

**CITY COURT OF LEESVILLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**



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March 7, 2022

Independent Auditors' Report

The Honorable Elvin Fontenot
City Court of Leesville

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Leesville, a component unit of the City of Leesville, 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 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, each major fund, and the aggregate remaining fund information of the City Court of Leesville, 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.



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The Honorable Elvin Fontenot

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OTHER MATTERS

Required Supplemental Information

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

Such 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. 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.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The information listed below is presented for purposes of additional analysis and is not a required part of the basic financial statements.

- Combining Statement of Fiduciary Net Position
- Statement of Fiduciary Net Position
- Justice System Funding Schedule – Collecting / Disbursing Entity

The information described above is other supplemental information presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 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 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.



Rozier, McKay & Willis
Certified Public Accountants

CITY COURT OF LEESVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

This section of the annual financial report presents our discussion and analysis of the City Court of Leesville's financial performance during the fiscal year ended June 30, 2021.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the financial position and results of operations from differing perspectives which are described as follows:

Government–Wide Financial Statements

The government-wide financial statements report information about the City Court as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Court's assets and all of its liabilities. All of the Court's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by cost and fees assessed by the City Court.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Court's most significant activities and are not intended to provide information for the organization as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Court's funds are described as follows:

Governmental Funds:

Governmental funds are limited to the general fund, which is classified as a Governmental Fund. This fund is used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Court's finances. Assets reported by the governmental fund are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

Fiduciary Funds:

Fiduciary funds are limited to custodial funds that are used to account for collection of funds on behalf of individuals, organizations and other governments. The custodial funds are excluded from the government-wide financial statements because these resources are not available to support the Court's ongoing activities.

FINANCIAL ANALYSIS OF THE CITY COURT AS A WHOLE

An analysis of the government-wide Statement of Net Position is presented as follows:

CITY COURT OF LEESVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

	June 30,	
	2021	2020
Assets:		
Current Assets	\$ 8,124	\$ 1,750
Depreciable Capital Assets, net	231	281
Total Assets	8,355	2,031
Deferred Outflows of Resources	11,657	8,203
Liabilities:		
Current and Other Liabilities	19,350	26,951
Long-Term Liabilities	45,241	58,104
Total Liabilities	64,591	85,055
Deferred Inflows of Resources	434	8,607
Net Position:		
Invested in Capital Assets, Net	231	281
Unrestricted	(45,244)	(83,709)
Total Net Position	(45,013)	\$ (83,428)

As the presentation appearing above demonstrates, liabilities associated with providing benefits for employees have eliminated the net position and the City Court is currently reporting a deficit in net position.

A comparative analysis of the government-wide Statement of Activities is presented as follows:

	For the Year Ended June 30,	
	2021	2020
Revenues:		
Program Revenue:		
Charges for Services	\$ 160,983	\$ 194,326
Capital Contributions	---	---
General Revenue:		
Interest	---	---
Total Revenue	160,983	194,326
Program Expenses:		
Judicial	122,568	220,565
Change in Net Position	38,415	(26,239)
Net Position Beginning	(83,428)	(57,189)
Net Position Ending	\$ (45,013)	\$ (83,428)

As the accompanying presentation demonstrates, the deficit has improved due to a decline in pension related liabilities and curtailment of other expenses.

CITY COURT OF LEESVILLE

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

FINANCIAL ANALYSIS OF THE CITY COURT'S FUNDS

For the year ended June 30, 2021, differences between the government-wide presentation and the fund financial statements were limited to reporting long term liabilities associated with participating in cost sharing defined benefit retirement arrangements.

BUDGET HIGHLIGHTS

For the year ended June 30, 2021, revenue did not meet expectations and unfavorable variances were reported.

CAPITAL ASSET ADMINISTRATION

For the year ended June 30, 2021, capital asset activity was limited to depreciating existing assets.

DEBT ADMINISTRATION

For the year ended June 30, 2021, there were was no debt outstanding and no activity involving borrowing or repayment.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no known issues are expected to have a significant impact on future operations.

City Court of Leesville

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 8,124
Depreciable Capital Assets	231
Total assets	8,355
<u>DEFERRED OUTFLOW OF RESOURCES</u>	
Pension Funding Deferrals	11,657
<u>LIABILITIES</u>	
Accounts Payable	-
Accrued Liabilities	19,350
Net Pension Liability	45,241
Total Liabilities	64,591
<u>DEFERRED INFLOW OF RESOURCES</u>	
Pension Funding Deferrals	434
<u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	231
Unrestricted	(45,244)
Total Net Position (deficit)	\$ (45,013)

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

City Court of Leesville

Statement of Activities Year Ended June 30, 2021

	<u>Governmental Activities</u>
Expenses:	
Judicial	
Dues and Seminars	\$ 914
Office Supplies and Expense	6,301
Payroll Taxes	8,532
Postage	1,210
Retirement	(21,348)
Salaries	121,963
Telephone	3,246
Uniforms	1,700
Depreciation	50
Total Expenses	122,568
Program Revenues:	
Charges for Services	160,983
Capital Contributions	-
Total Program Revenues	160,983
Net (Expense) Revenue - Governmental Activities	38,415
General Revenues:	
Interest	-
Total General Revenues	-
Change in Net Position	38,415
Net Position - Beginning	(83,428)
Net Position - Ending	\$ (45,013)

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

City Court of Leesville

Balance Sheet Governmental Funds Year Ended June 30, 2021

	<u>General Fund</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 8,124
Accounts Receivables	-
Total Assets	8,124
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	-
Accrued Liabilities	19,350
Total Liabilities	19,350
Fund Balance	
Unassigned	(11,226)
Total Fund Balances	(11,226)
Total Liabilities and Fund Balance	\$ 8,124

Fund Balance	\$ (11,226)
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	231
Pension obligations do not require a commitment of current financial resources and are excluded from the fund presentation.	(34,018)
Net Position of Governmental Activities	\$ (45,013)

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

City Court of Leesville

Statement of Revenue, Expenditures and Changes in Fund Balance

Governmental Funds

Year Ended June 30, 2021

	<u>General Fund</u>
Revenues:	
Court Cost and Fees	\$ 160,983
Interest	-
Total revenues	160,983
Expenditures:	
Judicial	
Dues and Seminars	914
Office Supplies and Expense	6,301
Payroll Taxes	8,532
Postage	1,210
Retirement	3,142
Salaries	121,963
Telephone	3,246
Uniforms	1,700
Capital Expenditures	-
Total expenditures	147,008
Net Change in Fund Balance	13,975
Fund balance - beginning of year	(25,201)
Fund balance - end of year	\$ (11,226)

Net change in fund balances of Governmental Funds	\$	13,975
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds do not report changes in liabilities associated with participating in cost sharing, multi employer retirement systems.		24,490
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital outlays and depreciation is presented as follows:		
Capital Outlay	-	
Depreciation	(50)	(50)
Change in net position of governmental activities	\$	38,415

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

City Court of Leesville

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash and Cash Equivalents	\$ 36,339
Total Assets	36,339
<u>Liabilities</u>	
Due to Marshal's Cost Account	-
Total Liabilities	-
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	36,339
Total Net Position	\$ 36,339

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

City Court of Leesville

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	<u>Custodial Funds</u>
<u>Additions</u>	
Fines and Court Cost	\$ 357,535
Probation Fees	107,256
Civil Fees	52,932
Total Additions	517,723
<u>Deductions</u>	
Distributions to Recipients of Traffic Receipts	450,037
Distributions to Recipients of Civil Fees	52,572
Administrative Expenses	10,348
Refunds	-
Other	284
Total Deductions	513,241
Net Increase (Decrease) in Fiduciary Net Position	4,482
Net Position - Beginning	31,857
Net Position - Ending	\$ 36,339

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

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Leesville was created by Louisiana Revised Statute 13:2485.1, which grants jurisdiction encompassing the City of Leesville and the remainder of Ward 1 of Vernon Parish. The City Court is governed by a Judge that is elected to a term of six years. Operation of the City Court is funded primarily by court cost and fees assessed from persons participating in the judicial process.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Reporting Entity

The basic criterion for including a potential component unit within the reporting entity is financial accountability. Criteria to be considered in determining financial accountability are described as follows:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the reporting entity to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the City Court is a component of the City of Leesville. The accompanying financial statements present information only on the funds maintained by the City Court and do not present information of the City of Leesville as a whole, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Court's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

The government-wide and fund financial statements present the Court's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Court as a whole. The effect of any interfund activity is eliminated from these

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, and capital contributions.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The Court's major funds are described as follows:

- **General Fund** – This fund is the primary operating fund of the Court is used to account for all resources.

Fiduciary Funds

Fiduciary funds are used to report assets held by the City Court for the benefit of other governments, individuals or organizations. Fiduciary funds utilized by the City Court are described as follows:

- **Traffic** – This fund is used to report the receipt and disbursement of various fines, and court cost collected in connection with citations issued by law enforcement. The fund is also used to account for probation fees collected from defendants that receive citations.
- **Civil** – This fund is used to report receipt and disbursement of court cost assessed in connection with civil litigation.

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, any long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as other financing sources and repayment of long-term debt is reported as an expenditure.

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Use of Estimates

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

Budget Practices

As an independently elected official, the Judge is solely responsible for adopting annual budgets for the general fund. Budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements, but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciated is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. A useful life of five years is typically used.

Cash

Amounts reported as cash and cash equivalents include all cash on hand, cash in bank accounts, and any highly liquid investments.

Fund Balance Classification

Commitment or assignment of fund balances requires approval of the Judge. When expenditures comply with the necessary provisions restricted, committed or assigned amounts are generally consumed rather than utilizing unassigned funds.

NOTE 2 - CASH

Deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2021, deposits were fully secured by FDIC insurance coverage.

NOTE 3 – CAPITAL ASSETS

A summary of the Court's capital assets is provided as follows:

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Capital Assets Being Depreciated:</u>				
Equipment	\$ 120,898	\$ ----	\$ ----	\$ 120,898
Less Accumulated Depreciation	120,617	50	----	120,667
<u>Total Net of Depreciation</u>	<u>\$ 281</u>	<u>\$ (50)</u>	<u>\$ ----</u>	<u>\$ 231</u>

NOTE 4 - RISK MANAGEMENT

The Court is exposed to various risks of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Court insures against these risks by participating in a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 5 – RETIREMENT PLAN

Plan Description – Selected employees of the Court are members of the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by statutes and vary depending on the member's hire date, employer and job classification.

Funding Policy – Contribution rates are established governed by statute based on findings by the System's actuary. In addition, the actuarially determined contribution rates vary based on the type of participating employer. The Court's contributions to the System for the preceding three years were consistent with the required contributions for each of those years.

Financial Summary - The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details the System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained at lasersonline.org.

Net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability (Asset)	\$ 8,270,667,904
City Court's Proportionate Share (Percentage)	0.00055%
City Court's Proportionate Share (Amount)	<u>\$ 45,241</u>

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

The net pension liability presented above was not affected by any special funding situations. Changes in the City Court's proportionate share of net pension liability during the measurement period ending June 30, 2020 are provided as follows:

Beginning Net Pension Liability (Asset)	\$ 58,104
Employer Contributions	(4,672)
Pension Expense	5,829
Changes in Proportion	(17,603)
Change in Deferred Outflows of Resources	3,896
Change in Deferred Inflows of Resources	<u>(313)</u>
Ending Net Pension Liability (Asset)	<u>\$ 45,241</u>

There were no changes between June 30, 2021 and the measurement date that are expected to have a significant effect on the City Court's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total (Net)
Differences Between Expected and Actual Experience	\$ ----	\$ 434	\$ (434)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	6,613	----	6,613
Changes of Assumptions	145	----	145
Changes in Proportion	----	----	----
Employer Contributions Made After the Measurement Date	<u>4,899</u>	<u>----</u>	<u>4,899</u>
Total Deferrals	11,657	434	11,223
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>(4,899)</u>	<u>-----</u>	<u>(4,899)</u>
Deferrals Subject to Amortization	<u>\$ 6,758</u>	<u>\$ 434</u>	<u>\$ 6,324</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2021	\$ 842
June 30, 2022	1,907
June 30, 2023	2,044
June 30, 2024	<u>1,531</u>
Total	<u>\$ 6,324</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Valuation Date	June 30, 2020																		
Actuarial Cost Method	Entry Age Normal																		
Investment Rate of Return	7.75% (Net of Investment Expense)																		
Projected Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase for ranges for specific types of members are: <table><thead><tr><th><u>Member Type</u></th><th><u>Lower Range</u></th><th><u>Upper Range</u></th></tr></thead><tbody><tr><td>Regular</td><td>3.0%</td><td>12.8%</td></tr><tr><td>Judges</td><td>2.6%</td><td>5.1%</td></tr><tr><td>Corrections</td><td>3.6%</td><td>13.8%</td></tr><tr><td>Hazardous Duty</td><td>3.6%</td><td>13.8%</td></tr><tr><td>Wildlife</td><td>3.6%</td><td>13.8%</td></tr></tbody></table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																	
Regular	3.0%	12.8%																	
Judges	2.6%	5.1%																	
Corrections	3.6%	13.8%																	
Hazardous Duty	3.6%	13.8%																	
Wildlife	3.6%	13.8%																	
Expected Remaining Service Lives	2 Years																		
Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the System's members for 2019.																		
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.																		
Mortality	Non-disabled members – The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Inflation Rate	2.3%																		

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 2.3% 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, 2020 are summarized in the following table:

CITY COURT OF LEESVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

<u>Asset Class</u>	<u>Long-term Expected Portfolio 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%
Alternative Investments	6.69%
Risk Parity	4.20%
Total	5.81%

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 to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 6.55% Discount Rate</u>	<u>Current Discount Rate 7.55%</u>	<u>1% Increase 8.55% Discount</u>
Net Pension Liability	\$ 55,594	\$ 45,241	\$ 36,455

City Court of Leesville

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Court Cost and Fees	\$ 205,000	\$ 205,000	\$ 160,983	\$ (44,017)
Interest	-	-	-	-
Total revenues	205,000	205,000	160,983	(44,017)
Expenditures:				
Judicial				
Dues and Seminars	900	900	914	(14)
Miscellaneous	5,300	5,300	-	5,300
Office Supplies and Expense	4,600	4,600	6,301	(1,701)
Payroll Taxes	11,200	11,200	8,532	2,668
Postage	1,550	1,550	1,210	340
Professional Fees	16,500	16,500	-	16,500
Retirement	8,500	8,500	3,142	5,358
Salaries	144,000	144,000	121,963	22,037
Telephone	4,500	4,500	3,246	1,254
Uniforms	1,700	1,700	1,700	-
Capital Expenditures	-	-	-	-
Total expenditures	198,750	198,750	147,008	51,742
Excess (Deficiency) of Revenues				
Over Expenditures	6,250	6,250	13,975	7,725
Fund balance - beginning of year	(25,201)	(25,201)	(25,201)	-
Fund balance - end of year	\$ (18,951)	\$ (18,951)	\$ (11,226)	\$ 7,725

City Court of Leesville

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount			
Louisiana State Employees' Retirement System					
June 30, 2014	0.00101%	62,904	18,099	347.6%	65.0%
June 30, 2015	0.00083%	56,657	20,626	274.7%	62.7%
June 30, 2016	0.00068%	53,005	21,167	250.4%	57.7%
June 30, 2017	0.00109%	76,934	19,462	395.3%	62.5%
June 30, 2018	0.00097%	66,017	23,436	281.7%	64.3%
June 30, 2019	0.00080%	58,104	15,320	379.3%	62.9%
June 30, 2020	0.00055%	45,241	9,474	477.5%	58.0%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

City Court of Leesville

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Louisiana State Employees' Retirement System					
June 30, 2014	8,560	8,560	-	20,626	41.50%
June 30, 2015	8,065	8,072	(7)	21,167	38.13%
June 30, 2016	7,396	7,381	15	19,462	37.93%
June 30, 2017	9,398	9,398	-	23,436	40.10%
June 30, 2018	6,143	6,146	(3)	15,320	40.12%
June 30, 2019	4,592	4,562	30	10,831	42.12%
June 30, 2020	4,017	4,672	(655)	9,473	49.32%

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

City Court of Leesville

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2021

	<u>Traffic</u>	<u>Civil</u>	<u>Total Custodial Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 30,805	\$ 5,534	\$ 36,339
Total Assets	30,805	5,534	36,339
<u>Liabilities</u>			
Due to Other Funds	-	-	-
Total Liabilities	-	-	-
<u>Net Position</u>			
Restricted for Individuals, Organizations, and Other Governments	30,805	5,534	36,339
Total Net Position	\$ 30,805	\$ 5,534	\$ 36,339

City Court of Leesville

Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds June 30, 2021

	<u>Traffic</u>	<u>Civil</u>	<u>Total Custodial Funds</u>
<u>Additions</u>			
Criminal Court			
Fines and Court Cost	\$ 357,535	\$ -	\$ 357,535
Probation Fees	107,256	-	107,256
Civil Fees	-	52,932	52,932
Total Additions	464,791	52,932	517,723
<u>Deductions</u>			
Distributions to Recipients of Traffic Receipts	450,037	-	450,037
Distributions to Recipients of Civil Fees	-	52,572	52,572
Administrative Expenses	9,785	563	10,348
Refunds	-	-	-
Other	284	-	284
Total Deductions	460,106	53,135	513,241
Net Increase (Decrease) in Fiduciary Net Position	4,685	(203)	4,482
Net Position - Beginning	26,120	5,737	31,857
Net Position - Ending	\$ 30,805	\$ 5,534	\$ 36,339

City Court of Leesville

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

	First Six Month Period Ended December 30, 2020	Second Six Month Period Ended June 30, 2021
Beginning Balance of Amounts Collected	\$ 31,857	\$ 73,379
Add: Collections		
Criminal Court Costs/Fees	165,484	299,307
Civil Fees	26,629	26,303
Subtotal Collections	<u>192,113</u>	<u>325,610</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost/Fees		
Vernon Parish Clerk of Court	-	375
Indigent Defender Board	34,837	10,268
City of Leesville	17,722	153,454
City Marshal	11,478	32,483
Louisiana Commission on Law Enforcement	830	1,620
Crime Victims Assistance	462	578
North Louisiana Crime Lab	8,793	29,159
LRS-HSCI	883	2,057
Juvenile Detention Center	234	8,024
DARE	-	394
Judicial Supplemental Fee	843	2,808
Other	1,000	570
Civil Fees		
City Marshal	2,617	3,100
Vernon Parish Clerk of Court	1,851	1,575
Vernon Parish Sheriff	1,225	896
Indigent Defender Board	105	-
Judges Supplemental Fee	1,542	2,637
Less: Amounts Retained by the City Court		
Criminal Court Cost/Fees	46,127	86,607
Civil Fees	15,204	11,647
Less: Disbursements to Individuals /3rd Party Collection		
Adminstrative Fees - Criminal Court Cost/Fees	-	8,500
Adminstrative Fees - Civil Fees	4,838	5,899
Subtotal Disbursements / Retainage	<u>150,591</u>	<u>362,651</u>
Ending Balance of Amounts Collected but not Disbursed	\$ 73,379	\$ 36,339

City Court of Leesville

***Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2021***

	Agency Head Elvin Fontenot (City Judge)	
	<hr/>	
Compensation	\$	10,763
Benefits		-
Reimbursements		-
Travel		-
Other		-



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

March 7, 2022

The Honorable Elvin Fontenot
City Court of Leesville

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, of the City Court of Leesville, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City Court of Leesville's basic financial statements, and have issued our report thereon dated March 7, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2021-002 that we consider to be significant deficiencies.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances



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City Court of Leesville
March 7, 2022

of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-001 and 2021-003.

RESPONSE TO FINDINGS

The City Court's response to the findings identified in our audit is described in the accompanying schedule of management's corrective action plan. The City 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.



Rozier, McKay & Willis
Certified Public Accountants

CITY COURT OF LEESVILLE

SCHEDULE OF FINDINGS

For the Year Ended June 30, 2021

PART I **SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditors' Report on the basic financial statements of the City Court of Leesville as of June 30, 2021 and for the year then ended expressed an unmodified opinion.
- The audit disclosed audit findings which are considered to be significant control deficiencies or material weaknesses, see 2021-002.
- The results of the audit disclosed instances of noncompliance required to be reported in the Schedule of Findings, see 2021-001 and 2021-003.

PART II **FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

2021-001: BUDGET NONCOMPLIANCE

Condition

Revenue budgeted by the General Fund exceed the amount of actual revenue.

Criteria

The variance described above violated provisions of State Law that place limits on unfavorable budget variances.

Cause

The budget was not amended to conform with actual results.

Effect

Non-compliance with State Law.

Recommendation

Revise financial statement presentations to include budget variances in a manner that facilitates identifying unfavorable variances and adopting amendments when variances exceed prescribed limits.

2021-002: ACCOUNTING PRACTICES

Condition

The City Court's accounting system combines activities of its general fund with the activities of its custodial funds.

Criteria

Segregating activities into funds is an important component of governmental accounting that is essential for administering resources in an appropriate manner.

Cause

A single general ledger is used to report activity for the General Fund, the Traffic Fund, and the Civil Fund. As a result, all activity is combined into a single presentation.

CITY COURT OF LEESVILLE

SCHEDULE OF FINDINGS (CONTINUED)

For the Year Ended June 30, 2021

Effect

Combining these activities limits the usefulness of reports by making it difficult to distinguish the activities of particular funds.

Recommendations

We suggest establishing a separate general ledger to account for each fund.

2021-003: FINANCIAL REPORTING

Condition

Audits were not completed within six months of the end of the fiscal year.

Criteria

State Law requires reporting to be complete within six months of year end.

Cause

An auditor was not engaged within a sufficient period of time to allow the work to be completed when due.

Effect

Non-compliance with State Law.

Recommendations

We suggest making arrangements for timely audits in the future.

CITY COURT OF LEESVILLE

MANAGEMENT'S CORRECTIVE ACTION PLAN For the Year Ended June 30, 2021

<u>SECTION I</u> Internal Control and Compliance Material to the Financial Statements.	
<p><u>2021-001: BUDGET NONCOMPLIANCE</u> Revenue budgeted by the General Fund exceed the amount of actual revenue, resulting in noncompliance with State Law. We recommend revising financial statement presentations to include budget variances in a manner that facilitates identifying unfavorable variances and adopting amendments when variances exceed prescribed limits.</p> <p><u>2021-002: ACCOUNTING PRACTICES</u> The City Court's accounting system combines activities of its general fund with the activities of its custodial funds. Combining these activities limits the usefulness of reports by making it difficult to distinguish the activities of particular funds. We suggest establishing a separate general ledger to account for each fund.</p> <p><u>2021-003: FINANCIAL REPORTING</u> Audits were not completed within six months of the end of the fiscal year, resulting in non-compliance with State Law. We suggest making arrangements for timely audits in the future.</p>	<p><u>2021-001: RESPONSE</u> We will attempt to implement a better process for monitoring budgets to facilitate avoiding unfavorable variances.</p> <p><u>2021-002: RESPONSE</u> We will request that the vendor providing accounting services provide a separate general ledger for each fund.</p> <p><u>2021-003: FINANCIAL REPORTING</u> We intend to accelerate the engagement of our auditor to facilitate timely completion of the work.</p>
<u>SECTION II</u> Internal Control and Compliance Material to Federal Awards	
No findings of this nature were reported	Response – N/A
<u>SECTION III</u> Management Letter	
No management letter was issued with this report.	Response – N/A

CITY COURT OF LEESVILLE

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2021

Previous Finding	Current Status
<p><u>2020-001: BUDGET NONCOMPLIANCE</u> Actual revenue was less than budgeted and actual expenditures exceeded budget appropriations. The unfavorable variances resulted in non-compliance with State Law</p>	<p><u>2020-001: UNRESOLVED</u> See 2020-001 for further details</p>
<p><u>2020-002: DELINQUENT PAYROLL TAXES</u> Penalties and interest were assessed for late payment of payroll taxes.</p>	<p><u>2020-002: RESOLVED</u> At year end payroll taxes were determined to filed and paid in a timely manner.</p>