

**CITY COURT OF NEW IBERIA**  
**New Iberia, Louisiana**

Financial Report

Year Ended June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Theodore M. Haik, III, Judge  
City Court of New Iberia  
New Iberia, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of New Iberia (Court), a component unit of the City of New Iberia, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City Court of New Iberia's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of New Iberia, as of June 30, 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.

## *Emphasis of Matter*

As discussed in Note 10 to the basic financial statements, the City Court of New Iberia has a change in accounting principle. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information and the schedules of employer's share of net pension liability and employer contributions on pages 30-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of New Iberia's basic financial statements. The other supplementary information on page 35 is presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The justice system funding schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 records and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the justice system funding schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2022, on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

New Iberia, Louisiana  
January 17, 2022

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Statement of Net Position  
June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 51,433
Due from other governments	<u>20,917</u>
Total current assets	72,350
Non current assets:	
Capital assets, net	<u>22,526</u>
Total assets	<u>94,876</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	<u>60,195</u>
LIABILITIES	
Noncurrent liabilities:	
Net pension liability	<u>205,526</u>
Total liabilities	<u>205,526</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	<u>1,974</u>
NET POSITION	
Net investment in capital assets	22,526
Unrestricted (deficit)	<u>(74,955)</u>
Total net position (deficit)	<u>\$ (52,429)</u>

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



CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Statement of Activities  
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government -				
Judicial	<u>\$ 633,367</u>	<u>\$ 164,596</u>	<u>\$ -</u>	<u>\$ (468,771)</u>
General revenues:				
Intergovernmental - On behalf payments				524,326
State grant				<u>26,120</u>
Total general revenues				<u>550,446</u>
Change in net position				81,675
Net position (deficit) - July 1, 2020				<u>(134,104)</u>
Net position (deficit) - June 30, 2021				<u>\$ (52,429)</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **General Fund**

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Balance Sheet  
Governmental Fund  
June 30, 2021

	<u>General Fund</u>
ASSETS	
Cash	\$ 51,433
Due from other governments	<u>20,917</u>
Total assets	<u>\$ 72,350</u>
LIABILITIES AND FUND BALANCE	
Liabilities	-
Fund balance:	
Unassigned	<u>72,350</u>
Total liabilities and fund balance	<u>\$ 72,350</u>

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2021

Total fund balance for the governmental fund at June 30, 2021	\$ 72,350
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Furniture, fixture and equipment, net of \$162,808 accumulated depreciation	22,526
The deferred outflows of expenditures for the employees' retirement system are not a use of current resources and, therefore, are not reported in the governmental funds.	
	60,195
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long-term liabilities at June 30, 2021 consist of:	
Net pension liability	(205,526)
The deferred inflows of contributions for the employees' retirement system are not available resources and, therefore, are not reported in the governmental funds	
	<u>(1,974)</u>
Total net position (deficit) for governmental activities at June 30, 2021	<u>\$ (52,429)</u>

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
For the Year Ended June 30, 2021

	General Fund
Revenues:	
Fees, charges and commissions for services -	
Court costs, fees, and fines	\$ 153,355
Other	11,241
Intergovernmental revenues -	
On-behalf payments	524,326
State grant	<u>26,120</u>
Total revenues	<u>715,042</u>
Expenditures:	
Current -	
General government - judicial:	
Publications	7,389
Judge's salary	157,698
Other salaries	263,589
Payroll taxes	4,814
Retirement	146,315
Insurance	50,235
Office supplies	13,988
Legal and accounting	7,620
Dues and conventions	9,038
Repairs and maintenance	2,410
Bank charges	1,084
Other miscellaneous costs	4,676
Outside services	8,700
Capital Outlay	<u>15,910</u>
Total expenditures	<u>693,466</u>
Excess of revenues over expenditures	21,576
Fund balance, beginning	<u>50,774</u>
Fund balance, ending	<u>\$ 72,350</u>

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended June 30, 2021

Total net change in fund balance for the year ended June 30, 2021 per statement of revenues, expenditures and changes in fund balance		\$ 21,576
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 15,910	
Depreciation expense for the year ended June 30, 2021	<u>(4,390)</u>	11,520
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension benefit		<u>48,579</u>
Total changes in net position for the year ended June 30, 2021 per statement of activities		<u>\$ 81,675</u>

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Statement of Fiduciary Net Position  
June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 166,123</u>
LIABILITIES	
Accounts payable and other liabilities	<u>65,403</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>\$ 100,720</u>

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



CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	<u>Custodial Funds</u>
Additions:	
Deposits -	
Fines and court costs - criminal	\$ 525,277
Civil suit collections	229,820
Bonds	<u>2,505</u>
Total additions	<u>757,602</u>
Reductions:	
Civil and criminal fees distributed to others	772,202
Other	<u>16,785</u>
Total reductions	<u>788,987</u>
Net change in fiduciary position	(31,385)
Net position, beginning of year as restated	<u>132,105</u>
Balances, end of year	<u>\$ 100,720</u>

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements

INTRODUCTION

As provided by LSA-RS 13:1871 et seq, the City Court of New Iberia (Court) accounts for the operation of the Court's office. The City Court Judge is elected for a six-year term.

The financial statements of the Court have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are described below.

(1) Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Court as a whole. They include all funds of the reporting entity, which are considered governmental activities. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange revenues.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Fund Financial Statements (FFS)

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

The funds of the Court are described below:

Governmental Funds –

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

Fiduciary Funds –

Custodial funds – The amounts reported in custodial funds are limited to assets that are being held for individuals, private organizations, or other governments. The custodial funds account for assets held by the Court as an agent for litigants in civil suits, cash bonds for criminal proceedings, and fees held pending court action. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Court's own programs. Custodial funds are presented on an economic resources' measurement focus and full accrual basis. The custodial funds are as follows:

Fines Fund – The Fines Fund consists of monies collected for the receipt and disbursement of bonds, fines, and costs from criminal proceedings to the appropriate governmental entity.

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

Bond Fund – The Bond Fund consists of monies for the collection of bonds.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item 2 below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

1. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.
2. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources associated with its activities are reported. Government-wide fund equity is classified as net position.

Basis of Accounting

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

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 Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Cash

Cash is stated at cost and includes all amounts in demand deposits.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$500 or more for capitalizing capital assets.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Equipment	5 years
Furniture and fixtures	7 years

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. At June 30, 2021, the Court's deferred outflows of resources and deferred inflows of resources are attributable to its pension plan.

Equity Classifications

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

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

In the governmental fund financials, fund equity is classified as fund balance and is classified as follows:

1. 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.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge. The Judge is the highest level of decision-making authority for the Court's office.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
5. Unassigned – all other spendable amounts.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

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

E. Use of Estimates

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

(2) Cash

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the Court had cash (book balances) as follows:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Demand deposits	\$ 51,433	\$ 166,123	\$ 217,556

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. 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 similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Court or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at June 30, 2021 in the amount of \$247,117 are secured by federal deposit insurance. As of June 30, 2021, there was no custodial credit risk.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2021</u>
Governmental activities:				
Capital assets being depreciated -				
Furniture, fixtures and equipment	\$ 169,424	\$ 15,910	\$ -	\$ 185,334
Less accumulated depreciation				
Furniture, fixtures and equipment	<u>158,418</u>	<u>4,390</u>	<u>-</u>	<u>162,808</u>
Governmental activities, capital assets, net	<u>\$ 11,006</u>	<u>\$ 11,520</u>	<u>\$ -</u>	<u>\$ 22,526</u>

Depreciation expense in the amount of \$4,390 was charged to the general government function.

(4) On Behalf Payments for Salaries and Benefits

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* requires the Court to report and disclose in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana (State) to the City Court Judge and salary and fringe benefits payments made by the City of New Iberia (City) to the Judge and court employees. Supplementary salary payments are made by the State directly to the City Court Judge and from the City to the Judge and court employees. The Court is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the City. For the fiscal year ended June 30, 2021, the State and City made payments on behalf of the Court as follows:

	<u>State of</u> <u>Louisiana</u>	<u>City of</u> <u>New Iberia</u>	<u>Total</u>
City Court Judge -			
Salary	\$ 50,002	\$ 39,855	\$ 89,857
Fringe benefit payments	<u>21,775</u>	<u>17,377</u>	<u>39,152</u>
	<u>71,777</u>	<u>57,232</u>	<u>129,009</u>
Court employees -			
Salary	-	263,589	263,589
Fringe benefit payments	<u>-</u>	<u>131,728</u>	<u>131,728</u>
	<u>-</u>	<u>395,317</u>	<u>395,317</u>
	<u>\$ 71,777</u>	<u>\$ 452,549</u>	<u>\$ 524,326</u>

(5) Employee Retirement Systems

The Court participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature.



CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

Plan Descriptions –

Municipal Employees' Retirement System (MERS)

Employees of the Court are eligible for participation in the Municipal Employees' Retirement System of Louisiana (the "System") – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 356 of the 1954 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at [www.mersla.com/annual-reports](http://www.mersla.com/annual-reports).

Employees, except for the Judge of the City Court, are included in the City of New Iberia's retirement system and participate in the same retirement system of that entity. Therefore, the pension liability, deferred outflows of resources and deferred inflows of resources related to this plan is included in the City's financial statements.

Louisiana State Employees' Retirement System (LASERS)

The Judge is a member of the Louisiana State Employees' Retirement System (LASERS). LASERS is a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised 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).

Benefits Provided –

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

Louisiana State Employees' Retirement System (LASERS)

Retirement – The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may 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.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

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

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. As of 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 investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

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

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

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

Contributions – Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislative, Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The contribution rates in effect during the year ended June 30, 2021 for the plan for judges hired after December 31, 2010 were 13.0% for the employee and 42.0% (July 1, 2020 – December 31, 2020) and 43.0% (January 1, 2021 – June 30, 2021) for the employer. The status of the plan for judges hired after December 31, 2010 is closed.

The Court's contractually required composite contribution rate for the year ended June 30, 2021 was 42.0% 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 Court were \$29,493 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the Court reported a liability of \$205,526 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2021, the Court recognized pension benefit of \$19,086.

At June 30, 2021, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (1,974)
Changes of assumptions	658	-
Net differences between projected and actual earnings on plan investments	30,044	-
Contributions subsequent to the measurement date	29,493	-
Total	\$ 60,195	\$ (1,974)

Deferred outflows of resources of \$29,493 resulting from the Court’s contributions subsequent to the measurement date will be recognized as pension expense during the year ended June 30, 2022.

Actuarial Assumptions –

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

Inflation Rate	2.30%
Projected salary increases	2.6% - 5.1%
Investment rate of return	7.55%
Expected remaining service lives	2

Mortality rates were based on RP-2000 Combined Healthy Mortality Table with mortality improvements projected to 2020 for non-disabled members; and RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement was selected for disabled members.

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

The long-term expected rate of return on pension plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020.

Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 are summarized in the following table.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

Asset Class	Long-term Expected Real Rate of Return
Cash	-0.59%
Domestic Equity	4.79%
International Equity	5.83%
Domestic Fixed Income	1.76%
International Fixed Income	3.98%
Alternative Investments	6.69%
Risk Party	4.20%
Total Fund	5.81%

Discount Rate –

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Court's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Court's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
LASERS	7.55%	<u>\$252,560</u>	<u>\$205,526</u>	<u>\$165,613</u>

Pension Plans Fiduciary Net Position –

Detailed information about LASERS' pension plan's fiduciary net position is available in the separately issued LASERS 2020 Comprehensive Annual Financial Report at [www.lasersonline.org](http://www.lasersonline.org) or on the Office of Louisiana Legislative Auditor's official website: [www.lla.state.la.us](http://www.lla.state.la.us).

Payables to the Pension Plan – There are no payables to LASERS at June 30, 2021.

(6) Litigation and Claims

At June 30, 2021, the Court is not involved in any matters of pending or threatened litigation.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to the Basic Financial Statements (Continued)

(7) Risk Management

The Court is exposed to risks of loss in the areas of employee dishonesty and workers' compensation. Potential significant losses are covered by the City of New Iberia's commercial insurances.

(8) Other Postretirement Benefits

The City Court of New Iberia provides no postretirement benefits.

(9) Compensation, Benefits, and Other Payments to Agency Head

In accordance with Louisiana Revised Statute 24:513A, the schedule of compensation, benefits, and other payments to Theodore M. Haik, III, Judge, for the year ended June 30, 2021 follows:

Purpose	Amount
Salary	\$ 157,698
Benefits - retirement	68,645
Benefits - other	578
Per diem	1,026
Reimbursements	3,692
Registration fees	2,370
	\$ 234,009

(10) Change in Accounting Principle

As of July 1, 2020, the Court adopted the requirements of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement improves guidance relative to the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The adoption of GASB Statement No. 84 had the following effect on net position.

Net position, custodial funds, June 30, 2020	\$ -
Net effect of change in accounting principle	132,105
Net position, custodial funds, June 30, 2020, as restated	\$ 132,105

(11) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may continue to impact the Court's ongoing activities. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees, charges and commissions for services -				
Court costs, fees, and fines	\$ 175,500	\$ 155,712	\$ 153,355	\$ (2,357)
Other	6,000	6,000	11,241	5,241
Intergovernmental revenues -				
On-behalf payments	535,000	505,222	524,326	19,104
State grant	135,000	25,289	26,120	831
Total revenues	<u>851,500</u>	<u>692,223</u>	<u>715,042</u>	<u>22,819</u>
Expenditures:				
Current -				
General government - judicial:				
Publications	10,000	7,389	7,389	-
Judge's salary	150,000	157,592	157,698	(106)
Other salaries	290,800	264,502	263,589	913
Payroll taxes	15,200	4,497	4,814	(317)
Retirement	125,000	145,862	146,315	(453)
Insurance	50,000	50,791	50,235	556
Office supplies	10,000	14,267	13,988	279
Legal and accounting	20,000	9,816	7,620	2,196
Dues and conventions	5,500	7,085	9,038	(1,953)
Repairs and maintenance	10,000	4,460	2,410	2,050
Bank charges	1,800	1,003	1,084	(81)
Other miscellaneous costs	2,000	2,302	4,676	(2,374)
Outside services	6,500	10,000	8,700	1,300
Capital Outlay	<u>150,000</u>	<u>15,035</u>	<u>15,910</u>	<u>(875)</u>
Total expenditures	<u>846,800</u>	<u>694,601</u>	<u>693,466</u>	<u>1,135</u>
Excess of revenues over expenditures	4,700	(2,378)	21,576	23,954
Fund balance, beginning	<u>50,774</u>	<u>50,774</u>	<u>50,774</u>	<u>-</u>
Fund balance, ending	<u>\$ 55,474</u>	<u>\$ 48,396</u>	<u>\$ 72,350</u>	<u>\$ 23,954</u>



CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2021\*

Plan	Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	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
LASERS	2015	0.056720%	\$181,464	\$120,395	150.72%	65.02%
	2016	0.060170%	181,736	122,804	147.99%	62.66%
	2017	0.004600%	364,751	125,320	291.06%	57.70%
	2018	0.004200%	295,279	82,717	356.97%	63.00%
	2019	0.003660%	249,473	68,848	362.35%	64.30%
	2020	0.003150%	228,070	60,972	374.06%	62.90%
	2021	0.002485%	205,526	51,662	397.83%	58.00%

\* The amounts presented have a measurement date of June 30, 2020.

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Schedule of Employer Contributions  
For the Year Ended June 30, 2021

Plan	Year Ended June 30,	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
LASERS	2015	\$46,420	\$46,420	\$ -	\$ 122,804	37.80%
	2016	47,371	47,371	-	125,320	37.80%
	2017	31,267	31,267	-	82,717	37.80%
	2018	27,264	27,264	-	68,848	39.60%
	2019	23,835	23,835	-	60,972	39.00%
	2020	21,426	21,426	-	51,662	41.00%
	2021	29,493	29,493	-	67,841	43.00%

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

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Notes to Required Supplementary Information

1. Budgets

The Court follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Court prepares a proposed budget for the General Fund no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the is public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.
- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Court.

2. Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

**OTHER  
SUPPLEMENTARY INFORMATION**

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 6/30/2021
	<u>                    </u>	<u>                    </u>
Beginning balance of amounts collected	\$ 173,501	\$ 150,897
Add: Collections -		
Civil Fees	108,478	121,343
Bond Fees	1,665	840
Criminal Fines - Other	<u>188,883</u>	<u>332,363</u>
Subtotal Collections	<u>299,026</u>	<u>454,546</u>
Less: Disbursements to governments and nonprofits -		
New Iberia City Marshall - Criminal Fines Other	15,320	22,535
New Iberia City Marshall - Civil Fees	13,474	13,282
16th JDC Indigent Defender Fund - Criminal Fines Other	23,075	34,463
Acadiana Criminalistics Lab - Criminal Fines Other	19,092	24,970
City of New Iberia - Criminal Fines Other	89,457	155,068
Louisiana State Police - Criminal Fines Other	1,550	1,125
State Crime Lab -Criminal Fines Other	-	75
Louisiana Commission on Law Enforcement - Criminal Fines Other	3,122	3,986
16th JD Attorney - Criminal Fines Other	5,240	7,540
16th JD Attorney Early Intervention Program - Criminal Fines Other	2,600	3,350
Iberia Parish Government Coroner - Criminal Fines Other	2,585	3,710
Louisiana State Treasurer CMIS - Criminal Fines Other	1,564	2,269
LA Dept of Health & Hospitals THI/SCI - Criminal Fines Other	795	1,040
Louisiana Supreme Court - Criminal Fines Other	259	375
Louisiana Supreme Court - Civil Fees	168	173
New Iberia Office of City Prosecutor - Criminal Fines Other	-	17,365
Iberia Crime Stoppers - Criminal Fines Other	1,022	1,488
Louisiana State Treasurer Judges Supplemental - Civil Fees	8,682	8,970
Iberia Parish Clerk of Court - Civil Fees	17,490	18,810
Less: Amounts retained by collecting agency -		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	22,423	36,349
Amounts "Self-Disbursed" to Collecting Agency - Civil Fees	49,959	56,798
Less: Disbursements to individuals/3rd party collection or processing agencies -		
Civil fee refunds	27,015	19,769
Bond fee refunds	8,380	-
Other disbursements to individuals	<u>8,358</u>	<u>5,810</u>
Subtotal Disbursements/Retainage	<u>321,630</u>	<u>439,320</u>
Ending balance of amounts collected but not disbursed/retained	<u>\$ 150,897</u>	<u>\$ 166,123</u>

**INTERNAL CONTROL, COMPLIANCE,  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Theodore M. Haik, III, Judge  
City Court of New Iberia  
New Iberia, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of New Iberia (Court), a component unit of the City of New Iberia, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements and have issued our report thereon dated January 17, 2022.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 were not identified. We did identify a certain deficiency in internal control, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as item 2021-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

## **Court's Response to Findings**

The Court's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. The Court'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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

New Iberia, Louisiana  
January 17, 2022



CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
And Corrective Action Plan  
Year Ended June 30, 2021

Part I. Current Year Findings and Management's Corrective Action Plan

A. Internal Control Findings –

**2021-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 2019

CONDITION: The Court did not have adequate segregation of functions within the accounting system.

CRITERIA: The Court should have a control policy according to which no single employee should be given responsibility for more than one related function.

CAUSE: The Court does not have a sufficient number of employees performing administrative and financial duties so as to provide adequate segregation of accounting duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud may occur and not be prevented and/or detected.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

MANAGEMENT'S CORRECTION ACTION PLAN: The Court has determined that it is not cost effective to achieve complete segregation of duties within the accounting department by hiring additional personnel.

B. Compliance Findings -

There are no findings that are required to be reported at June 30, 2021.

CITY COURT OF NEW IBERIA  
New Iberia, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
And Corrective Action Plan (Continued)  
Year Ended June 30, 2021

Part II. Prior Year Findings

A. Internal Control Findings -

**2020-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: 2019

CONDITION: The Court did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: The Court should evaluate establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2021-001.

B. Compliance Findings -

There are no findings that are required to be reported at June 30, 2020.