaquemine, Louisiana  
June 10, 2022

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the City Court of Plaquemine.
2. There are two material weaknesses and two significant deficiencies relating to the audit of the financial statements reported in the 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 of the City Court of Plaquemine were disclosed during the audit.

**B. FINDINGS**

**2021-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

The City Court does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

Criteria:

Year-end adjusting journal entries were not made to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued AU-C 265 requires that we report the above condition as a control deficiency. The AU-C 265 does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.



CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying AU-C 265's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies in auditor reports under AU-C 265. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Management's Response:

The City Court is aware of the condition and feels hiring an employee with requisite qualifications would be cost prohibitive. He feels that the most cost-effective solution is to have his external auditor assist in preparing year-end financial statements in accordance with GAAP.

**2021-002 BUDGET**

Condition:

The City Court did not comply with the budgeting requirement of the Local Government Budget Act. This is a repeat finding.

Criteria:

Budgets should be adopted timely for the General Fund and Special Revenue funds. The budgets should be made available for public inspections at least 15 days prior to the beginning of the budget year. Also, the following variances were noted: In each of the General Fund, Marshal's Fund, and Probation Fund, actual expenditures exceeded budgeted expenditures by greater than 5%.

Effect:

Budgets were not prepared timely and monitored throughout the calendar year.

Recommendation:

Budgets should be prepared and monitored in accordance with the Local Government Budget Act.

Management's Response:

Management will obtain assistance from an outside CPA to help prepare budgets for each fund.

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

**2021-003 LONG-TERM OUTSTANDING CHECKS**

Condition:

The City Court has long-term outstanding checks on bank reconciliations that exceed one year. (This is a repeat finding.)

Criteria:

*Government Auditing Standards*, issued by the Comptroller General of the United States requires governmental units to appropriately reverse long-term outstanding checks and properly handle them in accordance with State escheat laws.

Effect:

The lack of appropriately reversing long-term outstanding checks and properly handling them in accordance with State escheat laws causes the bank reconciliations to be distorted.

Recommendation:

We recommend implementing a policy to void checks after a certain period of time but maintaining a report of checks voided in case the payee contacts the City Court of Plaquemine to claim their funds. We also recommend adhering to the State's escheat laws regarding unclaimed property.

Management's Response:

Management will implement a policy to correct long term outstanding checks. They will also contact other City Courts to determine their policies for correction of long-term outstanding checks.

**2021-004 LACK OF SEGREGATION OF DUTIES**

Condition:

There is a lack of segregation of duties within the City Court's office. (This is a repeat finding.)

Criteria:

An important element in designing an internal accounting control system that safeguards assets and reasonably ensures the reliability of the accounting records is the concept of segregation of responsibilities.

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Effect:

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, or (3) custody of assets involved in the transaction.

Recommendation:

The entity should have a proper segregation of duties.

Management's Response:

At this time, management believes it is not practical or cost effective to correct this weakness.

**2021-005 TRAVEL/1099 REPORTING**

Condition:

During the audit, it was noted that per diem was paid in advance for a business trip. There was no submission of receipts to support the actual per diem costs incurred on the trip. (This is a repeat finding).

Criteria:

According to City of Plaquemine/City Court's policy for travel, receipts are required to be turned in and reconciled against the per diem originally received for the travel. If there is an excess of the per diem over the actual travel expenses, then the excess should be either reimbursed by the employee/official to the City Court or included on a Form 1099-MISC.

Effect:

Since no receipts were submitted to support the per diems issued for travel, miscellaneous tax forms such as Form 1099-MISC may not have been properly issued.

Recommendation:

All allowances such as per diem for travel should be properly supported and reconciled with the actual receipts of the business trip. Any excess per diem received should be either reimbursed by the employee/official to the City Court or included on a Form 1099-MISC for the year.

Management's Response:

The City Court will follow the City of Plaquemine's travel policy regarding receipts and reimbursements.

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**2020-001 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

The City Court does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation:

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies in auditor reports under SAS 112. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

Current Status:

This condition still exists in the current year.

**2020-002 BUDGET**

Condition:

The City Court did not comply with the budgeting requirement of the Local Government Budget Act.

Recommendation:

Budgets should be prepared in accordance with the Local Government Budget Act.

Current Status:

This finding still exists in the current year.

**2020-003 LONG-TERM OUTSTANDING CHECKS**

Condition:

The City Court has long-term outstanding checks on bank reconciliations that exceed one year.

Recommendation:

We recommend implementing a policy to void checks after a certain period of time but maintaining a report of checks voided in case the payee contacts the City Court of Plaquemine to claim their funds. We also recommend adhering to the State's escheat laws regarding unclaimed property.

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Current Status

The finding still exists in the current year.

**2020-004 LACK OF SEGREGATION OF DUTIES**

Condition:

There is a lack of segregation of duties within the City Court's office.

Recommendation:

The entity should have a proper segregation of duties.

Current Status:

The finding still exists in the current year.

**2020-005 TRAVEL/1099 REPORTING**

Condition:

During the audit, it was noted that per diem was paid in advance for a business trip. There was no submission of receipts to support the actual per diem costs incurred on the trip.

Recommendation:

All allowances such as per diem for travel should be properly supported and reconciled with the actual receipts of the business trip. Any excess per diem received should be either reimbursed by the employee/official to the City Court or included on a Form 1099-MISC for the year.

Current Status:

The finding still exists in the current year.

**CITY COURT OF PLAQUEMINE  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

# BAXLEY AND ASSOCIATES, LLC

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To The Honorable Judge Michael Distefano  
And the Louisiana Legislative Auditor's office  
City Court of Plaquemine  
Plaquemine, Louisiana

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. The City Court of Plaquemine's management is responsible for those C/C areas identified in the SAUPs.

City Court of Plaquemine has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPS for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations.
  - 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, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- 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.
- 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) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Finding:*

Because the City Court is a component unit of the City of Plaquemine, they adopted the policies and procedures of the City. We reviewed the written policies and procedures for the related functions listed in the above procedures. Through our review, we were able to determine that the entity needs further documentation on purchasing, contracting, ethics and information technology disaster recovery to comply with the recommended policies and procedures.

### ***Board or Finance Committee***

---

2. 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<sup>7</sup>. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - 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.

*Finding:*

The Judge and Marshall are elected officials. No monthly meetings or minutes are maintained.

No exceptions were noted as a result of applying the procedure.

### ***Bank Reconciliations***

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3. 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:
  1. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged)
  2. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  3. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Finding:*

City Court has ten bank accounts. We selected 5 of the bank accounts and obtained the related bank reconciliations for one month in the fiscal year. We reviewed the bank reconciliations to report whether they were prepared, included evidence that management

had reviewed each statement, and included documentation that management has researched reconciling items that have been outstanding for more than twelve months as of the fiscal period.

On all five of the selected bank accounts, it was noted none of the reconciliations were prepared within two months of the statement closing and there was evidence of management approval. On four of the selected accounts, there were outstanding checks greater than 12 months of age with no documentation that management had looked into these outstanding items.

#### ***Collections (excluding electronic funds transfers)***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*Finding:*

We reviewed a listing of cash/check/money order collection locations and management's representation to determine that the listing is complete. There is one collection location.

No exceptions were noted as a result of applying the procedure.

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

- a) Employees 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.
- 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.

*Finding:*

Per management's representation, there is only one deposit site. The employees do not share cash drawers, but employees responsible for collecting cash may also be responsible for preparing/making bank deposits. The employee responsible for collecting cash is not responsible for posting entries to the general ledger.

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

*Finding:*

We obtained the bond or insurance policy for theft during the fiscal year.

No exceptions were noted as a result of applying the procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - 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 the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*Finding:*

We examined deposits for each of the selected bank accounts. Not all receipts were sequentially pre-numbered but was not deemed applicable. Deposit slips were agreed to the bank statements. Deposits were made within the appropriate number of days. Deposits also agreed to the general ledger.

No exceptions were noted as a result of applying the procedure.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Finding:*

We reviewed a listing of locations that process payments and management's representation to determine that the listing is complete. There is only one location.

No exceptions were noted as a result of applying the procedure.

9. For each location selected under #8 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.

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

*Finding:*

Due to the small size of the entity and lack of segregation of duties, the employee involved in initiating a purchase request and placing an order may also be involved in processing payments, adding/modifying vendor files, and approving payments.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Finding:*

After examining five disbursements, it was evident that the disbursement matched an itemized original invoice. On these same five disbursements, there was no evidence that two employees initiated the purchase request, approved the purchase, processed and approved the payments.

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

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- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Finding:*

We obtained management's representation that the City Court does not have any active credit cards, bank debit cards, fuel card, and P-cards.

No exceptions were noted as a result of applying the procedure.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or

combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Observe that finance charges and late fees were not assessed on the selected statements.

*Finding:*

As noted above, the City Court does not have any active cards. Therefore, this procedure was not applicable.

No exceptions were noted as a result of applying the procedure.

13. 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 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.

*Finding:*

As noted above, the City Court does not have any active cards. Therefore, this procedure was not applicable.

No exceptions were noted as a result of applying the procedure.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe 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 each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Finding:*

We received the listing of all travel and travel related expense reimbursements along with management's representation that the listing is complete. There were only four travel reimbursements during the fiscal year. Of the four travel reimbursements, three were missing complete receipts. Three of the four travel reimbursements were missing proper review and approval in writing by a person other than the recipient.

### **Contracts**

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe whether 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 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 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*Finding:* We received a listing of contracts with management's representation that it was complete. Each of the selected contracts had a written/formal agreement and Bid Law or Procurement Code did not apply. The contracts were approved as appropriate and contracts were not amended. The invoice amounts agreed to the contract. No exceptions were noted as a result of applying the procedure.

### **Payroll and Personnel**

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

*Finding:*

We received a listing of employees and officials employed during the fiscal period with management's representation that it was complete. For the five selected employees and/or officials, we agreed the paid salaries with the authorized rates in personnel files.



No exceptions were noted as a result of applying the procedure.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Finding:*

We randomly selected 5 employees for the December 2021 pay period. We observed attendance and leave records, supervisory approval, and authorized pay rates. Due to the fact that two of the employees selected were elected officials, there were no time sheets on those two officials.

No exceptions were noted as a result of applying the procedure.

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

*Finding:*

We received management's representation that there were no termination payments made during the fiscal period.

No exceptions were noted as a result of applying the procedure.

19. 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.

*Finding:*

The payroll taxes, retirement contributions, insurances, etc. have been paid by the City of Plaquemine and the associated forms have been filed by the City of Plaquemine by the required deadlines.

No exceptions were noted as a result of applying the procedure.

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*Finding:*

We examined the ethics training certificates for 5 randomly selected employees. There were no changes in ethics noted during the year.

No exceptions were noted as a result of applying the procedure.

## ***Debt Service***

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21. 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 State Bond Commission approval was obtained for each debt instrument issued.

*Finding:*

Per management's representation, the City Court has no bonds/notes that were issued during the fiscal year.

No exceptions were noted as a result of applying the procedure.

22. 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).

*Finding:*

Per management's representation, the City Court has no outstanding bonds/notes at the end of the fiscal year.

No exceptions were noted as a result of applying the procedure.

## ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Finding:*

Per management's representation, there was no misappropriation of public funds and assets during the fiscal period.

No exceptions were noted as a result of applying the procedure.

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

*Finding:*

We observed the Notice required by R.S. 24:523.1 posted on the information bulletin board located at City Court's office and also on the City of Plaquemine's website.

No exceptions were noted as a result of applying the procedure.

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

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25. 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 occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- 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.

*Finding:*

We performed the above procedures and discussed the results with management.

### ***Sexual Harassment***

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26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*Finding:*

We randomly selected five employees and obtained sexual harassment training documentation demonstrating at least one hour of training during the calendar year. Three of the five employees selected did not have a certificate of training.

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

*Finding:*

The sexual harassment policy and compliant procedures are not posted on the City of Plaquemine's website.

28. 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 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
  - e) Amount of time it took to resolve each complaint.

*Finding:*

The annual sexual harassment report for the current fiscal year was not prepared.

We were engaged by City Court of Plaquemine 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 City Court of Plaquemine 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.

*Barley & Associates. LLC*

Plaquemine, Louisiana

June 10, 2022

## CITY COURT OF PLAQUEMINE

### Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2021

#### Management's Response to Items:

1. City Court follows the policy and procedures of City of Plaquemine.
3. City Court will implement a policy to correct the long-term outstanding checks.
5. Due to the small size of City Court, some employees must share duties.
9. Due to the small size of City Court, some employees must share duties.
10. Due to the small size of City Court, some employees must share duties.
14. City Court will follow the City of Plaquemine's travel policy regarding receipts and reimbursements.
26. City Court will follow-up with employees after the City of Plaquemine sends notice regarding the sexual harassment training
27. City Court follows the policy and procedures of City of Plaquemine for sexual harassment
28. City Court was not aware of the sexual harassment report but will include it next fiscal year.