

CITY COURT OF RAYNE, LOUISIANA

Financial Report

Year Ended September 30, 2021

CITY COURT OF RAYNE, LOUISIANA

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THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. BOX 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

INDEPENDENT AUDITOR'S REPORT

The Honorable Luke Beslin
City Judge
City Court of Rayne
Rayne, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Rayne, as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the basic financial statements, the City Court of Rayne has a change in accounting principle. Our opinion is not modified with respect to this matter.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in United States of America require that the budgetary comparison information on page 26, the schedule of employer contributions on page 27 and the schedule of employer's share of net pension liability on page 28 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 the 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 Rayne's basic financial statements. The schedule of expenditures and the schedule of compensation, benefits and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The justice system funding schedule- collecting/dispersing entity on page 30, the schedule of expenditures on page 31 and the schedule of compensation, benefits and other payments to agency head or chief executive officer on page 32 is 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 schedule of expenditures and the schedule of compensation, benefits and other payments to agency head or chief executive officer 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 March 15, 2022, on our consideration of the City Court of Rayne, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the 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 Court's internal control over financial reporting and compliance.

Thibodeaux Accounting Company

Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 15, 2022

Basic Financial Statements

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF NET POSITION
September 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 184,004
Receivables	10,356
Total Current Assets	<u>\$ 194,360</u>
Noncurrent Assets	
Capital assets (net)	<u>\$ 20,191</u>
Total Assets	<u>\$ 214,551</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources, pension related	<u>\$ 2,550</u>
Total Deferred Outflows of Resources	<u>\$ 2,550</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 217,101</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 45,321
Total Current Liabilities	<u>\$ 45,321</u>
Noncurrent Liabilities	
Net Pension Liability	<u>\$ -</u>
Total Liabilities	<u>\$ 45,321</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources, pension related	<u>\$ 129,415</u>
Total Deferred Inflows of Resources	<u>\$ 129,415</u>
NET POSITION	
Net investment in capital assets	\$ 20,191
Unrestricted	<u>22,174</u>
Total Net Position	<u>\$ 42,365</u>
Total Liabilities and Net Position	<u>\$ 217,101</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

<u>Function / Program</u>	<u>Expenses</u>	<u>Program Revenues</u>	Net (Expense) Revenue and Change in Net Position
		Charges for Services, Fines, and Forfeits	2021 Governmental Activities
Governmental activities:			
General government	387,071	\$556,480	\$169,409
General revenues:			
Transfers			8,840
Change in net position			\$ 178,249
Prior period adjustment			\$ (2)
Net position, beginning			(135,882)
Net position, ending			\$ 42,365

The accompanying notes are an integral part of this statement.

Fund Financial Statements

CITY COURT OF RAYNE, LOUISIANA
 GOVERNMENTAL FUND BALANCE SHEET
 September 30, 2021

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 184,004
Receivables	10,356
Total Assets	<u>\$ 194,360</u>
LIABILITIES	
Accounts payable	<u>\$ 45,321</u>
Total Liabilities	<u>\$ 45,321</u>
FUND BALANCE	
Unassigned	<u>\$ 149,039</u>
Total Liabilities and Fund Balances	<u><u>\$ 194,360</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

Fund Balances - Total Governmental Funds		\$ 149,039
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore reported in the funds.</p>		
Building Improvements, net of \$15,077 accumulated depreciation	14,145	
Equipment, net of \$23,997 accumulated depreciation	6,046	
Deferred Outflows	2,550	
Net Pension Liability	-	
Deferred Inflows	(129,415)	
		(106,674)
Net Position of Governmental Activities		\$ 42,365

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE
September 30, 2021

	<u>General Fund</u>
	<u>2021</u>
Revenues:	
Criminal Fees	\$ 495,315
Civil Court Fees	61,165
Miscellaneous	-
Total Revenues	<u>\$ 556,480</u>
Expenditures:	
General Government	
Judicial	\$ 499,344
Capital Outlay	5,128
Total Expenditures	<u>\$ 504,472</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 52,008
Other Sources (Uses) Transfers In	<u>\$ 8,840</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 60,848
Prior Period Adjustment	\$ -
Fund Balance, Beginning of Year	<u>88,191</u>
Fund Balance, End of Year	<u><u>\$ 149,039</u></u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO CHANGE IN NET POSITION FOR THE STATEMENT OF ACTIVITIES

SEPTEMBER 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 60,848

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

Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	5,127	
Depreciation expense for the year then ended	<u>(4,213)</u>	914
Net change in pension liability and deferred inflows/outflows of resources		<u>116,487</u>

Change in Net Position of Governmental Activities \$ 178,249

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 157,131
Accounts receivable	-
Total Assets	<u>\$ 157,131</u>
LIABILITIES	
Accounts payable	<u>\$ 10,356</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>\$ 146,775</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

September 30, 2021

	Custodial Funds
ADDITIONS:	
Fines and court costs	\$ 453,878
Civil suit collections	42,297
Total Assets	<u>\$ 496,175</u>
REDUCTIONS:	
Civil and criminal fees distributed to others	\$ 522,836
Other	<u>\$ 8,840</u>
Total Reductions	<u>\$ 531,676</u>
Net change in fiduciary position	\$ (35,501)
Net position, beginning of year as restated	<u>182,276</u>
Balances, end of year	<u><u>\$ 146,775</u></u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements of the City Court of Rayne, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the guidance set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

Financial Reporting Entity:

The City Court Judge is an independently elected official and is a part of the operations of the City Court system. The City Court of Rayne is fiscally dependent on the City of Rayne for office space and courtrooms. The City of Rayne also has approval authority over the City Court's capital budget. For these reasons, the City Court of Rayne is a component unit of the City of Rayne.

Fund Accounting:

The accounting system of the City Court of Rayne is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on certain activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The funds maintained by the Court consist of the following major categories:

Governmental Funds

Governmental Funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies and the general operating expenses of the court.

General Fund—The general fund derives its revenues from charges made through the criminal court system and the civil court system, and expends these funds for certain operations of the court.

Fiduciary Funds

Fiduciary Funds—Fiduciary funds are used to account for assets held by the Court as an agent for other governments, individuals, or funds. The court maintains two custodial funds:

Trust Fund—The Trust Fund collects on judgments, traffic fines and receives traffic bonds pending final settlement. The Trust Fund makes payments in settlements of suits, and the traffic bonds are either refunded, or paid out as fines and court costs. The court costs are paid to the General Fund and the fine portion is paid to another government agency on traffic fines and forfeited traffic bonds.

Marshall's Trust Fund—This custodial fund accounts for the collection of worthless checks and fines and court costs on State charges. Payments are made to other governmental agencies and for restitution on the worthless checks.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

Basis of Accounting:

The modified accrual basis of accounting is utilized for the General Fund whereby revenues are recognized when they become available and measurable and expenditures when they are incurred. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

Vacation and Sick Leave:

The City Court of Rayne has no vacation or sick leave policies as of September 30, 2021. City Court employees are paid by the City of Rayne.

Equity Classifications:

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

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

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining for classifications: restricted, committed, assigned, and unassigned.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Judge – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Judge removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the Court’s “intent” to be used for specific purposes, but are neither restricted nor committed. The City Court of Rayne and the Judge have the authority to assign amounts to be used for specific

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

Fund balances for the period September 30, 2021 are as follows:

	For year ended September 30, 2021	
	General Fund	Total
Unassigned	149,039	149,039
Total Fund Balances	<u>\$ 149,039</u>	<u>\$ 149,039</u>

Net Position - Government-Wide Statements:

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Court reports three categories of net position as follows:

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, constructions, or improvement of those assets and increase by balances of deferred outflows of resources related to those assets.
2. Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Court's bonds. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consist of all other net position that does not meet the definition of the above two components and is available for general use by the Court.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS September 30, 2021

Note 2. Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) display information about the court as a whole. These statements include all the financial activities of the court. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Note 3. Budgets

The City Court is legally required to prepare a budget. The budget is prepared and adopted prior to the beginning of each fiscal year and amended prior to year end.

Note 4. Cash and Cash Equivalents

Cash consists of funds in non-interest bearing checking accounts and interest bearing passbook accounts. The City Court of Rayne has no cash equivalents such as time deposits and money market accounts.

Note 5. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from these estimates.

Note 6. Deposits with Financial Institutions

The City Court of Rayne's bank balances of deposits with financial institutions amounted to \$331,548 at September 30, 2021. Deposits at one financial institution were fully insured, while deposits at a second financial institution were over the FDIC coverage amount by \$29,711, leaving this amount uninsured.

Note 7. Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. 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.

CITY COURT OF RAYNE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	5-10
Equipment	5-10

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

The City of Rayne maintains and owns the majority of the capital assets utilized by The City Court.

Capital assets and depreciation activities as of and for the year ended September 30, 2021 are as follows:

	<u>2021</u>			
	<u>Balance 9/30/2020</u>	<u>Additions</u>	<u>Retirements</u>	
Governmental activities:				
Capital assets being depreciated				
Building Improvements	\$ 29,225	\$ -	\$ -	\$ 29,225
Equipment	24,913	5,127	-	30,040
Total capital assets being depreciated	<u>\$ 54,138</u>	<u>\$ 5,127</u>	<u>\$ -</u>	<u>\$ 59,265</u>
Less accumulated depreciation for:				
Building Improvements	\$ 12,263	\$ 2,701	\$ -	\$ 14,964
Equipment	22,598	1,512	-	24,110
Total accumulated depreciation	<u>\$ 34,861</u>	<u>\$ 4,213</u>	<u>\$ -</u>	<u>\$ 39,074</u>
Total capital assets	<u><u>\$ 19,277</u></u>	<u><u>\$ 914</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,191</u></u>

Depreciation expense for the year ended September 30, 2021 was charged as follows:

Governmental Activities:	
General government	<u>\$4,213</u>

Note 8. Expenses of City Court of Rayne Not Included in This Report

The City Court's administrative office is located in a building owned by the City of Rayne. The City of Rayne made on-behalf payments for the Court for salaries and fringe benefits and they are recorded as expenditures in the General Fund. The costs of maintaining and operating the building, as required by statute are paid by the City government and are not included in the accompanying financial statements.

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS September 30, 2021

Note 9. Related Party Transactions

At September 30, 2021, there are no related party transactions or related amounts receivable or payable.

Note 10. Litigation

The City Court of Rayne has no threatened or pending litigation against it at September 30, 2021.

Note 11. Retirement Benefits

Plan Description

One employee, the City Court Judge, of the City Court is provided with a pension through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (LA RS 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.

Benefits Provided

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

Retirement

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

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

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit,

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

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 receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

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 classification but generally is ten years of service.

Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching 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

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

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

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, LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Title 11 of the Louisiana Revised Statutes and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to LASERS by participating employers along with the employer portion of the contribution.

The rates in effect during the year ending June 30, 2022 and during the year ended June 30, 2021 related to the City Court were as follows:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2021	Employer Contribution Rate 2022
Judges hired before 1/1/11	Closed	11.5%	42.5%	43.7%

The City Court's contractually required composite contribution rate for the period from October 1, 2020 to June 30, 2021 was 42.5%, and for the period from July 1, 2021 to September 30, 2021 was 43.7%, 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 were \$850 for the year ended September 30, 2021.

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

At September 30, 2021, the City Court reported a liability of \$0 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

calculate the net pension liability was determined by an actuarial valuation as of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City Court's proportion was 0.000000%, which was a decrease of (0.003638%) from its proportion measured as of June 30, 2020.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportion of shared contributions	\$ 2,550	\$ (129,415)
Total	\$ 2,550	\$ (129,415)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions totaling \$126,865 will be recognized in pension expense in the year ending September 30, 2022.

Actuarial Assumptions

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

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years.
Investment Rate of Return	7.40% per annum.
Inflation Rate	2.3% per annum.
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.
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Judges	2.6%	5.1%

CITY COURT OF RAYNE, LOUISIANA

**NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

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 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 by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	1%	-0.29%
Domestic equity	31%	4.09%
International equity	23%	5.12%
Domestic fixed income	3%	0.49%
International fixed income	18%	3.94%
Alternative investments	24%	6.93%
Total	100%	5.81%

Discount Rate

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2021 Comprehensive Annual Financial Report at www.lasersonline.org.

Note 12. Change in Accounting Principle

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

Net position, custodial funds, September 30, 2020	\$ -
Net effect of change in accounting principle	\$ 182,276
Net position, custodial funds, September 30, 2020, as restated	<u>\$ 182,276</u>

CITY COURT OF RAYNE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

Note 13. Uncertainties Arising During and After Financial Statement Date

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

Note 14. Evaluation of Subsequent Events

Subsequent events have been evaluated through March 15, 2022. This date represents the date the financial statements were available to be issued.

Required Supplemental Information

CITY COURT OF RAYNE, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended September 30, 2021

	2021			Variance-- Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Criminal fees	\$ 589,470	\$ 464,071	\$ 495,315	\$ 31,244
Civil court fees	81,139	60,077	61,165	1,088
Miscellaneous	7,104	2,343	-	(2,343)
Total Revenues	<u>\$ 677,713</u>	<u>\$ 526,491</u>	<u>\$ 556,480</u>	<u>\$ 29,989</u>
Expenditures:				
General government--judicial				
Retirement	15,264	3,400	2,550	850
Marshall services	106,190	73,991	73,581	410
Other fees	12,995	10,262	326,133	(315,871)
Compensation	48,950	48,950	15,590	33,360
Clerk fees	33,443	27,920	28,797	(877)
Building and maintenance	11,680	11,327	10,856	471
Convention and meetings	24,342	14,557	12,520	2,037
Recording fees	17,236	13,950	12,972	978
Dues and subscriptions	1,067	1,067	800	267
Office expense	2,157	4,502	3,826	676
Refunds	9,343	6,364	7,141	(777)
Miscellaneous	5,400	3,860	4,578	(718)
Capital Outlay	-	-	5,128	(5,128)
Total Expenditures	<u>\$ 288,067</u>	<u>\$ 220,150</u>	<u>\$ 504,472</u>	<u>\$ (284,322)</u>
Excess Revenues over Expenditures	\$ 389,646	\$ 306,341	\$ 52,008	\$ (254,333)
Other sources (uses):				
Operating transfers in- Fiduciary fund	\$ -	\$ -	\$ 8,840	\$ 8,840
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 389,646	\$ 306,341	\$ 60,848	\$ (245,493)
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year	<u>\$ 88,191</u>	<u>\$ 88,191</u>	<u>\$ 88,191</u>	<u>\$ -</u>
Fund Balance, End of Year	<u>\$ 477,837</u>	<u>\$ 700,873</u>	<u>\$ 149,039</u>	<u>\$ (490,986)</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Employer Contributions
For the year ended September 30, 2021

Fiscal Year ended September 30,	Louisiana State Employees' Retirement System (LASERS)				
	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	Agency's covered payroll	Contributions as a % of Covered Payroll
2021	\$ 850	\$ 850	\$ -	\$ 2,000	42.5%
2020	\$ 17,182	\$ 17,182	\$ -	\$ 40,500	42.4%
2019	\$ 23,203	\$ 23,203	\$ -	\$ 57,000	40.7%
2018	\$ 18,648	\$ 18,648	\$ -	\$ 46,500	40.1%
2017	\$ 15,801	\$ 15,801	\$ -	\$ 41,000	38.5%
2016	\$ 12,942	\$ 12,942	\$ -	\$ 34,000	38.1%
2015	\$ 14,944	\$ 14,944	\$ -	\$ 36,500	40.9%
2014	\$ 18,462	\$ 18,462	\$ -	\$ 50,000	36.9%

* Amounts presented were determined as of the end of the fiscal year (September 30).

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

Notes to Required Supplementary Information

Change of Benefit Terms

For LASERS, Act 37 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years or service, have been retired 15 or more years, receive a monthly benefit of less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.

Changes of benefit terms include a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

Changes of Assumptions

For LASERS, the investment rate of return was decreased from 7.55% to 7.40% for valuation dated June 30, 2021.

The investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30% the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3%-14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

The investment rate or return was decreased from 7.65% to 7.60%, the inflation rate was decreased from 2.75% to 2.50% the average remaining services lives decreased from 3 years to 2 years, and the mortality table for non-disabled members changed to the RP-2014 Healthy Mortality Table for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Employer's Proportionate Share of the Net Pension Liability
For the year ended September 30, 2021

Fiscal Year ended June 30	Louisiana State Employees' Retirement System (LASERS)				
	Agency's Proportion of the Net Pension Liability (Asset)	Agency's Proportionate Share of the Net Pension Liability (Asset)	Agency's Covered Payroll	Agency's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.000000%	\$ -	\$ 12,000	0.0%	72.8%
2020	0.003638%	\$ 300,887	\$ 45,500	661.3%	58.0%
2019	.003142%	\$ 227,635	\$ 54,000	421.5%	62.9%
2018	.002624%	\$ 178,955	\$ 45,000	397.7%	64.3%
2017	0.002383%	\$ 167,735	\$ 39,500	424.6%	62.5%
2016	0.00203%	\$ 159,564	\$ 31,000	514.7%	57.7%
2015	0.00130%	\$ 88,080	\$ 36,500	241.3%	62.7%
2014	0.00133%	\$ 83,414	\$ 51,000	163.6%	65.0%

* Amounts presented were determined as of the measurement date (fiscal year ended June 30)

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

Notes to Required Supplementary Information

Change of Benefit Terms

For LASERS, Act 37 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years or service, have been retired 15 or more years, receive a monthly benefit of less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.

Changes of benefit terms include a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session, and, added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015 by Act 648 of 2014.

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The investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30% the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3%-14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

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The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

The investment rate of return was decreased from 7.75% to 7.70% and the inflation rate was decreased from 3.00% to 2.75% for the valuation dated June 30, 2017.

The accompanying notes are an integral part of this statement.

Other Supplemental Information

CITY COURT OF RAYNE, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE- COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

September 30, 2021

	First Six Month Period Ended 3/31/21	Second Six Month Period Ended 9/30/21
Beginning balance of amounts collected	\$ 173,158	\$ 155,770
Add: Collections-		
Criminal Court Fines	\$ 222,554	\$ 231,324
Restitution	\$ 16,584	\$ 25,713
Less: Disbursements to governments and nonprofits-		
Rayne City Marshal	\$ 995	\$ 1,514
Acadia Parish Sheriff	\$ -	\$ 59
Less: Amounts retained by collection agency		
Rayne City Court	\$ 240,527	\$ 229,104
Less: Disbursements to Individuals/ 3rd party collection agencies-		
Refunds	\$ 15,004	\$ 24,999
Subtotal disbursements/retainage	\$ 256,526	\$ 255,676
Ending balance of amounts collected but not disbursed/retained	<u>\$ 155,770</u>	<u>\$ 157,131</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF EXPENDITURES - GENERAL FUND
September 30, 2021

	<u>General Fund</u>
	<u>2021</u>
Expenditures:	
General government--judicial	
Retirement	\$ 2,550
Marshall services	73,581
Fees	326,133
Compensation	15,590
Clerk fees	28,797
Building and maintenance	10,856
Convention and meetings	12,520
Recording fees	12,972
Dues and subscriptions	800
Office expense	3,826
Refunds	7,141
Miscellaneous	4,578
Total General Government	<u>499,344</u>
Capital Outlay	<u>\$ 5,128</u>
Total Expenditures	<u>\$ 504,472</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF RAYNE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
September 30, 2021

Agency Head Name: James M. Cunningham, III (October 1, 2020- December 31, 2020)

Purpose	Amount
Salary*	\$ 25,567
Benefits-insurance*	-
Benefits-retirement*	8,536
Benefits-other	-
Car allowance	193
Vehicle provided by government	-
Per diem	295
Reimbursements	1,092
Travel	-
Registration fees	350
Conference	603
Continuing professional education fees	-
Dues and subscriptions	-
Unvouchered expenses	-
Special meals	-
Other	-
	<u>\$ 36,636</u>

Agency Head Name: Luke Beslin (January 1, 2021- September 30, 2021)

Purpose	Amount
Salary*	\$ 28,534
Benefits-insurance*	3,270
Benefits-retirement*	12,401
Benefits-other	-
Car allowance	683
Vehicle provided by government	-
Per diem	895
Reimbursements	4,563
Travel	-
Registration fees	1,320
Conference	2,603
Continuing professional education fees	-
Dues and subscriptions	800
Unvouchered expenses	-
Special meals	-
Other	7
	<u>\$ 55,076</u>

*Includes amounts from the Acadia Parish Police Jury and the City of Rayne.

The accompanying notes are an integral part of this statement.

**Compliance, Internal Control
and Other Information**

THIBODEAUX ACCOUNTING COMPANY

A LIMITED LIABILITY COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 34 • 801 THE BOULEVARD, SUITE B • RAYNE, LOUISIANA 70578 • (337) 334-7251 FAX (337) 334-7002

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

The Honorable Luke Beslin
City Judge
City Court of Rayne
Rayne, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Rayne, Louisiana as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City Court of Rayne Louisiana's basic financial statements and have issued our report thereon dated March 15, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and corrective action plan at 2021-1 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Rayne, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and corrective action plan at 2021-2.

City Court of Rayne Louisiana's Response to Findings

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

This report is intended solely for the information and use of management, others in the organization and the Office of the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Therefore, its distribution is not limited.

Thibodeaux Accounting Company
Thibodeaux Accounting Company
A Limited Liability Company

Rayne, Louisiana
March 15, 2022

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings
Year Ended September 30, 2021

PART I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the City Court of Rayne, Louisiana's basic financial statements as of and for the year ended September 30, 2021.

Internal Control - Financial Reporting

There was one significant deficiency in internal control on financial reporting that was disclosed by the audit of the financial statement.

Material Noncompliance – Financial Reporting

The results of our tests disclosed one instance of noncompliance required to be reported under *Government Auditing Standards*.

PART II. FINDING RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2021-1 Finding: Financial Statements Not in Accordance With GAAP

The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Criteria:

The reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Cause of Condition:

The City Court does not have the funds to hire someone or to outsource this function.

Effect of Condition:

The financial statements may not be prepared in accordance with GAAP.

Recommendation:

We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

CITY COURT OF RAYNE, LOUISIANA

Schedule of Findings (Continued)
Year Ended September 30, 2020

2021-2 Finding: Bank balances not fully secured.

The Court failed to have its deposits at one bank fully secured by federal deposit insurance or pledged securities.

Criteria:

Louisiana Revised Statute 39:1225 states that the amount of the security shall at all times be equal to one hundred percent of the amount of collected funds on deposit to the credit of each depositing authority except that portion of the deposits insured by any governmental agency insuring bank deposits which is organized under the laws of the United States.

Cause of Condition:

The Court did not have adequate controls or policies and procedures established to ensure deposits were properly secured as required by LA RS 39:1225.

Effect of Condition:

Failure to fully secure bank balances increase the risk of loss and is a violation of state law.

Recommendation:

The City Court should implement control procedures to ensure deposits are adequately secured at all times as required by LA RS 39:1225.

CITY COURT OF RAYNE, LOUISIANA

Corrective Action Plan
Year Ended September 30, 2021

Response to Findings:

2021-1 City Court has evaluated the cost vs. benefits of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Judge Luke Beslin is the responsible party. There is no estimated date of completion.

2021-2 The Court will monitor bank balances at each institution to ensure that they are in compliance with state statute.

Judge Luke Beslin is the responsible party. The estimated date of completion is September 30, 2022.

CITY COURT OF RAYNE, LOUISIANA

Summary Schedule of Prior Audit Findings
Year Ended September 30, 2021

2020-1 The City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing the financial statements.

Recommendation: We recommend that the City Court outsource this task to ensure the recording of the court's financial transactions in accordance with GAAP.

Status: Unresolved

2020-2 A citation issued by the police department was not recorded in the court system.

Recommendation: The City Court should have policies and procedures in place to ensure that all tickets are accounted for, all state and local ordinances and laws are complied with and dispositions recorded.

Status: Resolved