

BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

CITY COURT AND CITY MARSHAL
OF JENNINGS, LOUISIANA

(A Component Unit of the City of Jennings, Louisiana)

JUNE 30, 2021

City Court and City Marshal of Jennings, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2021
With Supplemental Information Schedules

C O N T E N T S

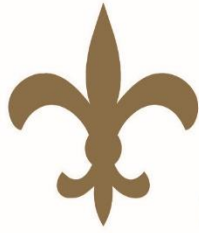
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CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Annual Financial Statements
As of and for the Year Ended June 30, 2021
With Supplemental Information Schedules

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J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

Honorable Judge Daniel Stretcher
Honorable Marshal Clarence Cormier, Jr.
City Court and City Marshal of Jennings, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund of the City Court and City Marshal of Jennings, Louisiana, component units of the City of Jennings, Louisiana, as of June 30, 2021, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City Court and City Marshal'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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City Court and City Marshal'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

Honorable Judge Daniel Stretcher
Honorable Marshal Clarence Cormier, Jr.
City Court and City Marshal of Jennings, Louisiana
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an opinion on the effectiveness of the City Court and City Marshal's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City Court and City Marshal as of June 30, 2021, and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, employer's share of net pension liability, and employer contributions on pages 35 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I 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.

Management has omitted the 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 Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Honorable Judge Daniel Stretcher
Honorable Marshal Clarence Cormier, Jr.
City Court and City Marshal of Jennings, Louisiana
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Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court and City Marshal's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of compensation and benefits paid the City Court and City Marshal, and the justice system funding schedule are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived and related 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 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 my opinion, based on my audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements and City Court and City Marshal's compensation and benefits, and the justice system funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued a report dated December 17, 2021 on my consideration of the City Court and City Marshal's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Handwritten signature in blue ink: J. Aaron Cozart, CPA, LLC

December 17, 2021

BASIC FINANCIAL STATEMENTS

STATEMENT A

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

STATEMENT OF NET POSITION

June 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 493,417
Interfund receivables	18,355
Capital assets (net)	<u>14,766</u>
TOTAL ASSETS	<u>526,538</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related deferrals	<u>37,550</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>37,550</u>
LIABILITIES	
Accounts payable	8,445
Net pension liability	<u>176,910</u>
TOTAL LIABILITIES	<u>185,355</u>
DEFERRED INFLOWS OF RESOURCES	
Pension-related deferrals	<u>1,699</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,699</u>
NET POSITION	
Invested in capital assets, net of related debt	14,766
Unrestricted	<u>362,268</u>
TOTAL NET POSITION	<u>\$ 377,034</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT B

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2021

	<u>Expenses</u>	<u>Program Revenues Charges for Services and Use</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
Governmental Activities			
Judicial	<u>\$ 310,303</u>	<u>\$ 337,019</u>	<u>\$ 26,716</u>
General Revenues:			
On-behalf payments			<u>185,016</u>
Total general revenues			<u>185,016</u>
Change in Net Position			211,732
Net Position-beginning			<u>165,302</u>
Net Position-ending			<u>\$ 377,034</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT C

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Balance Sheet-Governmental Funds

June 30, 2021

	<u>City Court General Fund</u>	<u>Judicial Building Fund</u>	<u>Marshal's Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 214,587	\$ 40,797	\$ 238,033	\$ 493,417
Interfund receivables	<u>8,591</u>	<u>2,300</u>	<u>7,464</u>	<u>18,355</u>
TOTAL ASSETS	<u><u>\$ 223,178</u></u>	<u><u>\$ 43,097</u></u>	<u><u>\$ 245,497</u></u>	<u><u>\$ 511,772</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	<u>\$ 5,314</u>	<u>\$ 880</u>	<u>\$ 2,251</u>	<u>\$ 8,445</u>
Total liabilities	<u>5,314</u>	<u>880</u>	<u>2,251</u>	<u>8,445</u>
Fund balances:				
Unassigned	<u>217,864</u>	<u>42,217</u>	<u>243,246</u>	<u>503,327</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 223,178</u></u>	<u><u>\$ 43,097</u></u>	<u><u>\$ 245,497</u></u>	<u><u>\$ 511,772</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT D

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

**Reconciliation of the Balance Sheet-Governmental Funds
to the Statement of Net Position**

June 30, 2021

Fund Balances, Total Governmental Funds (Statement C)		\$ 503,327
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Capital Assets	\$ 72,458	
Less: Accumulated Depreciation	<u>(57,692)</u>	14,766
<p>In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.</p>		
Net Pension Liability		(176,910)
Deferred Outflows of Resources:		
Pension-related deferrals		37,550
Deferred Inflows of Resources:		
Pension-related deferrals		<u>(1,699)</u>
Net Position of Governmental Activities (Statement A)		<u><u>\$ 377,034</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT E

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2021

	<u>City Court General Fund</u>	<u>Judicial Building Fund</u>	<u>Marshal's Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Fees, charges, and commissions for services:				
Court costs, fees and fines	\$ 181,919	\$ 37,030	\$ 118,070	\$ 337,019
On-behalf payments	<u>163,160</u>	<u>-</u>	<u>21,856</u>	<u>185,016</u>
Total revenues	<u>345,079</u>	<u>37,030</u>	<u>139,926</u>	<u>522,035</u>
bbbbbb				
EXPENDITURES				
Current:				
Judicial:				
Personal services and related benefits	38,096	-	8,839	46,935
Personnel cost through on-behalf payments	163,160	-	21,856	185,016
Operating services	12,276	6,287	21,335	39,898
Material and supplies	13,120	-	5,772	18,892
Capital outlay	<u>-</u>	<u>-</u>	<u>12,255</u>	<u>12,255</u>
Total expenditures	<u>226,652</u>	<u>6,287</u>	<u>70,057</u>	<u>302,996</u>
EXCESS OF REVENUES OVER EXPENDITURES	118,427	30,743	69,869	219,039
FUND BALANCES AT BEGINNING OF YEAR	<u>99,437</u>	<u>11,474</u>	<u>173,377</u>	<u>284,288</u>
FUND BALANCES AT END OF YEAR	<u><u>\$ 217,864</u></u>	<u><u>\$ 42,217</u></u>	<u><u>\$ 243,246</u></u>	<u><u>\$ 503,327</u></u>

The accompanying notes are an integral part of this financial statement.

STATEMENT F

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

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

For the Year Ended June 30, 2021

Net change in fund balances, total governmental funds (Statement E) \$ 219,039

Amounts reported for governmental activities
in the Statement of Activities are 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	\$ 12,255	
Depreciation	<u>(5,729)</u>	<u>6,526</u>

In accordance with Governmental Accounting Standards Board
Statement No. 68, the net pension liability related pension is not
required to be recorded in the governmental fund financial statements.
Adjustments to pension expense related to changes in deferred outflows
of resources and deferred inflows of resources are reflected in the
Statement of Activities:

Net change in pension expense	<u>(13,833)</u>
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Change in net position of governmental activities (Statement B)	<u><u>\$ 211,732</u></u>
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The accompanying notes are an integral part of this financial statement.

STATEMENT G

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2021

	Total Agency Funds
ASSETS	
Cash and cash equivalents	<u>\$ 250,954</u>
TOTAL ASSETS	<u><u>\$ 250,954</u></u>
LIABILITIES	
Interfund payables	\$ 18,355
Deposits due to others	<u>232,599</u>
TOTAL LIABILITES	<u><u>\$ 250,954</u></u>

The accompanying notes are an integral part of this financial statement.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

INTRODUCTION

The City Court was created under the authority of LSA-RS 13:1871-2512. The Court of Jennings, Louisiana has one elected Judge and one elected Marshal.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City Court Judge and Marshal are independently elected officials. However, the City Court is fiscally dependent on the City of Jennings for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the City Court is fiscally dependent on the city, the City Court was determined to be a component unit of the City of Jennings, the financial reporting entity.

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

B. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. GASB is the accepted standard-setting body for establishing governmental accounting principles and reporting standards.

The City Court and City Marshal adopted Governmental Accounting Standards Board Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Collectively, these statements changed the government-wide statements of net assets from three elements to five, adding deferred outflows and deferred inflows and renamed it to the statement of net position. Certain items previously reported as assets and liabilities such as loan organization fees and non-exchange revenue for future periods are reclassified to deferred outflows or inflows, or are no longer carried on the statement of net position.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City Court and City Marshal. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities of the City Court and City Marshal are considered governmental activities.

In government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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. Items not properly included among program revenues are reported instead as general revenues.

The net costs (by function) are normally covered by general revenue (interest earned, etc.). This government-wide focus is more on the sustainability of the City Court and City Marshal as an entity and the change in the City Court and City Marshal's net position resulting from the current year's activities.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Fund Financial Statements (FFS)

Separate fund financial statements (FFS) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as a separate column in the fund financial statements.

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

The following fund types are used by the City Court and City Marshal:

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

The following are the City Court and City Marshal's major governmental funds:

City Court General Fund – to account for the receipt of court costs derived from city charges and payment of court operating expenses necessary to support activities relevant to conducting criminal and civil court cases.

Judicial Building Fund – to account for the funds received and disbursed for building repair and maintenance.

Marshal's Funds – to account for the receipt of fees derived from city charges and payment of operating expenses incurred by the marshal in the normal course of his duties.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Fiduciary Funds: Fiduciary funds reporting on net position and changes in net position. The only funds accounted for in this category by the court are agency funds. The agency funds account for assets held by the court as a agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City Court and City Marshal maintain four agency funds as described below:

Criminal Agency Fund – to account for the collection and distribution of fines or fees, from adjudication or other means, originating from criminal court cases, tickets, misdemeanors, etc. These funds are distributed to other agencies, entities, and programs related to the criminal cases involved or as deemed by statue.

Civil Agency Fund – to account for the collection and distribution of fees and costs associated with civil case process. These funds are distributed to plaintiffs, defendants, and other agencies, entities and programs deemed appropriate by adjudication or statue.

Garnishment Agency Fund - to account for the collection and distribution of garnished wages to the rightful parties.

Bond Agency Fund – to account for the collection and distribution of bonds, deposited on behalf of defendants. These amounts are refunded upon appearance at court, refunded to pay restitution and other fines/fees, or forfeited to the city marshal.

C. Basis of Accounting/Measurement Focus

Government Wide Financial Statements (GWFS)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Governmental and Agency Funds are accounted for on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they measurable and available to pay current period liabilities.

Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period or 60 days. Commissions on fines and bond forfeitures are reported in the year they are collected by the tax collector. Revenues resulting from non-exchange transactions, such as grants, are recognized when all applicable eligibility requirements are met and the resources are measurable and available. Interest income on investments is recorded when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees, and general long-term obligations principal and interest payments are recognized only when due.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources.

a. Cash, Cash Equivalents, and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with maturities of 90 days or less. Under state law the City Court and City Marshal 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 principal offices in Louisiana.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Investments may include instruments or obligations issued by the United States Government or its agencies, or any other federally-issued investment.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 since the City Court and City Marshal does not have a formal investment policy. Funds which are available for investment and above immediate cash requirements can be invested in statutorily- sanctioned investments including direct U.S. Treasury obligations, bonds, debentures, notes or certificates issued by or guaranteed by federal agencies, or time certificate of deposit in any bank domiciled or have a branch office in Louisiana or any other federally-insured investment. Statutorily-sanctioned investments also include funds invested with external local government investment pools such as Louisiana Asset Management Pool.

When investments are present in the financial statements, they are reflected at fair value except for the following which are permitted per GASB Statement 31, *Accounting and Financial Reporting/or Certain Investments and for External Investment Pools*:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure. Interest-earning investment contracts include time deposits with financial institutions (such certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money-market investments and participating interest-earning investment contracts that have remaining maturity at time of purchase of one year or less are reported at amortized cost. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

b. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result from goods provided or services rendered in amounts owed between funds. These receivables/payables are classified as interfund receivables/payables on the Funds Financial Statement (FFS) balance sheet. Short-term interfund loans are also classified as interfund receivables/payables. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund and are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the recorded fund that reimbursed.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

c. Estimates

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

d. Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the fund financial statements were eliminated or reclassified. Interfund receivables and payable were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities.

e. Subsequent Events

Subsequent events were evaluated through December 17, 2021, which is the date the financial statements were available to be issued. Management determined that no events occurred that require disclosure.

f. Risk Management

The City Court and City Marshal's office are 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. These risks are managed by coverage through commercial insurance paid either by the City of Jennings or the City Court.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

g. Capital Assets

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

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are capitalized at historical cost or estimated historical 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 City Court and City Marshal maintain a threshold level of \$250 or more for capitalizing capital assets. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of assets is as follows:

Transportation	5 years
Furniture and equipment	5-10 years

h. Compensated Absences

The City Court and City Marshal have the following policy relating to vacation and sick leave:

The City Court and City Marshal's policy is that sick leave and vacation leave does not accumulate or vest from year to year. Sick leave and vacation leave is available during each employee's tenure, annually, and is not payable upon retirement or termination.

As of June 30, 2021, the City Court and City Marshal did not have a liability for accrued vacation or sick leave since this benefit does not vest past year end. Therefore, the financial statements do not contain a liability for unpaid vacation or sick leave pay.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

i. Fund Equity

In the government-wide statements, equity is classified as Net Position and displayed in three components.

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

When both restricted and unrestricted resources are available for use, it is the City Court and City Marshal's policy to use restricted resources first, then unrestricted resources as needed.

In the *fund financial statements*, governmental fund equity is classified as fund balance. Fund balances of the governmental funds are classified as follows:

- a. *Nonspendable* - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. *Committed* - amounts that can be used only for specific purposes determined by a formal decision of the City Judge, which is the highest level of decision-making authority for the City Court and City Marshal.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

- d. *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. *Unassigned* - all other spendable amounts.

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

j. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the City Court and City Marshal, which are either unusual in nature or infrequent in occurrence.

D. DEPOSITS AND INVESTMENTS

Cash includes demand deposits at local financial institutions with a carrying value of \$744,371 at June 30, 2021. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the City Court and City Marshal's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2021, the City Court and City Marshal's bank balances amounted to \$753,617. These deposits were secured from risks by \$677,695 of federal deposit insurance, leaving \$75,922 in deposits uncollateralized. The deposits covered by insurance are not considered subject to custodial credit risk according to GASB Statement No.3.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

E. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds under various circumstances. Unpaid amounts remaining at date of the financial statements are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans, if applicable, are also classified as interfund receivables/payables.

Interfund receivables/payables at June 30, 2021, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Funds:		
City Court Criminal Fund	\$ 8,591	\$ -
Judicial Building Fund	2,300	-
Marshal's Funds	7,464	-
Agency Fund:		
Civil Fund	-	1,241
Criminal Fund	-	17,114
	<u>\$ 18,355</u>	<u>\$ 18,355</u>

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

F. CAPITAL ASSETS

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets				
Furniture and fixtures	\$ 726	\$ -	\$ -	\$ 726
Machinery and equipment	39,532	12,255	-	51,787
Transportation equipment	19,945	-	-	19,945
Total capital assets	<u>60,203</u>	<u>12,255</u>	<u>-</u>	<u>72,458</u>
Less accumulated depreciation				
Furniture and fixtures	726	-	-	726
Machinery and equipment	35,281	1,740	-	37,021
Transportation equipment	15,956	3,989	-	19,945
Total accumulated depreciation	<u>51,963</u>	<u>5,729</u>	<u>-</u>	<u>57,692</u>
Capital assets - net	<u>\$ 8,240</u>	<u>\$ 6,526</u>	<u>\$ -</u>	<u>\$ 14,766</u>

Depreciation expense of \$5,729 was charged to judicial function.

G. CHANGES IN AGENCY DEPOSITS DUE TO OTHERS

A summary of changes in agency deposits due to others follows:

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Garnishment Fund</u>	<u>Bond Fund</u>	<u>Total Agency Funds</u>
Balances, June 30, 2020	\$ 21,691	\$ 181,925	\$ 6,602	\$ 10,629	\$ 220,847
Additions:	940,015	60,400	171,282	-	1,171,697
Reductions:	908,445	61,681	171,464	-	1,141,590
Balances, June 30, 2021	<u>\$ 53,261</u>	<u>\$ 180,644</u>	<u>\$ 6,420</u>	<u>\$ 10,629</u>	<u>\$ 250,954</u>

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

H. PENSION PLANS

The City Court and City Marshal of Jennings implemented Government Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an Amendment of GASB 68. These standards require the City Court to record its proportional share of the pension plans Net Pension Liability and report the following disclosures:

Plan Descriptions:

Municipal Employees' Retirement System

Substantially all employees of the City Court and City Marshal are members of the Municipal Employees' Retirement System of Louisiana, a (cost-sharing) multiple employer defined benefit pension plan administered by a separate board of trustees. The pension plan issues a stand-alone financial report, which is available to the public. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefits provisions. All employees of the City Court and City Marshal are members of Plan B.

All permanent employees working at least 35 hours per week and who are paid wholly or in part from municipal funds are eligible to participate in the system. Under Plan B, employees may retire at or after age 60 with at least 10 years of credible service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service and are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average monthly salary in excess of \$100 for each year of credible service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60 with basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years creditable service. In any case, monthly retirement benefits under Plan B cannot exceed 100% of final average salary. Final average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. Under Plan B members are required by state statute to contribute 10.0% over their annual covered salary. The City Court and City Marshal contributions to the System under Plan B for the years ending June 30, 2021, 2020, and 2019 were \$0, since employees' salaries and benefits are paid from the City of Jennings.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Louisiana State Employees' Retirement System

The City Judge is a member of the Louisiana State Employees Retirement System (LASERS). The Louisiana State Employees' Retirement System (LASERS) is the administrator of a cost-sharing multiple employer defined pension plan to provide retirement, disability, and survivor's benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:11-441 and vary depending on the member's hire date, employer and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The computation of retirement benefits are provided for in LRS 11:444. The basic annual retirement benefit for members is equal to a percentage (between 2.5% and 3.5%) of average compensation multiplied by the number of years of creditable service.

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

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Eligibility requirements and benefits computations for disability benefits are provided for in LRS 11:461. All members with ten or more years of creditable service or members aged 60 or older regardless of date of hire who become disabled may receive a maximum disability benefit equivalent to the regular retirement formula without reduction by reason of age. Hazardous duty personnel who become disabled in the line of duty will receive a disability benefit equal to 75% of final average compensation.

Provisions for survivor's benefits are provided for in LRS 11:471-478. Under these statutes, 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 minimum service 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.

Funding Policy

Article X, Section 29 (E) (2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily-established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contributions rates in effect for the year ended June 30, 2021, for the covered employee was as follows:

	<u>City Court</u>	<u>Employee</u>
State Employees' Retirement System	<u>42.5%</u>	<u>11.5%</u>

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

The contributions made to the System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
State Employees' Retirement System	<u>\$ 11,123</u>	<u>\$ 17,946</u>	<u>\$ 21,334</u>

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

The following schedule lists the City Court and City Marshal's proportionate share of the Net Pension Liability allocated based on the June 30, 2020 measurement date. The City Court and City Marshal use this measurement to record its Net Pension Liability and associated amounts as of June 30, 2021, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020, along with the change compared to the June 30, 2019 rate. The City Court and City Marshal's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at <u>June 30, 2021</u>	Rate at <u>June 30, 2020</u>	Increase (Decrease) to <u>June 30, 2019</u>
State Employees' Retirement System	<u>\$ 176,910</u>	<u>0.0021%</u>	<u>.000004%</u>

The following lists the plan's recognized pension expense:

State Employees' Retirement System	<u>\$ 22,794</u>
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CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
State Employees' Retirement System:		
Differences between expected and actual experience	\$ -	\$ (1,699)
Change of assumptions	566	-
Net difference between projected and actual earnings on pension plan investments	25,861	-
Employer contributions subsequent to the measurement date	<u>11,123</u>	<u>-</u>
Total	<u>\$ 37,550</u>	<u>\$ (1,699)</u>

The City Court and City Marshal reported a total of \$11,123 deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020, which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2021.

Other amounts reported as Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

	<u>Year</u>	<u>Amount</u>
State Employees' Retirement System		
	2022	\$ 3,294
	2023	7,458
	2024	7,992
	2025	<u>5,984</u>
		<u>\$ 24,728</u>

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Actuarial Assumptions

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Remaining Service Lives	2 years
Investment Rate of return	7.55%, net of investment expense*
Inflation Rate	2.3% per annum
Mortality	Non-disabled members – The RP- Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projections for mortality improvement.
Termination, Disability, And Retirement	Terminations, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System’s members for 2019.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

Salary Increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of Living
Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

* The investment rate of return used in the actuarial valuation for funding purposes was 7.90%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.55%, which is the same as the discount rate. Therefore, we conclude that the 7.55% discount is reasonable.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 2.30% 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 System's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	-0.59%
Domestic equity	4.79%
International equity	5.83%
Domestic fixed income	1.76%
International fixed income	3.98%
Alternatives investments	6.69%
Risk parity	4.20%
Total Fund	5.81%

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

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 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 Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the City Court and City Marshal's proportionate share of the Net Pension Liability (NPL) using the discount rate as well as what the City Court and City Marshal'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.

<u>LASERS</u>	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
Rates	6.55%	7.55%	8.55%
Share of NPL	\$ 217,394	\$ 176,910	\$ 142,554

Payables to Pension Plan

The City Court and City Marshal recorded accrued liabilities to the LASERS Retirement System for the year ended June 30, 2021, mainly due to the payroll accruals at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts payables. The balance due to the LASERS Retirement System at June 30, 2021, 2020, and 2019 was \$1,170, \$1,696 and \$1,727, respectively.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements

For the Year Ended June 30, 2021

**I. EXPENDITURES OF THE CITY COURT AND CITY MARSHAL PAID BY
THE CITY OF JENNINGS**

The accompanying financials do not include certain portions of the City Court and City Marshal's expenses paid directly by other governmental entities. In compliance with Louisiana Revised Statute 13:2487.16, the City of Jennings provides for a suitable court room, offices, and expenses of operation and maintenance.

Compensation and benefits paid by the City of Jennings to the Judge and Marshal amounted to \$22,001 and \$21,856, respectively. Other employees of the City Court and City Marshal's office compensation and benefits amounted \$141,159. These on-behalf payments totaling \$185,016 are included in the general funds as revenue and related expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

GOVERNMENTAL FUND-CITY COURT GENERAL FUND

For the Year Ended June 30, 2021

	Original	Final	Actual Amounts	Variance Final Budget Positive (Negative)
REVENUES				
Fees, charges, and commissions for services:				
Court costs, fees and fines	\$ 106,491	\$ 176,717	\$ 181,919	\$ 5,202
Total revenues	<u>106,491</u>	<u>176,717</u>	<u>181,919</u>	<u>5,202</u>
EXPENDITURES				
Current:				
Judicial:				
Personal services and related benefits	61,300	38,948	38,096	852
Operating services	17,500	11,985	12,276	(291)
Material and supplies	14,756	12,609	13,120	(511)
Total expenditures	<u>93,556</u>	<u>63,542</u>	<u>63,492</u>	<u>50</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,935	113,175	118,427	5,252
FUND BALANCES AT BEGINNING OF YEAR	<u>99,437</u>	<u>99,437</u>	<u>99,437</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 112,372</u>	<u>\$ 212,612</u>	<u>\$ 217,864</u>	<u>\$ 5,252</u>

See accompanying notes to the Required Supplementary Information.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

GOVERNMENTAL FUND-JUDICIAL BUILDING FUND

For the Year Ended June 30, 2021

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Variance Final Budget Positive (Negative)
REVENUES				
Fees, charges, and commissions for services:				
Court costs, fees and fines	\$ 8,000	\$ 39,560	\$ 37,030	\$ (2,530)
Total revenues	<u>8,000</u>	<u>39,560</u>	<u>37,030</u>	<u>(2,530)</u>
EXPENDITURES				
Current:				
Judicial:				
Operating services	<u>7,200</u>	<u>7,491</u>	<u>6,287</u>	<u>1,204</u>
Total expenditures	<u>7,200</u>	<u>7,491</u>	<u>6,287</u>	<u>1,204</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	800	32,069	30,743	(1,326)
FUND BALANCES AT BEGINNING OF YEAR	<u>11,474</u>	<u>11,474</u>	<u>11,474</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 12,274</u>	<u>\$ 43,543</u>	<u>\$ 42,217</u>	<u>\$ (1,326)</u>

See accompanying notes to the Required Supplementary Information.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL

GOVERNMENTAL FUND-MARSHAL'S FUND

For the Year Ended June 30, 2021

	Original	Final	Actual Amounts	Variance Final Budget Positive (Negative)
REVENUES				
Fees, charges, and commissions for services:				
Court costs, fees and fines	\$ 53,020	\$ 110,414	\$ 118,070	\$ 7,656
Total revenues	<u>53,020</u>	<u>110,414</u>	<u>118,070</u>	<u>7,656</u>
EXPENDITURES				
Current:				
Judicial:				
Personal services and related benefits	11,000	8,320	8,839	(519)
Operating services	21,165	21,055	21,335	(280)
Material and supplies	6,800	5,684	5,772	(88)
Capital outlay	3,000	12,310	12,255	55
Total expenditures	<u>41,965</u>	<u>47,369</u>	<u>48,201</u>	<u>(832)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,055	63,045	69,869	6,824
FUND BALANCES AT BEGINNING OF YEAR	<u>173,377</u>	<u>173,377</u>	<u>173,377</u>	<u>-</u>
FUND BALANCES AT END OF YEAR	<u>\$ 184,432</u>	<u>\$ 236,422</u>	<u>\$ 243,246</u>	<u>\$ 6,824</u>

See accompanying notes to the Required Supplementary Information.

Schedule 4

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

**Schedule of Employer's Share of Net Pension Liability
Louisiana State Employee Retirement System**

For the Year Ended June 30, 2021

Year Ended June 30, *	Employer Proportion of the Net Pension Liability	Employer Proportionate Share of the Net Pension Liability	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.002100%	\$ 176,910	\$ 34,848	507.7%	58.00%
2020	0.002100%	\$ 152,361	\$ 44,114	345.4%	62.90%
2019	0.002190%	\$ 149,697	\$ 53,203	281.4%	64.30%
2018	0.002280%	\$ 160,415	\$ 45,851	349.9%	62.50%
2017	0.002270%	\$ 178,017	\$ 50,165	354.8%	57.70%
2016	0.002167%	\$ 147,389	\$ 48,049	306.7%	62.70%
2015	0.002375%	\$ 148,506	\$ 45,440	326.8%	65.00%

* The amounts presented were determined as of the measurement date (previous fiscal year end).

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

See accompanying notes to the Required Supplementary Information.

Schedule 5

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Schedule of Employer Contributions
Louisiana State Employee Retirement System

For the Year Ended June 30, 2021

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
2021	\$ 14,810	\$ 14,810	\$ -	\$ 34,848	40.5%
2020	\$ 17,946	\$ 17,946	\$ -	\$ 44,114	40.1%
2019	\$ 21,334	\$ 21,334	\$ -	\$ 53,203	40.1%
2018	\$ 18,386	\$ 18,386	\$ -	\$ 45,851	40.1%
2017	\$ 19,064	\$ 19,064	\$ -	\$ 50,165	38.0%
2016	\$ 19,807	\$ 19,807	\$ -	\$ 51,986	38.1%
2015	\$ 18,858	\$ 18,858	\$ -	\$ 48,049	39.2%
2014	\$ 18,685	\$ 18,685	\$ -	\$ 45,440	41.1%

* Amounts presented were determined as of the end of the fiscal year.

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

See accompanying notes to the Required Supplementary Information.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Required Supplemental Information

For the Year Ended June 30, 2021

A. BUDGETARY PRACTICES

General Budget Practices: The City Court and City Marshal follow the following procedures in establishing budgetary data reported in the accompanying budgetary comparison schedule:

Pursuant to the Louisiana Government Budget Act (LSA-RS 36:1301-1314), the City Court and City Marshal are required to adopt an annual budget no later than fifteen days prior to the beginning of each fiscal year.

Each year prior to June 15th, the City Court and City Marshal develop a proposed annual budget for each fund. The operating budget includes proposed expenditures and the means of financing them. The proposed budget is advertised as available for public inspection at least 10 days prior to final adoption simultaneously with a notice of the date of public hearing. At the conclusion of the public hearing the budget is adopted by the City Court and City Marshal through a formal budget resolution.

Appropriations (unexpended budget balances) lapse at the end of fiscal year.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Formal budget integration (within the accounting records) is not employed as a management control device. All budgets are controlled at the object level. Budget amounts included in the accompanying financial statements include the original budget and all subsequent amendments. All budget revisions are approved by the City Court and City Marshal.

Budget Basis of Accounting: All governmental fund budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Legally, the City Court and City Marshal cannot budget total expenditures and other financing uses which would exceed total budgeted revenues and other financing sources including beginning fund balance. State statutes require the City Court and City Marshal to amend the budgets to prevent overall projected revenues, expenditures, or beginning fund balance from causing an adverse budget variance of five percent or more in an individual fund. The City Court and City Marshal approves budgets at

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Required Supplemental Information

For the Year Ended June 30, 2021

the object level and management is allowed to transfer amounts between line items within an object. The City Court and City Marshal's office amends its budget during the year to account for unanticipated changes in the original budget. On-behalf payments of \$185,016 included in the Statement of Revenues and Expenditures and Changes in Fund Balance are not included on the Budget and Actual Comparison. This amount is paid by the City of Jennings and not from the resources of the City Court and Marshal.

B. PENSIONS

For LASERS and MERS, there were no changes of benefit terms for the year ended June 30, 2021.

Louisiana State Employees' Retirement System

For the actuarial valuation for the year ended June 30, 2020, the discount rate was reduced from 7.60% to 7.55%.

Municipal Employees' Retirement System

For the actuarial valuation for the year ended June 30, 2020, the discount rate was reduced from 7.00% to 6.95%.

SUPPLEMENTARY INFORMATION

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

COMBINING BALANCE SHEETS
AGENCY FUNDS

June 30, 2021

	Criminal Fund	Civil Fund	Garnishment Fund	Bond Fund	Total Agency Funds
ASSETS					
Cash and cash equivalents	\$ 53,261	\$ 180,644	\$ 6,420	\$ 10,629	\$ 250,954
TOTAL ASSETS	<u>\$ 53,261</u>	<u>\$ 180,644</u>	<u>\$ 6,420</u>	<u>\$ 10,629</u>	<u>\$ 250,954</u>
LIABILITIES					
Due to other funds	\$ 17,114	\$ 1,241	\$ -	\$ -	\$ 18,355
Deposits due to others	36,147	179,403	6,420	10,629	232,599
TOTAL LIABILITIES	<u>\$ 53,261</u>	<u>\$ 180,644</u>	<u>\$ 6,420</u>	<u>\$ 10,629</u>	<u>\$ 250,954</u>

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

COMBINING SCHEDULE OF CHANGES IN DEPOSITS DUE TO OTHERS
AGENCY FUNDS

For the Year Ended June 30, 2021

	Criminal Fund	Civil Fund	Garnishment Fund	Bond Fund	Total Agency Funds
Balances at Beginning of year	\$ 21,691	\$ 181,925	\$ 6,602	\$ 10,629	\$ 220,847
Additions:					
Civil court costs	-	60,400	-	-	60,400
Garnishments	-	-	171,282	-	171,282
Fines and court costs	940,015	-	-	-	940,015
Bonds	-	-	-	-	-
Total additions	940,015	60,400	171,282	-	1,171,697
Deductions:					
Distributions to:					
Jennings City Court	121,281	-	-	-	121,281
City of Jennings	326,079	-	-	-	326,079
City Marshal	101,561	12,796	-	-	114,357
District Attorney	32,933	-	-	-	32,933
Indigent Defender Board	151,986	-	-	-	151,986
Judicial Building Fund	33,720	1,990	-	-	35,710
City Judge	-	32,965	-	-	32,965
Others	140,885	13,930	171,464	-	326,279
Total deductions	908,445	61,681	171,464	-	1,141,590
Balances at End of Year	\$ 53,261	\$ 180,644	\$ 6,420	\$ 10,629	\$ 250,954

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

**Schedule of Compensation, Benefits and Other Payments to the
City Judge and City Marshal**

For the Year Ended June 30, 2021

Honorable Judge Daniel Stretcher
 Honorable Marshal Clarence Cormier, Jr.
 City Court and City Marshal of Jennings, Louisiana

<u>Purpose</u>	<u>Amount</u>	
	<u>Judge Daniel Stretcher</u>	<u>Marshal Clarence Cormier, Jr.</u>
Salary	\$ 34,848	\$ 29,568
Benefits-insurance	12,065	214
Benefits-retirement	15,347	913
Benefits-dues	-	-
Car allowance	-	-
Vehicle provided by government	-	-
Per diem	1,062	448
Reimbursements	-	-
Travel	3,082	3,159
Registration fees	1,370	600
Conference travel	825	-
Continuing professional education fees	-	-
Housing unvouchered expenses	-	-
Special meals	-	-
	<u>\$ 68,599</u>	<u>\$ 34,902</u>

SCHEDULE 9

**CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
PARISH OF JEFFERSON ON DAVIS, LOUISIANA**

**Justice System Funding Schedule - Collecting/Disbursing Entity
as Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2021**

	First Six Months Period Ended December 31, 2020	Second Six Months Period Ended June 30, 2021
Cash Presentation		
Beginning Balance of Amounts Collected	\$ 220,444	\$ 218,307
Civil Fees/costs	28,502	33,209
Bond Fees	-	80
Pre-Trial Diversion Program Fees	5,252	4,517
Criminal Court Costs/Fees	286,148	291,946
Criminal Fines - Contempt	7,400	12,350
Criminal Fines - Other	163,101	166,848
Restitution	1,532	1,630
Subtotal Receipts	491,935	510,580
Less: Disbursements to Governments and Nonprofits:		
City of Jennings, LA / Criminal Court Costs/Fees	176,449	159,000
Jefferson Davis Parish DA / Criminal Court Costs/Fees	16,403	16,530
Jefferson Davis Parish DA / Kevin Millican Criminal Court Cost/Fees	780	100
Jefferson Davis Parish DA / Stacy Naquin Criminal Court Cost/Fees	-	630
Jefferson Davis Parish Indigent Defender Fund / Criminal Court Costs/Fees	75,558	65,108
Jefferson Davis Parish Clerk of Court / Criminal Court Costs/Fees	735	315
Southwest Louisiana Crime Lab / Criminal Court Costs/Fees	51,063	52,752
Louisiana Supreme Court Judicial College / Criminal Court Costs/Fees	837	847
Louisiana Supreme Court Judicial College / Civil Fees	58	54
Louisiana Commission on Law Enforcement / Criminal Court Costs/Fees	3,749	4,204
Treasurer, State of Louisiana / Court Costs/Fees	5,013	5,109
Treasurer, State of Louisiana / Civil Fees	2,978	2,833
LDHH+THSCI / Court Costs/Fees	5,355	5,162
Acadia Parish Sheriff's Office / Civil Fees	539	246
Allen Parish Sheriff's Office / Civil Fees	44	205
Calcasieu Parish Sheriff's Office / Civil Fees	184	368
Cameron Parish Sheriff's Office / Civil Fees	5	-
East Baton Rouge Sheriff's Office / Civil Fees	260	221
Iberia Parish Sheriff's Office / Civil Fees	35	-
Jefferson Davis Parish Sheriff's Office / Civil Fees	213	-
Lafayette Parish Sheriff's Office / Civil Fees	44	50

SCHEDULE 9

**CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
PARISH OF JEFFERSON DAVIS, LOUISIANA**

**Justice System Funding Schedule - Collecting/Disbursing Entity
as Required by Act 87 of the 2020 Regular Legislative Session (Continued)**

For the Year Ended June 30, 2021

Louisiana Secretary of State / Civil Fees	150	100
Orleans Parish Sheriff's Office / Civil Fees	-	90
Vermillion Parish Sheriff's Office / Civil Fees	162	36
Subtotal Disbursements to Governments and Nonprofits	340,614	313,960
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency	149,344	144,979
Less: Disbursement to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	3,014	4,101
Restitution Payments to Individuals	1,100	1,530
Subtotal Disbursements to Individuals /3rd Party Collection or Processing Agencies	4,114	5,631
Subtotal Disbursements/Retainage	494,072	464,570
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 218,307	\$ 264,317
Ending Balance of "Partial Payments Collected but not Disbursed	\$ -	\$ -

OTHER REPORTS



J. Aaron Cooper, CPA, LLC

P.O. Box 918 • 106 West Nezpique Street • Jennings, Louisiana 70546

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

**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**

Honorable Judge Daniel Stretcher
Honorable Marshal Clarence Cormier, Jr.
City Court and City Marshal of Jennings, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of the City Court and City Marshal of Jennings, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued my report thereon dated December 17, 2021.

Internal Control Over Financial Reporting

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

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 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control

Honorable Judge Daniel Stretcher
Honorable Marshall Clarence Cormier, Jr.
City Court and City Marshal of Jennings
Page 2

over financial reporting that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying corrective action plan for current year findings as items 2021-01(C) and 2021-02(C).

City Court and City Marshal's Response to Findings

City Court and City Marshal's response to the findings identified in my audit is described in the accompanying Corrective Action Plan for Current Year Findings. City Court and City Marshal's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court and City Marshal'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 City Court and City Marshal's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the City Court and City Marshal, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties.


December 17, 2021

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City Court and City Marshal.
2. No internal control deficiency was disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City Court and City Marshal were disclosed during the audit.
4. The City Court and City Marshal's did not require a Single Audit.
5. A separate management letter was not issued with regards to the engagement.

SECTION II – INTERNAL CONTROL AND COMPLIANCE FINDINGS

Internal Control – N/A

Compliance

Finding 2021-01(C) – Amended Budget

Condition: Certain fund budgets were not amended to account for more than budgeted revenues and expenditures.

Criteria: State law requires that if actual revenue and expenditures are either over or under budgeted revenue and expenditures by five percent or more, the budgets should be amended.

Cause: Responsible personnel did not monitor actual revenues and expenditures and compare to budget.

Effect: The City Court and Marshal's annual budget will not be in compliance with state law.

Recommendation: Responsible personnel should monitor the budget with actual revenue and expenditures during the year and amend the budget as necessary.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
For the Year Ended June 30, 2021

Finding 2021-1 (C) – Inadequate collateralization of deposits

Finding. The City Court and Marshal did not maintain adequate collateral on deposits at a local bank.

Criteria. State law requires that all deposits of public funds be either insured by FDIC or collateralized by a pledge of investment securities owned by the depository financial institution.

Effect. \$75,922 in deposits were not collateralized in accordance with state law.

Cause. Banks typically monitor deposits and ensure that adequate collateral is maintained. However, responsibility ultimately lies with the City Court.

Recommendation. The City Court and Marshal should assign someone to monitor pledge securities. In addition, the District should work with the bank to ensure compliance

**CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2021**

Internal Control – N/A

Compliance

Finding 2021-01(C) – Amended Budget

Name of contact person: Judge Daniel Stretcher, Marshal Clarence Cormier, Jr.

Corrective Action: Additional procedures will be implemented to monitor budgets,

Proposed completion date: Monitoring procedures will be implemented immediately.

Finding 2021-02(C) – Inadequate collateralization of deposits

Name of contact person: Judge Daniel Stretcher, Marshal Clarence Cormier, Jr.

Corrective Action: Additional procedures will be implemented to monitor pledged securities with the bank.

Proposed completion date: Monitoring procedures will be implemented immediately.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
Schedule of Prior Year Audit Finding
For the Year Ended June 30, 2021

2020-01(C) – Amended Budget

Condition: Certain fund budgets were not amended to account for more than budgeted revenues and expenditures.

Criteria: State law requires that if actual revenue and expenditures are either over or under budgeted revenue and expenditures by five percent or more, the budgets should be amended.

Cause: Responsible personnel did not monitor actual revenues and expenditures and compare to budget.

Effect: The City Court and Marshal’s annual report will not be in compliance with state law.

Recommendation: Responsible personnel should monitor the budget with actual revenue and expenditures during the year and amend the budget as necessary.

Corrective Action Taken: See Finding 2021-(C).