

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA**

FINANCIAL REPORT

DECEMBER 31, 2020

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
FINANCIAL STATEMENTS
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DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of the City Court of Plaquemine (a component unit of City of Plaquemine, LA), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City Court of Plaquemine's basic financial statements as listed in the table of contents.

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 opinion.

Opinions

In our 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 of Plaquemine (a component unit of City of Plaquemine, LA), as of December 31, 2020, 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.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedule of City Court of Plaquemine's proportionate share of the net pension liability, and schedule of City Court of Plaquemine's contributions on pages 3-7 and 42-47, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Plaquemine's basic financial statements. The combining nonmajor special revenue fund financial statements, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, the schedule of compensation, benefits, and other payments to agency head, and justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor special revenue fund financial statements, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, the schedule of compensation, benefits, and other payments to agency head, and justice system funding schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 our opinion, the combining nonmajor special revenue fund financial statements, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, the schedule of compensation, benefits, and other payments to agency head, and justice system funding schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021, on our consideration of the City Court of Plaquemine's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court of Plaquemine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Plaquemine's internal control over financial reporting and compliance.

Baxley & Associates, LLC

Plaquemine, Louisiana
June 10, 2021

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

As management of the City Court of Plaquemine, we are pleased to provide an overview of our financial activities for the year ended December 31, 2020. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, and adherence to budget. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

FINANCIAL HIGHLIGHTS

- City Court's net position increased by \$33,268 from (\$46,972) in 2019 to (\$13,704) in 2020.
- City Court's revenues increased by \$59,486 from \$500,531 in 2019 to \$560,017 in 2020.
- City Court's expenses increased by \$33,041 from \$493,708 in 2019 to \$526,749 in 2020.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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

The government-wide financial statements are presented along with the fund financial statements on pages 9 and 10 of this report.

Fund Financial Statements

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

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

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

The basic governmental fund financial statements are presented on pages 11 and 12 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 16 of this report.

Other Required Supplementary Information

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the City Court of Plaquemine's budgetary control, on pages 42-45. Schedules of the City Court's Proportionate Share of the Net Pension Liability and City Court's Contributions can be found on page 46-47.

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

FINANCIAL ANALYSIS OF CITY COURT OF PLAQUEMINE AS A WHOLE

The City Court of Plaquemine's net position at fiscal year-end is (\$13,704). The table that follows provides a summary of the City Court of Plaquemine's net position:

Summary of Net Position		
	Governmental Activities	
	2020	2019
Assets:		
Current assets	\$ 98,676	\$ 65,632
Capital assets, net of accumulated depreciation	-	-
Total Assets	<u>98,676</u>	<u>65,632</u>
Deferred outflows of resources - pension	<u>53,337</u>	<u>65,791</u>
Liabilities:		
Current liabilities	-	-
Long-term liabilities	<u>96,519</u>	<u>145,768</u>
Total Liabilities	<u>96,519</u>	<u>145,768</u>
Deferred inflows of resources - pension	<u>69,198</u>	<u>32,627</u>
Net position:		
Unrestricted	<u>(13,704)</u>	<u>(46,972)</u>
Total Net Position	<u><u>\$ (13,704)</u></u>	<u><u>\$ (46,972)</u></u>

Current assets increased by \$33,044. The agency funds are not included on the Statement of Net Position.

The City Court of Plaquemine reported a negative balance in net position for its governmental activities. Net position at December 31, 2020 increased from net position at December 31, 2019 by \$33,268.

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

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

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

	Changes in Net Position	
	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Court fees, fines, and costs	\$ 1,090	\$ 810
General revenues:		
Intergovernmental	498,663	451,437
Miscellaneous	60,223	48,249
Investment earnings	41	35
Transfers	-	-
Total Revenues	560,017	500,531
Expenses:		
Program expenses:		
General government - City Court	526,749	493,708
Total Expenses	526,749	493,708
Change in Net Position	33,268	6,823
Beginning net position	(46,972)	(53,795)
Ending net position	<u>\$ (13,704)</u>	<u>\$ (46,972)</u>

The revenues of the City Court of Plaquemine reflect the actual revenues as opposed to anticipated revenues. Each year's budget is based on city and parish funding and not on an accrual basis. The court's revenues consist of fees, fines, state and federal grants, and the balance being supported by the city and parish subsidiaries. Revenues increased by 12% from 2019 to 2020.

The expenditures consist of court administration, personnel salaries and benefits, operating services, communication, maintenance of equipment, continuing education, travel, and court materials. Expenditures increased by 7% from 2019 to 2020.

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

BUDGETARY HIGHLIGHTS

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

In the General fund, actual revenues exceeded budgeted revenues by \$188,585 and actual expenditures exceeded budgeted expenditures by \$146,551. In the Marshal's fund, actual revenues exceeded budgeted revenues by \$27,589 and actual expenditures exceeded budgeted expenditures by \$46,181. In the Probation fund, budgeted revenues exceeded actual revenues by \$63,542 and actual expenditures exceeded budgeted expenditures by \$86,531.

CAPITAL ASSETS

The City Court of Plaquemine's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2020 was \$0. The net decrease in net investment in capital assets from 2019 to 2020 was \$0. No additions or deletions were made in 2020.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 80,550
Intergovernmental receivables	15,000
Accounts receivable	1,926
Prepaid expense	1,200
TOTAL ASSETS	\$ 98,676
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	\$ 53,337
LIABILITIES AND NET POSITION	
Liabilities	
Net pension liability	96,519
Total Liabilities	96,519
DEFERRED INFLOWS OF RESOURCES	
Pension related	69,198
NET POSITION	
Unrestricted	(13,704)
TOTAL NET POSITION	\$ (13,704)

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2020

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues from Activities
Governmental Activities:				
City Court	\$ 526,749	\$ 1,090	\$ -	\$ (525,659)
Total Governmental Activities	<u>\$ 526,749</u>	<u>\$ 1,090</u>	<u>\$ -</u>	<u>\$ (525,659)</u>
General Revenues:				
Intergovernmental revenue				498,663
Investment earnings				41
Other general revenues				<u>60,223</u>
Total General Revenues				<u>558,927</u>
Change in Net Position				\$ 33,268
Net Position at Beginning of the Year				<u>(46,972)</u>
Net Position at End of the Year				<u>\$ (13,704)</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 36,454	\$ 22,948	\$ 7,385	\$ 13,763	\$ 80,550
Account receivable	-	1,781	-	145	1,926
Intergovernmental receivables	10,000	5,000	-	-	15,000
Prepaid expense	-	-	-	1,200	1,200
Interfund receivables	9,595	-	1,100	1,320	12,015
TOTAL ASSETS	\$ 56,049	\$ 29,729	\$ 8,485	\$ 16,428	\$ 110,691
LIABILITIES AND FUND BALANCES					
Liabilities					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	1,920	37	9,558	500	12,015
Total Liabilities	1,920	37	9,558	500	12,015
Fund Balance					
Nonspendable	-	-	-	1,200	1,200
Restricted	-	29,692	(1,073)	-	28,619
Unassigned	54,129	-	-	14,728	68,857
Total Fund Balance	54,129	29,692	(1,073)	15,928	98,676
TOTAL LIABILITIES AND FUND BALANCE	\$ 56,049	\$ 29,729	\$ 8,485	\$ 16,428	

Amounts reported for governmental activities in the statement of net position are different because:

Net pension liability	(96,519)
Deferred inflows of resources	(69,198)
Deferred outflows of resources	53,337
Net position of governmental activities	\$ (13,704)

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Totals 2020
REVENUES					
Court fees, fines and costs	\$ -	\$ 1,090	\$ -	\$ -	\$ 1,090
Intergovernmental	276,489	119,860	86,542	15,772	498,663
Interest	41	-	-	-	41
Miscellaneous revenue	835	1,439	-	-	2,274
TOTAL REVENUES	277,365	122,389	86,542	15,772	502,068
EXPENDITURES					
Auto and travel	-	15,292	-	-	15,292
Drug testing	-	-	1,309	-	1,309
Dues and seminars	730	1,710	-	386	2,826
Office supplies and expense	892	3,159	-	541	4,592
Professional fees	11,000	-	22,000	-	33,000
Personnel services and related benefits	211,448	105,610	86,542	54,116	457,716
Domestic Violence Grant expense	-	-	-	-	-
Repairs and maintenance	2,585	-	-	-	2,585
Telephone	3,082	-	-	388	3,470
Miscellaneous	3,284	2,810	-	89	6,183
TOTAL EXPENDITURES	233,021	128,581	109,851	55,520	526,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	44,344	(6,192)	(23,309)	(39,748)	(24,905)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	23,848	20,146	24,388	44,040	112,422
Operating transfers out	(54,473)	-	-	-	(54,473)
TOTAL OTHER FINANCING SOURCES (USES)	(30,625)	20,146	24,388	44,040	57,949
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	13,719	13,954	1,079	4,292	33,044
FUND BALANCE (DEFICIT), Beginning	40,410	15,738	(2,152)	11,636	65,632
FUND BALANCE (DEFICIT), Ending	\$ 54,129	\$ 29,692	\$ (1,073)	\$ 15,928	\$ 98,676

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2020

Amounts reported for governmental activities are different because:

Net Change in fund balances - total governmental funds (page 12)	\$ 33,044
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.	
Non-employer contributions to cost-sharing pension plan	-
Pension expense	<u>224</u>
Change in net position of governmental activities (page 10)	<u>\$ 33,268</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 77,123
TOTAL ASSETS	<u>77,123</u>
NET POSITION	
Restricted for individuals and other governments	77,123
TOTAL NET POSITION	<u><u>\$ 77,123</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial Funds</u>
ADDITIONS:	
Contributions:	
Individuals for garnishments	\$ 205,821
Fines and fees collected for other agencies	128,121
Total Additions	<u>333,942</u>
DEDUCTIONS:	
Payments to City of Plaquemine	10,558
Payments to other governments	162,904
Payments to individuals	171,870
TOTAL EXPENDITURES	<u>345,332</u>
CHANGE IN NET POSITION	<u>(11,390)</u>
Net Position - Beginning of year	<u>88,513</u>
Net Position - End of year	<u><u>\$ 77,123</u></u>

The accompanying notes are an integral part of this statement.

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Financial Reporting Entity

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

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

Fund Accounting

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

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

A. Governmental Funds

1. General Fund

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

2. Special Revenue Funds

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

B. Fiduciary Funds

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

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

Government-Wide and Fund Financial Statements

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

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

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

Major Fund – General

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

Major Special Revenue Funds

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

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

Non Major Special Revenue Funds

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

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

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

Non Major - Fiduciary Funds-Custodial

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

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

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Accounting

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

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

A. Revenues

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

B. Expenditures

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

C. Other Financing Sources (Uses)

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

Basis of Presentation

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

Assets, Liabilities, and Net Position or Equity

A. Cash and Cash Equivalents

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

B. Receivables and Payables

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

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

C. Capital Assets

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

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

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

D. Deferred Outflows/Inflows of Resources

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

E. Interest Cost

Interest costs are not capitalized.

F. Net Position / Fund Balances

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

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

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

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

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

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

Unassigned – All other spendable amounts.

As of December 31, 2020, \$68,857 of the total fund balance was unassigned. Restricted funds are used first as appropriate. Total restricted fund balance was \$28,619. Nonspendable funds, \$1,200, are reduced to the extent that expenditure authority has been budgeted by the Court or the assignment has been changed by the Court. Decreases in fund balance first reduce Unassigned fund balance; in the event that Unassigned becomes zero, then Assigned and Committed fund balances are used in that order.

Budget and Budgetary Accounting

The proposed budget for the year ended December 31, 2020 was prepared and is available at the City Court's office for public inspection. The budget is legally adopted and amended, as necessary, by the City Court Judge. All appropriations lapse at year-end.

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

CITY COURT OF PLAQUEMINE NOTES TO FINANCIAL STATEMENTS

NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates

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

Operating Transfers

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

Pension Plans

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

New Accounting Pronouncement

GASB Statement 84, Fiduciary Activities: This standard will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The standard is effective for annual reporting periods ending December 31, 2020. The City Court adopted the requirements of this standard for the year ended December 31, 2020.

NOTE B – COURT OPERATIONS

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

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

NOTE B – COURT OPERATIONS, continued

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

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

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

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

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

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

NOTE C – CHANGES IN CAPITAL ASSETS

The following is a summary of capital assets as of December 31, 2020:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Furniture and fixtures	\$ 142,903	\$ -	\$ -	\$ 142,903
	<u>\$ 142,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,903</u>

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

NOTE C – CHANGES IN CAPITAL ASSETS, continued

	Accumulated Depreciation Balance 12/31/2019	Additions	Deletions	Accumulated Depreciation Balance 12/31/2020	Capital Assets Net of Accumulated Depreciation
Furniture and fixtures	\$ 142,903	\$ -	\$ -	\$ 142,903	\$ -
	<u>\$ 142,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,903</u>	<u>\$ -</u>

NOTE D – INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS

	Interfund Receivables	Interfund Payables
General Fund:		
Court Expense Fund	\$ 9,595	\$ 1,920
Major Special Revenue Fund:		
Marshal's Fund	-	37
Probation	1,100	9,558
Non-Major Special Revenue Fund:		
Public Defender	1,320	500
	<u>\$ 12,015</u>	<u>\$ 12,015</u>
Interfund Transfers	Transfer In	Transfer Out
Major Governmental Funds:		
General	\$ 23,848	\$ 54,473
Marshal	20,146	-
Probation	24,388	-
Non Major Special Revenue Fund		
Pre Trial Diversion	27,173	-
Public Defender	15,037	-
Prosecution	1,830	-
Custodial Funds	-	57,949
	<u>\$ 112,422</u>	<u>\$ 112,422</u>

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

NOTE E – DEPOSITS AND CASH EQUIVALENTS

At year end, the City Court of Plaquemine's carrying amount of deposits was \$157,673 and the bank balance was \$223,789. The entire bank balance was covered by federal depository insurance.

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

NOTE E – DEPOSITS AND CASH EQUIVALENTS, continued

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

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

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties.

Even though the pledged securities are considered collateralized (Category 1) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE F – RELATED PARTY TRANSACTIONS

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

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

NOTE G – RISK MANAGEMENT

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

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

NOTE H – INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended December 31, 2020 consisted of the following:

<u>General Fund</u>	<u>2020</u>
General support:	
Iberville Parish Council	\$ 67,980
City of Plaquemine	10,000
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	22,755
City of Plaquemine	<u>175,754</u>
Total General Fund	<u><u>\$ 276,489</u></u>
 <u>Special Revenue Funds</u>	
<u>Marshal's Fund</u>	<u>2020</u>
General support:	
Iberville Parish Council	\$ 30,360
City of Plaquemine	38,400
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	20,355
City of Plaquemine	<u>30,745</u>
Total Marshal's Fund	<u><u>\$ 119,860</u></u>
 <u>Probation Fund</u>	
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	\$ 22,642
City of Plaquemine	<u>63,900</u>
Total Probation Fund	<u><u>\$ 86,542</u></u>
 <u>Public Defender Fund</u>	
On-behalf payments of salaries and benefits:	
City of Plaquemine	<u>\$ 15,772</u>
Total Public Defender Fund	<u><u>\$ 15,772</u></u>
 Total All Funds	<u><u>\$ 498,663</u></u>

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

NOTE I – PENSION PLAN

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

Louisiana State Employee's Retirement System (LASERS)

The City Court's Judge is provided with pensions through a multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org. The following is a description of the plan and its benefits and is provided for general information only.

Retirement Benefits:

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing ten years of creditable service depending on the plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basis annual retirement annual retirement benefit for members equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to basic retirement benefits, a member may elect to receive their retirement benefits throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

NOTE I – PENSION PLAN, continued

Act 992 on the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will received a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan. Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

Deferred Retirement Benefits:

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

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

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

NOTE I – PENSION PLAN, continued

DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits:

Active members of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor Benefits:

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost of Living Adjustments:

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

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

NOTE I – PENSION PLAN, continued

Employer Contributions:

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2020 are as follows:

Plan	Plan Status	Employer Contribution Rate
Appellate Law Clerks	Closed	40.7%
Appellate Law Clerks hired on or after 7/1/06	Open	40.7%
Alcohol Tobacco Control	Closed	33.9%
Bridge Police	Closed	39.8%
Bridge Police hired on or after 7/1/06	Closed	39.8%
Corrections Primary	Closed	36.9%
Corrections Secondary	Closed	40.7%
Harbor Police	Closed	7.7%
Hazardous Duty	Open	41.7%
Judges hired before 1/1/2011	Closed	42.4%
Judges hired after 12/31/2010	Closed	42.0%
Judges hired on or after 7/1/05	Open	42.0%
Legislators	Closed	40.4%
Optional Retirement Plan (ORP) before 7/1/06	Closed	40.7%
Optional Retirement Plan (ORP) after 7/1/06	Closed	40.7%
Peace Officers	Closed	39.4%
Regular Employees hired before 7/1/06	Closed	40.7%
Regular Employees hired after 7/1/06	Closed	40.7%
Regular Employees hired on or after 1/1/11	Closed	40.7%
Regular Employees hired on or after 7/1/15	Opeb	40.7%
Special Legislative Employees	Closed	42.4%
Wildlife Agents	Closed	49.7%
Aggregate Rate		40.8%

The City Court's contractually required composite contribution rate for the year ended December 31, 2020 was 42.4% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City Court for the years ended December 31, 2020, 2019, and 2018, were \$7,174 \$17,061, and \$17,213, respectively.

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

At December 31, 2020, the City Court reported a liability of \$96,519 for its proportionate share of the net pension liability for LASERS. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by

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

NOTE I – PENSION PLAN, continued

an actuarial valuation of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City Court's proportion for LASERS was 0.00117%, which was a decrease of 0.00084% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the City Court recognized pension expense of \$12,437 for LASERS less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$5,489).

At December 31, 2020, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions for LASERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (925)
Changes of assumptions	309	-
Net difference between projected and actual earnings on pension plan investments	14,109	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	31,745	(68,273)
Employer contributions subsequent to the measurement date	7,174	-
Total	<u>\$ 53,337</u>	<u>\$ (69,198)</u>

The City Court reported a total of \$7,174 as 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 for the year ended December 31, 2021.

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

<u>Year</u>	
2021	\$ (17,649)
2022	(13,011)
2023	4,360
2024	3,265
	<u>\$ (23,035)</u>

CITY COURT OF PLAQUEMINE NOTES TO FINANCIAL STATEMENTS

NOTE I – PENSION PLAN, continued

Actuarial Assumptions:

A summary of actuarial methods and assumptions used in determining the total net pension liability for LASERS as of June 30, 2020 is as follows:

Valuation Date	June 30, 2020																					
Actuarial Cost Method	Entry Age Normal																					
Actuarial Assumptions:																						
Inflation Rate	2.3% per annum																					
Expected Remaining Service Lives	2 years																					
Investment Rate of Return	7.55% per annum, net of investment expenses*																					
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.																					
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.																					
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:																					
	<table><tr><td></td><td>Lower</td><td>Upper</td></tr><tr><td><u>Member Type</u></td><td><u>Range</u></td><td><u>Range</u></td></tr><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></table>		Lower	Upper	<u>Member Type</u>	<u>Range</u>	<u>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%
	Lower	Upper																				
<u>Member Type</u>	<u>Range</u>	<u>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.																					

*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-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return

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

NOTE I – PENSION PLAN, continued

by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020. Best estimates of geometric real rates of return for each major asset class included in LASERS target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount Rate:

The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease 6.55%	Current Discount Rate 7.55%	1.0% Increase 8.55%
Net Pension Liability	\$ 118,606	\$ 96,519	\$ 77,775

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

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

Plan Description:

The City Marshal and other eligible court employees participate in the MERS, a multiple-employer, cost-sharing pension plan administered by a separate board of trustees. The Marshal receives compensation from the City Court Civil Fund on which retirement contributions are based. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provided retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. MERS has issued a stand-alone audit report on their financial statements for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.la.gov, or by contacting the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809.

Retirement Benefits:

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

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

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

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

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

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

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

Survivor Benefits:

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

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

DROP Benefits:

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

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

Disability Benefits:

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

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

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

percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

Cost of Living Increases:

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

Deferred Benefits:

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

Employer Contributions:

Contributions for all plan members are established by statute. Member contributions are at 9.50% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating municipality. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 27.75% for Plan A.

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

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

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

Plan members are required by state statute to contribute 9.50 percent of their annual covered salary to the System, and the City Court is required to make contributions at an actuarially determined rate. The rate paid by the City during the past fiscal period was 27.75% from January 1, 2020 through June 30, 2020 and 29.50% from July 1, 2020 through December 31, 2020 of annual covered payroll. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Court's contributions to MERS for the years ended December 31, 2020, 2019, and 2018, were \$4,523, \$9,684, and \$5,990, and respectively.

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

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

In accordance with GASB Statement 24, on-behalf payments made by the City of Plaquemine, the Iberville Parish Council, and the State of Louisiana are recognized as revenues and expenditures in these financial statements. The on-behalf payments are shown as intergovernmental revenue in these financial statements. The details of the amount recognized as revenue are disclosed in Note H. A summary for the year ending December 31, 2020 is as follows:

	<u>2020</u>
General Fund	\$ 198,509
Marshal's Fund	51,100
Probation Fund	86,542
Public Defender Fund	<u>15,772</u>
Total	<u><u>\$ 351,923</u></u>

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

NOTE L – PUBLIC DEFENDER REVENUES AND EXPENDITURES

For the year ended December 31, 2020, the major sources of governmental fund revenues and expenditures for the Public Defender were as follows:

Local government		
On behalf payments		\$ 15,772
Miscellaneous - Transfer in from other funds		<u>15,037</u>
Total Revenues		<u>\$ 30,809</u>
Personnel Services & Benefits		
Salaries	\$ 14,400	
Miscellaneous	68	
On behalf payments - insurance	<u>15,772</u>	
Total Expenditures		<u>\$ 30,240</u>

NOTE M – DEFICIT FUND BALANCES

The Probation Special Revenue Fund had a deficit fund balance at December 31, 2020 of \$1,073. This deficit will be financed through future revenues of the fund.

NOTE N – DEFICIT IN NET POSITION

The City Court has a deficit in net position of \$13,704 caused by the net pension liability of \$96,519.

NOTE O – RESTATEMENT DUE TO CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2020, City Court implemented GASB Statement No. 84, Fiduciary Activities. The court has a prior period adjustment of \$88,513 which was required for restating the prior period balance of fiduciary net position.

	<u>Custodial Funds</u>
Net position, January 1, 2020, as previously reported	\$ -
Change in Accounting Principle	<u>88,513</u>
Net Position, January 1, 2020 as restated	<u>\$ 88,513</u>

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

NOTE P – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED

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

NOTE Q – SUBSEQUENT EVENTS

The City Court has evaluated subsequent events through the date that the financial statements were available to be issued, June 10, 2021. No events occurring after this date have been evaluated for inclusion in these financial statements.

As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The City Court is closely monitoring its financial statements for 2020 impacts.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

DECEMBER 31, 2020				
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental	\$ 88,680	\$ 88,680	\$ 276,489	\$ 187,809
Miscellaneous	-	-	835	835
Interest	100	100	41	(59)
TOTAL REVENUES	88,780	88,780	277,365	188,585
EXPENDITURES				
Dues and subscriptions	4,020	4,020	730	3,290
Office supplies and expense	2,450	2,450	892	1,558
Professional fees	-	-	11,000	(11,000)
Personnel services and related benefits	77,000	77,000	211,448	(134,448)
Domestic Violence Grant expense	-	-	-	-
Repairs and maintenance	-	-	2,585	(2,585)
Telephone	3,000	3,000	3,082	(82)
Miscellaneous	-	-	3,284	(3,284)
TOTAL EXPENDITURES	86,470	86,470	233,021	(146,551)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,310	2,310	44,344	42,034
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	23,848	23,848
Operating transfers out	-	-	(54,473)	(54,473)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(30,625)	(30,625)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	2,310	2,310	13,719	11,409
FUND BALANCES - BEGINNING	40,410	40,410	40,410	-
FUND BALANCES - ENDING	\$ 42,720	\$ 42,720	\$ 54,129	\$ 11,409

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 MARSHAL'S FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

DECEMBER 31, 2020				
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Court fees, fines and costs	\$ 2,000	\$ 2,000	\$ 1,090	\$ (910)
Intergovernmental	92,800	92,800	119,860	27,060
Miscellaneous	-	-	1,439	1,439
TOTAL REVENUES	94,800	94,800	122,389	27,589
EXPENDITURES				
Auto and travel	14,400	14,400	15,292	(892)
Dues and subscriptions	8,000	8,000	1,710	6,290
Office supplies and expense	1,000	1,000	3,159	(2,159)
Personnel services and related benefits	59,000	59,000	105,610	(46,610)
Telephone	-	-	-	-
Miscellaneous	-	-	2,810	(2,810)
TOTAL EXPENDITURES	82,400	82,400	128,581	(46,181)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,400	12,400	(6,192)	(18,592)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	20,146	20,146
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	20,146	20,146
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	12,400	12,400	13,954	1,554
FUND BALANCES - BEGINNING	15,738	15,738	15,738	-
FUND BALANCES - ENDING	\$ 28,138	\$ 28,138	\$ 29,692	\$ 1,554

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 PROBATION FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

DECEMBER 31, 2020				
	Original Budget	Final Budget	Actual	Variance
REVENUES				
Court fees, fines and costs	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Intergovernmental	22,000	22,000	86,542	64,542
Miscellaneous	-	-	-	-
TOTAL REVENUES	23,000	23,000	86,542	63,542
EXPENDITURES				
Auto and travel	-	-	-	-
Bank charges	-	-	-	-
Drug testing	-	-	1,309	(1,309)
Professional fees	1,320	1,320	22,000	(20,680)
Personnel services and related benefits	22,000	22,000	86,542	(64,542)
Miscellaneous	-	-	-	-
TOTAL EXPENDITURES	23,320	23,320	109,851	(86,531)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(320)	(320)	(23,309)	(22,989)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	24,388	24,388
TOTAL OTHER FINANCING SOURCES (USES)	-	-	24,388	24,388
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(320)	(320)	1,079	1,399
FUND BALANCES - BEGINNING			(2,152)	(2,152)
FUND BALANCES - ENDING	\$ (320)	\$ (320)	\$ (1,073)	\$ (753)

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 SCHEDULE OF CITY COURT OF PLAQUEMINE'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 SCHEDULE OF CITY OF PLAQUEMINE, LOUISIANA'S CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2020

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

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

OTHER SUPPLEMENTARY INFORMATION

NON MAJOR SPECIAL REVENUE FUNDS

Pre-Trial Diversion Fund

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

Public Defender Fund

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

City Prosecutor Fund

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

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 NON MAJOR SPECIAL REVENUE FUNDS
 BALANCE SHEET
 DECEMBER 31, 2020

	Pre-Trial Diversion Fund	Public Defender Fund	Prosecutor Fund	Total
ASSETS				
Cash	\$ 10,539	\$ 1,505	\$ 1,719	\$ 13,763
Account receivable	-	-	145	145
Prepaid expense	-	1,200	-	1,200
Interfund receivables	-	1,320	-	1,320
TOTAL ASSETS	\$ 10,539	\$ 4,025	\$ 1,864	\$ 16,428
LIABILITIES AND FUND BALANCES				
Interfund payables	\$ -	\$ 500	\$ -	\$ 500
Fund balances	10,539	3,525	1,864	15,928
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,539	\$ 4,025	\$ 1,864	\$ 16,428

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 NON MAJOR SPECIAL REVENUE FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Pre-Trial Diversion Fund	Public Defender Fund	Prosecutor Fund	Total
REVENUES				
Intergovernmental revenues	\$ -	\$ 15,772	\$ -	\$ 15,772
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	15,772	-	15,772
EXPENDITURES				
Dues	-	-	-	-
Domestic Violence grant	-	-	-	-
Drug Testing	-	-	-	-
Professional fees	-	-	-	-
Personnel services and related benefits	23,944	30,172	-	54,116
Training	-	-	385	385
Office supplies and expense	-	68	474	542
Telephone	-	-	389	389
Miscellaneous	88	-	-	88
TOTAL EXPENDITURES	24,032	30,240	1,248	55,520
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,032)	(14,468)	(1,248)	(39,748)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	27,173	15,037	1,830	44,040
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	3,141	569	582	4,292
FUND BALANCE, BEGINNING	7,398	2,956	1,282	11,636
FUND BALANCE, ENDING	\$ 10,539	\$ 3,525	\$ 1,864	\$ 15,928

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 DECEMBER 31, 2020

	<u>Civil Fund</u>	<u>Fines, Fees, and Costs Fund</u>	<u>Garnishments Fund</u>	<u>Total Custodial Funds</u>
ASSETS				
Cash	\$ 38,833	\$ 2,057	\$ 36,233	\$ 77,123
TOTAL ASSETS	<u>38,833</u>	<u>2,057</u>	<u>36,233</u>	<u>77,123</u>
NET POSITION				
Restricted for individuals and other governments	38,833	2,057	36,233	77,123
TOTAL NET POSITION	<u>\$ 38,833</u>	<u>\$ 2,057</u>	<u>\$ 36,233</u>	<u>\$ 77,123</u>

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Civil Fund	Fines, Fees, and Costs Fund	Garnishments Fund	Total Custodial Funds
ADDITIONS:				
Contributions:				
Individuals for garnishments	\$ -	\$ -	\$ 205,821	\$ 205,821
Fines and fees collected for other agencies	62,038	66,053	30	128,121
Total Additions	62,038	66,053	205,851	333,942
DEDUCTIONS:				
Payments to City of Plaquemine	-	10,558	-	10,558
Payments to other governments	73,901	54,496	34,507	162,904
Payments to individuals	-	-	171,870	171,870
TOTAL EXPENDITURES	73,901	65,054	206,377	345,332
CHANGE IN NET POSITION	(11,863)	999	(526)	(11,390)
Net Position - Beginning of year	50,696	1,058	36,759	88,513
Net Position - End of year	\$ 38,833	\$ 2,057	\$ 36,233	\$ 77,123

CITY COURT OF PLAQUEMINE
 PLAQUEMINE, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 PAID TO AGENCY HEAD
 DECEMBER 31, 2020

Agency Head Name: MICHAEL DISTEFANO

PURPOSE	AMOUNT
Salary	\$ 95,425
Benefits - insurance	15,147
Benefits- retirement	29,464
Benefits - other	-
Travel	-
Registration fees	160
Conference Travel	-
Conference Housing	-
TOTAL	\$ 140,196

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

	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Receipts From:		
<i>Bond Fees from Plaquemine Police Department</i>	\$ 540	\$ 550
Subtotal Receipts	<u>540</u>	<u>550</u>

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

	First Six Month Period Ended 06/30/20	Second Six Month Period Ended 12/31/20
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ 2,554
Add: Collections		
Civil Fees	140,275	122,975
Criminal Court Costs/Fees	32,809	30,960
Subtotal Collections	173,084	153,935
Less: Disbursements To Governments & Nonprofits:		
<i>Misdemeanor fines to City of Plaquemine</i>	6,154	4,404
<i>La Law Act 562</i>	304	220
<i>LACLE</i>	152	352
<i>LA Judicial College Collections</i>	99	90
<i>LRS5</i>	702	410
<i>Substance Abuse (Iberville Parish)</i>	40	90
<i>Treasurer, State of Louisiana</i>	387	359
<i>Subpoena fees to City of Plaquemine</i>	1,379	1,267
<i>Judges Supplemental Compensation Fund</i>	2,116	2,390
<i>LA Judicial College Collections - Civil</i>	41	45
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	4,462	3,958
Criminal fines/fees	22,603	22,863
Civil Fees	1,090	1,208
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	115,587	90,608
Other Disbursements to Individuals	15,414	15,637
Subtotal Disbursements/Retainage	170,530	143,901
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 2,554	\$ 12,588

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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Hugh F. Baxley, CPA/CGMA – Retired

SCHEDULE 1

The Honorable Judge Michael Distefano
City Court of Plaquemine, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of City Court of Plaquemine, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City Court of Plaquemine's basic financial statements and have issued our report thereon dated June 10, 2021.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2020-1 and 2020-4 to be material weaknesses.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2020-3 and 2020-5 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2020-2.

City Court of Plaquemine's Response to Findings

City Court of Plaquemine's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City Court of Plaquemine's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Baxley & Associates, LLC

Plaquemine, Louisiana
June 10, 2021

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City Court of Plaquemine.
2. There are two material weaknesses and two significant deficiencies relating to the audit of the financial statements reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the City Court of Plaquemine were disclosed during the audit.

B. FINDINGS

2020-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP

Condition:

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

Criteria:

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

Effect:

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

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Recommendation:

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

Management's Response:

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

2020-2 BUDGET

Condition:

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

Criteria:

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

Effect:

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

Recommendation:

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

Management's Response:

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

CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020

2020-3 LONG-TERM OUTSTANDING CHECKS

Condition:

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

Criteria:

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

Effect:

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

Recommendation:

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

Management's Response:

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

2020-4 LACK OF SEGREGATION OF DUTIES

Condition:

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

Criteria:

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

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Effect:

No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction.

Recommendation:

The entity should have a proper segregation of duties.

Management's Response:

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

2020-5 TRAVEL/1099 REPORTING

Condition:

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

Criteria:

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

Effect:

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

Recommendation:

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

Management's Response:

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

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

**2019-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE
WITH GAAP**

Condition:

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

Recommendation:

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

Current Status:

This condition still exists in the current year.

2019-2 BUDGET

Condition:

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

Recommendation:

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

Current Status:

This finding still exists in the current year.

2019-3 LONG-TERM OUTSTANDING CHECKS

Condition:

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

Recommendation:

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

**SCHEDULE 3
(CONTINUED)**

**CITY COURT OF PLAQUEMINE
PLAQUEMINE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Current Status

The finding still exists in the current year.

2019-4 LACK OF SEGREGATION OF DUTIES

Condition:

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

Recommendation:

The entity should have a proper segregation of duties.

Current Status:

The finding still exists in the current year.

2019-5 TRAVEL/1099 REPORTING

Condition:

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

Recommendation:

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

Current Status:

The finding still exists in the current year.