

CITY COURT OF EAST ST. TAMMANY

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED

DECEMBER 31, 2021



ERICKSEN KRENTEL LLP
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
Slidell, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of East St. Tammany (the City Court) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise of the City Court's basic financial statements as listed in the table of contents.

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, as of December 31, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Court, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 25, 2022

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the *Louisiana Governmental Audit Guide*, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 25, 2022

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, statement of revenues, expenditures, and changes in fund balance - budget to actual - government funds, schedule of proportionate share of the net pension liability, schedule of contributions - retirement plan, and the related notes to the required supplementary information on pages 5 through 9 and 31 through 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of East St. Tammany's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head is presented to comply with the Act 706 of the 2014 Louisiana Legislative Session and is not a required part of the basic financial statements. The accompanying schedules of justice system funding schedules are presented to comply with Act 87 of the 2020 Louisiana Legislative Session and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules of compensation, benefits, and other payments to agency head and schedules of justice system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 25, 2022

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 25, 2022, on our considerations of City Court of East St. Tammany's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 City Court of East St. Tammany's internal control over financial reporting and compliance.

June 25, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

As financial management of City Court of East St. Tammany (the "City Court"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City Court for the fiscal year ending December 31, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets of the City Court exceeded its liabilities by \$1,479,893 at December 31, 2021. Of this amount, \$1,421,371 is the City Court's net investment in capital assets and the remaining \$58,522 in net position is unrestricted. The total net position of the City Court increased by \$101,386 or 7.4%.

The City Court's total revenue was \$1,460,633 in 2021 compared to \$1,209,899 in 2020, which is an increase of \$250,734 or 20%.

Total expenses for the City Court during the year ended December 31, 2021 were \$1,359,247 including depreciation expense and on-behalf payments. These expenses compared to total expenses of \$1,334,251 during the year ended December 31, 2020. This represented an increase of \$24,996 or 1.9%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the City Court's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City Court also includes in this report required additional supplemental information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City Court's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City Court'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 or 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's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City Court as a whole is improving or deteriorating.

The second government-wide statement is the Statement of Activities, which reports how the City Court's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The government-wide financial statements are presented on pages 10 and 11 of this report.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City Court uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City Court's most significant funds rather than the City Court as a whole.

The City Court uses governmental funds and fiduciary funds as follows:

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's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances 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 fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 12 – 15 of this report.

Fiduciary funds are reported in a separate Statement of Fiduciary Net Position. Activities from fiduciary funds are not included in the government-wide financial statements because the City Court cannot use these assets for its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements are presented on pages 16 – 17 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 18 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes the Budgetary Comparison Schedule, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Contributions—Retirement Plan, and the related Notes to the Required Supplementary Information. Required supplementary information can be found on pages 31 - 34 of this report.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

FINANCIAL ANALYSIS

Net position may serve, over time, as a useful indicator of a government's financial position. The following table provides a summary of the City Court's net position:

SUMMARY OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 3,665,265	\$ 3,191,337
Capital assets	<u>1,421,371</u>	<u>1,439,265</u>
Total assets	<u>5,086,636</u>	<u>4,630,602</u>
Deferred outflows of resources	<u>29,579</u>	<u>52,898</u>
Current and other liabilities	3,386,303	2,985,126
Non-current liabilities	<u>206,866</u>	<u>297,053</u>
Total liabilities	<u>3,593,169</u>	<u>3,282,179</u>
Deferred inflows of resources	<u>43,153</u>	<u>22,814</u>
Net position:		
Investment in capital assets	1,421,371	1,439,264
Restricted for special revenue fund	-	-
Unrestricted	<u>58,522</u>	<u>(60,757)</u>
Total net position	<u>\$ 1,479,893</u>	<u>\$ 1,378,507</u>

Total assets increased by \$456,034 (9.8%) primarily due to the change in the value of deferred compensation investments. The increase in deferred outflows are primarily due to the net difference between projected and actual earnings on the pension plan investments in accordance with GASB Statement No. 86. Total liabilities increased by \$310,990 (9.4%) primarily due to increases in deferred compensation due to employees.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

FINANCIAL ANALYSIS (CONTINUED)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>Revenues:</u>		
<u>Program:</u>		
Fees, fines, and charges for services	\$ 955,966	\$ 804,713
Grants	4,749	-
<u>General:</u>		
On-behalf payments	200,900	185,487
Intergovernmental	71,000	9,000
Interest income	2,988	8,555
Other	<u>225,030</u>	<u>202,146</u>
Total revenues	<u>1,460,633</u>	<u>1,209,901</u>
<u>Expenses:</u>		
<u>Program:</u>		
City Court	<u>1,359,247</u>	<u>1,334,251</u>
Change in net position	101,386	(124,350)
Net position, beginning of year	<u>1,378,507</u>	<u>1,502,857</u>
Net position, end of year	<u>\$ 1,479,893</u>	<u>\$ 1,378,507</u>

BUDGETARY HIGHLIGHTS

The original budget adopted by the City Court was amended during the fiscal year. The City Court does not budget on-behalf payments and related revenues for the salaries and related benefits of the City Court's staff which are paid directly by other governmental agencies.

CAPITAL ASSETS

The City Court's investment in capital assets, net of accumulated depreciation, amounts to \$1,421,371 as of December 31, 2021. Capital assets include equipment, furniture and fixtures, land, and leasehold improvements. During 2021, the City Court had asset additions of \$49,349 which primarily consisted of preparation for case management software conversion.

ECONOMIC FACTORS AND A LOOK AT NEXT YEAR

The City Court is benefitting from increased efficiencies from the use of an updated case management system and is currently evaluating further software changes to enhance its ability to achieve its goals of being responsive and efficient in serving the community of East St. Tammany Parish.

CITY COURT OF EAST ST. TAMMANY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2021

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City Court's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Sherry Philips, Clerk of Court, City Court of East St. Tammany, 501 Bouscaren Street, Slidell, LA 70458.

BASIC FINANCIAL STATEMENTS

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 1,252,716
Receivables, net	71,638
Restricted assets:	
Deferred compensation investments	2,324,999
Prepaid expenses	15,842
Deposits	70
Capital assets, net of accumulated depreciation	<u>1,421,371</u>
Total assets	<u>5,086,636</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pensions	<u>29,579</u>
Total deferred outflows of resources	<u>29,579</u>
 <u>LIABILITIES:</u>	
Accounts payable	44,066
Salaries and related benefits payable	27,704
Net pension liability	185,044
Due to custodial funds	326,303
Registry deposits	40,980
Compensated absences	21,822
Appearance bonds pending	145,478
Fines pending	476,773
Payable from restricted assets:	
Deferred compensation due employees	<u>2,324,999</u>
Total liabilities	<u>3,593,169</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>	
Pensions	<u>43,153</u>
Total deferred inflows of resources	<u>43,153</u>
 <u>NET POSITION:</u>	
Net investment in capital assets	1,421,371
Unrestricted	<u>58,522</u>
Total net position	<u><u>\$ 1,479,893</u></u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Revenues		
Function/Programs	Expenses	Court Costs Assessed, and Charges for Services	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
<u>Governmental activities:</u>				
City Court	\$ 1,359,247	\$ 955,966	\$ 4,749	\$ (398,532)
Total governmental activities:	<u>\$ 1,359,247</u>	<u>\$ 955,966</u>	<u>\$ 4,749</u>	(398,532)
General revenues:				
Intergovernmental				
On-behalf payments				
Interest income				
Other				
<u>225,030</u>				
Total general revenues				
<u>499,918</u>				
Change in net position				
<u>101,386</u>				
Net position - beginning				
<u>1,378,507</u>				
Net position - ending				
<u>\$ 1,479,893</u>				

The accompanying notes are an integral part of this statement

CITY OF EAST ST. TAMMANY
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2021

ASSETS

	General Fund	Special Revenue Fund	Total Governmental
Cash and cash equivalents	\$ 1,208,231	\$ 44,485	\$ 1,252,716
Receivables, net	43,627	28,011	71,638
Restricted assets:			
Deferred compensation investments	2,324,999	-	2,324,999
Prepaid expenses	7,298	8,544	15,842
Deposits	70	-	70
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 3,584,225</u>	<u>\$ 81,040</u>	<u>\$ 3,665,265</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable	\$ 8,986	\$ 35,080	\$ 44,066
Salary and related benefits payable	27,704	-	27,704
Due to custodial funds	298,244	-	298,244
Registry deposits	40,980	-	40,980
Due to General Fund	62	(62)	-
Appearance bonds pending	145,478	-	145,478
Fines pending	476,773	-	476,773
Payable from restricted assets:			
Deferred compensation due employees	2,324,999	-	2,324,999
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,323,226</u>	<u>35,018</u>	<u>3,358,244</u>

FUND BALANCES:

Nonspendable	7,298	8,544	15,842
Unassigned	253,701	37,478	291,179
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>260,999</u>	<u>46,022</u>	<u>307,021</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 3,584,225</u>	<u>\$ 81,040</u>	<u>\$ 3,665,265</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST, TAMMANY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021

Fund balances at December 31, 2021 - total governmental funds	\$	307,021
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		1,421,371
Deferred outflows of resources related to pensions are not reported in governmental funds		29,579
Deferred inflows of resources related to pensions are not reported in governmental funds		(43,153)
<p>Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds. All liabilities (both current and long-term) are reported in the Statement of Net Position:</p>		
Net pension liability		(185,044)
Due to agencies		(28,059)
Compensated absences payable		(21,822)
		(185,044)
Net position of governmental activities as of December 31, 2021	\$	1,479,893

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General</u> <u>Fund</u>	<u>Special Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u>
<u>REVENUES:</u>			
Court costs assessed	\$ 410,849	\$ -	\$ 410,849
Charges for services	545,117	-	545,117
Grants	4,749	-	4,749
Intergovernmental	42,989	28,011	71,000
Interest income	2,926	62	2,988
On-behalf payments	200,900	-	200,900
Gain on sale of assets	-	-	-
Other	<u>174,754</u>	<u>50,276</u>	<u>225,030</u>
Total revenues	<u>1,382,284</u>	<u>78,349</u>	<u>1,460,633</u>
<u>EXPENDITURES:</u>			
Current:			
Personnel costs through on-behalf payments	200,900	-	200,900
Personnel services and benefits	923,247	-	923,247
Telephone	5,631	1,377	7,008
Insurance, net of refunds	450	14,475	14,925
Repairs and maintenance	310	6,000	6,310
Conferences and seminars	10,318	-	10,318
Dues, subscriptions, and licenses	13,772	-	13,772
Community relations	190	-	190
Professional fees	31,131	-	31,131
Office supplies and library	27,356	22	27,378
Computer services	150	4,437	4,587
Operating leases	6,033	7,036	13,069
Witness fees	3,742	-	3,742
Filing/processing fees	14,628	-	14,628
Payroll taxes	15,589	-	15,589
Postage	8,966	-	8,966
Travel	1,415	-	1,415
Janitorial service	-	13,200	13,200
Other, net of refunds	1,513	(217)	1,296
Capital outlays	<u>49,349</u>	<u>-</u>	<u>49,349</u>
Total expenditures	<u>1,314,690</u>	<u>46,330</u>	<u>1,361,020</u>
Net change in fund balances	67,594	32,019	99,613
FUND BALANCES, BEGINNING	<u>193,405</u>	<u>14,003</u>	<u>207,408</u>
FUND BALANCES, ENDING	<u>\$ 260,999</u>	<u>\$ 46,022</u>	<u>\$ 307,021</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
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, 2021

Net change in fund balances - total governmental funds	\$	99,613
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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. This is the amount by which depreciation expense exceeded capital outlays in the current period.		(17,894)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Decrease in compensated absences		<u>19,667</u>
Change in net position of governmental activities	\$	<u><u>101,386</u></u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2021

	Custodial Funds		Total
	Civil Docket	Criminal Docket	
<u>ASSETS:</u>			
Due from general fund	\$ 263,699	\$ 62,604	\$ 326,303
Total assets	263,699	62,604	326,303
<u>LIABILITIES:</u>			
Due to others	263,699	62,604	326,303
Total liabilities	263,699	62,604	326,303
<u>NET POSITION</u>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	Civil Docket	Criminal Docket	Total
<u>ADDITIONS:</u>			
Fines and fees collected	\$ 326,421	\$ 1,040,665	\$ 1,367,086
<u>DEDUCTIONS:</u>			
City of Slidell	-	294,308	294,308
Department of Public Safety/Machine	-	17,020	17,020
District Attorney	-	66,046	66,046
Indigent Defender	-	168,590	168,590
Juvenile Detention Center	-	18,587	18,587
Louisiana Law Enforcement	-	17,336	17,336
Parish of St. Tammany	-	182,380	182,380
Slidell City Marshal	-	113,111	113,111
State Treasurer	-	525	525
Traumatic Head & Spinal Cord Injury	-	9,563	9,563
Crimestoppers	-	7,414	7,414
Criminalistics Lab	-	103,771	103,771
Department of Public Safety/Services	-	43,026	43,026
Louisiana Supreme Court	-	12,982	12,982
Covington Clerk of Court	18,750	-	18,750
Curator	200	-	200
Garnishee	90	-	90
Judge Fee	104,895	-	104,895
Judge Supplemental Compensation Fund	42,600	-	42,600
Refunds of Filing Fees	-	-	-
Refunds of Unused Court	17,903	-	17,903
Secretary of State	250	-	250
Service Marshal	10,320	-	10,320
Service Sheriff	5,267	-	5,267
Judicial College Fund	778	-	778
	<u>201,053</u>	<u>1,054,659</u>	<u>1,255,712</u>
Total deductions			
Net change	125,368	(13,994)	111,374
Fiduciary liabilities, beginning	<u>138,331</u>	<u>76,598</u>	<u>214,929</u>
Fiduciary liabilities, ending	<u>\$ 263,699</u>	<u>\$ 62,604</u>	<u>\$ 326,303</u>

The accompanying notes are an integral part of this statement

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Operations

The City Court of East St. Tammany (the “City Court”) was created by a special legislative act. Its jurisdiction extends throughout all of Wards 8 and 9 of St. Tammany Parish. The City Court handles civil suits up to \$50,000, certain criminal matters and collects certain funds pursuant to state statute, which are under the control of the City Court and are reported in the accompanying financial statements. On June 12, 2020, the governor of Louisiana signed ACT 205-HB 757 that changed the City Court of Slidell’s name to the City Court of East St. Tammany.

Reporting Entity

The City Court of East St. Tammany is composed of a City Judge, a Marshal, and a Clerk of Court. The Judge and the Marshal are elected at the Congressional election every six years.

The financial statements include all organizations, activities, and functions that comprise the City Court. Component units are legally separate entities for which the City Court (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization’s governing body and either (1) the City Court’s ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City Court. Using these criteria, the City Court has no component units.

Basis of Presentation

The accompanying financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*, as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Government-Wide Financial Statements-(GWFS)

The statement of net position and the statement of activities display information about the City Court as a whole. These statements include all of the financial activities of the City Court. Information contained in these columns reflects the economic resources measurement and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50 (GASB 34, as amended by GASB 63).

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (GWFS) (continued)

Assets used in operation with an initial useful life that extends beyond one year are capitalized. Equipment, furniture and fixtures, leasehold improvements, and building are depreciated over their estimated useful lives. Depreciation is not calculated on land, land improvements, or construction in progress. Depreciable assets are presented net of accumulated depreciation in the statement of net position.

The statement of activities presents a comparison between direct expenses and program revenues for the activities of the City Court. Program revenues are derived directly from Court users as fees for services; program revenues reduce the cost of the function to be financed from the City Court's general revenues. Program revenues also consist of operating grants and contributions which are resources restricted for operating purposes of a program.

Fund Financial Statements (FFS)

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities of attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The various kinds in the financial statements in this report are grouped into three broad categories as follows:

General Fund Type

Governmental funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. During 2021, the City Court maintained a General Fund to account for all these general activities.

Special Revenue Fund

The City Court's special revenue fund accounts for the Judicial Building Funds and other intergovernmental revenues that are restricted to be used for improvements to and upkeep of the court house.

Fiduciary Fund Type

Custodial funds are used to account for assets held by the City Court of East St. Tammany in Slidell, Louisiana as an agent for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature (assets equals liabilities) and do not involve the measurement of results of operations.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental fund types and custodial funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used 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. Principal and interest on general long-term debt and compensated absences are recorded as fund liabilities when due. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures when incurred. Court fines and fees and interest are recorded when earned and measurable.

Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control device during the year for the general fund. The City Court of East St. Tammany presents, adopts, and amends an operating budget as required by the Louisiana Local Government Budget Act. The budget is prepared on a modified accrual basis of accounting. All appropriations, which are not expended, lapse at year-end. Unexpended appropriations and any excess revenues over expenditures are carried forward to subsequent year as beginning fund balance.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, certificates of deposit, and money market accounts. It is the policy of the City Court to treat these asset types and highly liquid investments with a maturity of ninety (90) days or less as cash equivalents.

Louisiana revised statutes authorize the City Court to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded as expenditures at the time of purchase and the related assets are capitalized. All purchased fixed assets are valued at cost where historical records are available and at estimated historical costs where no historical records exist. Donated fixed assets, if any, are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Assets over \$5,000 are capitalized. Depreciation is computed using the straight-line method over estimated lives of 5 years for furniture, fixtures, and equipment, 20 years for the criminal case management system, and 25 years for leasehold improvements.

Prepaid Expenses

Prepaid expenses represent the unused portion of insurance and equipment maintenance policies in effect at the balance sheet date.

Use of Estimates in the Preparation of Financial Statements

The preparation of the City Court's 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in 2021 financial statements.

Compensated Absences

The City Court's policy permits all full time City Court employees who are paid on a salary basis and work a regular full-time work week earn paid time off ("PTO"). An employee may accumulate up to a maximum of thirty days of PTO. Any earned time in excess of thirty days shall be paid to the employee on their anniversary date.

The following is a schedule of the rates for paid time off:

<u>Service</u>	<u>Paid Time-Off Days</u>
< 1 year	0
1 - 5 years	15
6 - 10 years	20
>10 years	25

The cost of current leave privileges is recognized as a current-year expenditure in the General Fund when the leave is actually taken. At December 31, 2021, the City Court recognized \$21,822 of accrued compensated absences on the statement of net position.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fines Pending and Civil Fees on Deposit

Fines pending represent partial payments on fines collected by the Probation Department. Once fines have been collected in full, the City Court records its share of the fines as revenues and distributes the remaining amounts that are collected for other agencies.

Deposits on pending civil cases represent deposits received until a disposition of a case is finalized at which point the deposits are distributed.

Appearance bonds pending

Appearance bonds pending represent amounts collected for cases that have not been settled at year end. When these cases are settled, the City Court will record its share of these amounts as revenues and the remaining amounts will be distributed to other agencies.

Equity Classifications

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

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. The Judge, as the highest level of decision-making authority, can establish, modify, or rescind a fund balance commitment. For assigned fund balance the Judge authorizes management to assign amounts for a specific purpose.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (continued)

When both restricted and unrestricted fund balances are available for use, it is the City Court's policy to use restricted resources first, then unrestricted as needed. When committed, assigned, or unassigned fund balances are available for use, it is the City Court's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Date of Management Review

Management has evaluated subsequent events through June 25, 2022, the date which the financial statements were available to be issued.

(2) CASH AND CASH EQUIVALENTS

At December 31, 2021, the City Court had cash and cash equivalents (book balances) totaling \$1,252,716. These deposits are stated at cost. 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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2021, the City Court had \$1,262,530 in deposits (collected bank balances). These deposits are secured from custodial credit risk by \$250,000 of federal deposit insurance (GASB Category 1) and the remaining deposits of \$1,012,530 are covered by, pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provision 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.

(3) RECEIVABLES

Receivables at December 31, 2021, were comprised of intergovernmental receivables from the City of Slidell and the St. Tammany Parish Government totaling \$71,638. No allowance for uncollectible accounts was required at December 31, 2021.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(4) CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2021:

	<u>Balance</u> <u>1/1/2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2021</u>
Capital assets not being depreciated:				
Land	\$ 138,023	\$ -	\$ -	\$ 138,023
Construction in progress	<u>76,684</u>	<u>43,079</u>	<u>-</u>	<u>119,763</u>
Total capital assets not being depreciated	<u>214,707</u>	<u>43,079</u>	<u>-</u>	<u>257,786</u>
Capital assets being depreciated				
Furniture, fixtures and equipment	462,359	-	-	462,359
Leasehold improvements	<u>1,257,891</u>	<u>6,270</u>	<u>-</u>	<u>1,264,161</u>
Total capital assets being depreciated	1,720,250	6,270	-	1,726,520
Less accumulated depreciation	<u>(495,692)</u>	<u>(67,243)</u>	<u>-</u>	<u>(562,935)</u>
Total capital assets being depreciated, net	<u>1,224,558</u>	<u>(60,973)</u>	<u>-</u>	<u>1,163,585</u>
Total capital assets, net	<u>\$ 1,439,265</u>	<u>\$ (17,894)</u>	<u>\$ -</u>	<u>\$ 1,421,371</u>

For the year ended December 31, 2021, \$67,243 in depreciation expense was allocated to judicial activities.

(5) RETIREMENT PLANS

Deferred Compensation Plan

In 1991, the City Court adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, death, or unforeseeable emergency.

The City Court funds all amounts of compensation deferred under the Plan at the direction of the covered employees through investments in annuity contracts underwritten by Empower Retirement, which is the plan administrator. The City Court contributes a certain percentage of the employees' gross salary to the plan.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(5) RETIREMENT PLANS (CONTINUED)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the City Court subject only to the claims of the City Court's general creditors. Participants' rights under the plan are equal to those of general creditors of the City Court in an amount equal to the fair value of the deferred account for each participant. The City Court has no liability for losses under the plan but does have the duty of due care. The City Court contributed \$71,050 to the plan in 2021. The market value of the plan assets as of December 31, 2021, is \$2,324,999.

Description - LASERS

The City Judge is a member of the Louisiana State Employees' Retirement System (LASERS), a cost-sharing, multiple-employer defined benefit plan administered by a separate board of trustees.

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.

Funding Policy - LASERS

For the LASERS system, 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 majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. 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.

Contributions - LASERS

For the LASERS system, contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Under the terms of the plan, the Judge contributes a specified percentage of his gross earnings and the City Court also contributes a specified percentage. For the year ending December 31, 2021, the actual employer contribution rate and the actuarially determined employer contribution rate are listed below.

	<u>Required by Statute</u>	<u>Actual Contribution</u>
Contributions:		
Employees	13.00% \$ 9,206	13.00% \$ 9,206
Employers	<u>42.80%</u> <u>30,663</u>	<u>42.80%</u> <u>30,663</u>
	<u>55.80%</u> <u>\$ 39,869</u>	<u>55.80%</u> <u>\$ 39,869</u>

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(5) RETIREMENT PLANS (CONTINUED)

The City Court's contributions to the LASERS system for the year ending December 31, 2021 were approximately \$30,663 equal to the required contribution for the year.

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

At December 31, 2021, the City Court reported a liability totaling \$185,044 representing its proportionate share of the net pension liability for the LASERS systems. The net pension liability was measured as of June 30, 2021, and the total pension liability used to 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 .00336% for the LASERS system, which was an increase of .00027% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City Court recognized pension payments in its custodial funds for LASERS systems totaling \$3,800. Subtracted from pension expense is the employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions totaling \$26,863.

At December 31, 2021, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 183	\$ -
Change in assumptions	4,533	-
Net difference between projected and actual earnings on pension plan investments	-	43,153
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,673	-
Employer contributions subsequent to the measurement date	<u>15,190</u>	<u>-</u>
Total	<u>\$ 29,579</u>	<u>\$ 43,153</u>

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(5) RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – LASERS (Continued)

Employer contributions subsequent to the measurement date totaling \$15,190 and reported as deferred outflows of resources will be recognized as a reduction of the Net Pension Liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2021	\$	6,900
2022		(6,650)
2023		(9,804)
2024		<u>(19,211)</u>
Total	\$	<u>(28,765)</u>

Actuarial Assumptions – LASERS System

The total pension liability in the June 30, 2021, actuarial valuations for the LASERS System was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date: June 30, 2021

Actuarial Cost Method: Entry Age Normal

Actuarial Assumptions:

Investment Rate of Return 7.40% per annum

Inflation 2.3% per annum

Expected Remaining Service Lives 2 years

Mortality Rates Non-disabled members – Mortality rates based on 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.

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(5) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (Continued)

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>
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 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 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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	-0.29%
Domestic equity	4.09%
International equity	5.12%
Domestic Fixed Income	0.49%
International Fixed Income	3.94%
Alternative Investments	6.93%
Total fund	5.81%

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(5) RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – LASERS System (continued)

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 the contractually required rates, actuarially determined. Based on these 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.

Sensitivity of the City Court’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City Court’s proportionate share of the Net Pension Liability using the discount rate of 7.40%, as well as what the City Court’s proportionate share of the Net Pension Liability 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:

	LASERS System		
		Current	
	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
Court’s proportionate share of the Net Pension Liability \$	163,915	\$ 185,044	\$ 84,443

Detailed information about the pension plan’s fiduciary net position is available in the separately issued stand-alone audit report on their financial statements for the year ended June 30, 2021. Access to the report can be found on the Louisiana Legislative Auditor’s website, www.la.la.gov.

(6) LONG-TERM OBLIGATIONS

The following is a summary of the changes in long-term obligations:

	Balance at January 1, 2021	Net Increase (Decrease)	Balance at December 31, 2021
Compensated absences	\$ 41,489	\$ (19,667)	\$ 21,822
Net pension liability	<u>255,564</u>	<u>(70,520)</u>	<u>185,044</u>
Total	<u>\$ 297,053</u>	<u>\$ (90,187)</u>	<u>\$ 206,866</u>

CITY COURT OF EAST ST. TAMMANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021

(7) OPERATING LEASES

The City Court has cancelable and non-cancelable operating leases for the rental of office equipment. All leases terms have expired and are month to month. The total amount charged to lease expense as a result of all operating leases was \$13,069 for the year ended December 31, 2021.

(8) EXPENSES OF THE CITY COURT PAID BY OTHERS

The accompanying financial statements do not include certain portions of the City Court's expenses paid directly by other governmental entities. In compliance with Louisiana Revised Statute 13:2487.16, the City of Slidell furnishes a suitable court room and offices for the Clerk of Court, and the expenses of operation and maintenance of the City Court room and offices are legislatively mandated to be borne by the City of Slidell and St. Tammany Parish equally.

Compensation paid to the Judge and the Clerk of Court, has been prepared in compliance with Louisiana Revised Statute 13:1875 and 13:1874. Under statute 13:1875 the City of Slidell and St. Tammany Parish paid salaries and fringe benefits totaling \$127,505 on behalf of the City Court. Under statute 13:1874 the State of Louisiana paid annual salary and fringe benefits totaling \$73,395 on behalf of the City Court. The fringe benefits paid by the state include contributions of \$22,177 to LASERS. On-behalf payments totaling \$200,900 are included in the General Fund as revenues and personnel cost in the accompanying financial statements.

(9) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 87, "*Leases*." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as extended by GASB Statement No. 95, "*Postponement of Effective Dates of Certain Authoritative Guidance*." The District plans to adopt this Statement as applicable by the effective date.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund						Special Revenue Funds			
	Original Budget	Final Budget	Actual Amounts (GAAP)	Adjustments Budget Basis	Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual Amounts	Variance Favorable (Unfavorable)
REVENUES:										
Court costs assessed	\$ 405,000	\$ 400,000	\$ 410,849	\$ -	\$ 410,849	\$ 10,849	\$ -	\$ -	\$ -	\$ -
Charges for services	545,000	540,000	545,117	-	545,117	5,117	-	-	-	-
Grants	14,749	4,749	4,749	-	4,749	-	-	-	-	-
Intergovernmental	-	42,989	42,989	-	42,989	-	9,000	28,011	28,011	-
Interest	9,900	2,940	2,926	-	2,926	(14)	100	60	62	2
On-behalf payments	-	-	200,900	(200,900)	-	-	-	-	-	-
Other	122,000	170,226	174,754	-	174,754	4,528	65,000	49,374	50,276	902
Total revenues	1,096,649	1,160,904	1,382,284	(200,900)	1,181,384	20,480	74,100	77,445	78,349	904
EXPENDITURES:										
Current:										
Personnel costs through on-behalf payments	-	-	200,900	(200,900)	-	-	-	-	-	-
Personnel services and benefits	913,200	894,025	923,247	-	923,247	(29,222)	9,000	-	-	-
Telephone	5,970	5,660	5,631	-	5,631	29	1,030	1,040	1,377	(337)
Insurance	20,300	850	450	-	450	400	-	14,500	14,475	25
Repairs and maintenance	-	375	310	-	310	65	13,500	4,525	6,000	(1,475)
Conferences & seminars	16,250	11,200	10,318	-	10,318	882	-	-	-	-
Dues, subscriptions, and licenses	14,500	14,000	13,772	-	13,772	228	-	-	-	-
Community relations	1,000	300	190	-	190	110	-	-	-	-
Professional fees	30,300	29,700	31,131	-	31,131	(1,431)	-	-	-	-
Office supplies and library	37,000	28,675	27,356	-	27,356	1,319	2,500	25	22	3
Computer services	1,400	150	150	-	150	-	3,600	4,850	4,437	413
Operating leases	6,200	5,400	6,033	-	6,033	(633)	6,800	7,700	7,036	664
Witness fees	2,250	3,500	3,742	-	3,742	(242)	-	-	-	-
Filing/processing fees	13,000	14,500	14,628	-	14,628	(128)	-	-	-	-
Payroll taxes	17,000	16,000	15,589	-	15,589	411	-	-	-	-
Postage	12,000	10,000	8,966	-	8,966	1,034	-	-	-	-
Travel	100	-	1,415	-	1,415	(1,415)	-	-	-	-
Janitorial service	-	-	-	-	-	-	13,200	13,200	13,200	-
Other	2,400	1,575	1,513	-	1,513	62	-	-	(217)	217
Capital outlays	22,397	38,730	49,349	-	49,349	(10,619)	42,603	6,270	-	6,270
Total expenditures	1,115,267	1,074,640	1,314,690	(200,900)	1,113,790	(39,150)	92,233	52,110	46,330	5,780
Excess (deficiency) of revenues over (under) expenditures	(18,618)	86,264	67,594	-	67,594	(18,670)	(18,133)	25,335	32,019	6,684
FUND BALANCE, BEGINNING	193,405	193,405	193,405	-	193,405		14,003	14,003	14,003	
FUND BALANCE, ENDING	\$ 174,787	\$ 279,669	\$ 260,999	\$ -	\$ 260,999		\$ (4,130)	\$ 39,338	\$ 46,022	

(See Independent Auditors' Report)

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021*

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>Louisiana State Employees' Retirement System</u>								
City Court's Proportion of the Net Pension Liability	0.003360%	0.003090%	0.003469%	0.003599%	0.003614%	0.003759%	0.003522%	0.003604%
City Court's Proportionate Share of the Net Pension Liability	\$ 185,044	\$ 255,564	\$ 251,859	\$ 245,449	\$ 254,382	\$ 295,177	\$ 239,549	\$ 225,354
City Court's Covered-Employee Payroll	\$ 70,815	\$ 68,012	\$ 66,240	\$ 65,928	\$ 66,073	\$ 66,779	\$ 65,089	\$ 64,495
City Court's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	261.31%	375.76%	380.22%	372.30%	385.00%	442.02%	368.03%	349.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.78%	58.00%	62.90%	64.30%	62.54%	57.73%	62.66%	65.02%

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

**The amounts presented have a measurement date of June 30, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively.*

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF CONTRIBUTIONS - RETIREMENT PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
<u>Louisiana State Employees' Retirement System</u>								
Contractually Required Contribution	\$ 30,663	\$ 28,855	\$ 27,933	\$ 26,398	\$ 25,108	\$ 25,377	\$ 27,012	\$ 23,412
Contributions in Relation to the Contractually Required Contribution	<u>(30,663)</u>	<u>(28,855)</u>	<u>(27,933)</u>	<u>(26,398)</u>	<u>(25,108)</u>	<u>(25,377)</u>	<u>(27,012)</u>	<u>(23,412)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>							
City Court's Covered-Employee Payroll	\$ 70,815	\$ 67,416	\$ 67,688	\$ 65,830	\$ 65,791	\$ 66,694	\$ 65,089	\$ 64,495
Contributions as a Percentage of Covered-Employee Payroll	43.30%	42.80%	41.27%	40.10%	38.16%	38.05%	41.50%	36.30%

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

CITY COURT OF EAST ST. TAMMANY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2021

(1) PENSION PLAN SCHEDULES

Changes of Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

During the year ended December 31, 2021, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.55% to 7.40%.

During the year ended December 31, 2020, the Louisiana State Employees' Retirement System (LASERS) adjusted its assumption of the investment rate of return and the discount rate from 7.60% to 7.55%. LASERS lowered its inflation rate assumption from 2.50% to 2.30%. Additionally, mortality rates used changed from RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 to RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.2% – 14.0% to 3.0% – 13.8%.

During the year ended December 31, 2019, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.65% to 7.60%. LASERS lowered its inflation rate assumption from 2.75% to 2.50%. Additionally, LASERS adjusted its expected remaining service lives from 3 years to 2 years. Mortality rates used changed from RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 to RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018. The adjusted the ranges of its salary increase assumptions from 3.4% – 14.3% to 3.2% – 14.0%.

During the year ended December 31, 2018, LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.70% to 7.65%.

During the year ended December 31, 2017, the LASERS adjusted its assumption of the investment rate of return and the discount rate from 7.75% to 7.70%. LASERS lowered its inflation rate assumption from 3.0% to 2.75%. Additionally, LASERS adjusted the ranges of its salary increase assumptions from 3.6% – 14.5% to 3.4% – 14.3%.

There were no changes in assumptions during any other years presented.

CITY COURT OF EAST ST. TAMMANY **Schedule "A-4"**
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Judge Bryan Haggerty</u>
Salary	\$ 70,815
Benefits - insurance (life and disability)	690
Benefits - retirement defined benefit plan	30,814
Benefits - retirement defined contribution plan	8,599
Registration fees	1,381
Conference travel	94
Continuing professional education fees	2,075
Housing	2,339
 Total compensation, benefits, and other payments	 \$ 116,807

CITY COURT OF EAST ST. TAMMANY
JUSTICE SYSTEM FUNDING SCHEUDLE - COLLECTING/DISBURSING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2021

<i>Cash Basis Presentation</i>	First Six Month Period End June 30, 2021	Second Six Month Period End December 31, 2021
Beginning balance of amounts collected (i.e. cash on hand)	\$ 725,310	\$ 815,493
Add: collections		
Civil fees	254,743	215,897
Bond fees \$15 per bond	3,735	3,450
Criminal court costs/agency fees	514,077	357,114
Criminal fines - contempt	178,780	100,139
Criminal fines - other - criminal court fund, city fines & state fines	368,095	259,097
Probation/Parola/Supervision fees	173,447	97,386
Service/collection fees - 5% credit card processing fees	12,060	7,835
Interest earnings on collected balances	41	31
Other	147,664	77,541
Other - cash bonds	-	-
Other - registry of the court	-	-
Total collections	<u>1,652,642</u>	<u>1,118,490</u>
Less: disbursements to governments & nonprofits:		
City of Slidell, Criminal Fines - Other	123,750	111,371
City of Slidell, Criminal Court Costs/Fees	28,396	27,459
City of Slidell, Bond Fees	1,561	1,771
Department of Public Safety, Criminal Court Costs/Fees	30,339	29,758
District Attorney, Criminal Court Costs/Fees	25,721	15,510
District Attorney, Criminal Fines - Other	14,951	9,864
Public Defender, 22nd JDC, Criminal Court Costs/Fees	94,569	73,068
Public Defender, 22nd JDC, Bond Fees	446	506
Florida Parish Juvenile Detention Center, Criminal Court Costs/Fees	10,432	8,155
Louisiana Commission Law Enforcement, Criminal Court Costs/Fees	9,803	7,533
Parish of St. Tammany, Criminal Fines - Other	109,641	72,370
Parish of St. Tammany, Criminal Court Costs/Fees	95	275
Slidell City Marshal, Criminal Court Costs/Fees	63,462	49,649
Slidell City Marshal, Civil Fees	8,595	1,725
LA State Treasurer, Criminal Court Costs/Fees	6,593	5,070
LA State Treasurer, Civil Fees	20,956	21,644
Louisiana Department of Health and Hospitals, Criminal Court Costs/Fees	5,540	4,023
Crimestoppers, Criminal Court Costs/Fees	4,157	3,257
STPSO Criminalistic Lab, Criminal Court Costs/Fees	58,442	44,378
STPSO Criminalistic Lab, Bond Fees	446	506
Louisiana Supreme Court, Criminal Court Costs/Fees	1,034	811
Louisiana Supreme Court, Civil Fees	359	419
Covington Clerk of Court, Civil Fees	15,670	3,080
Garnishee, Civil Fees	30	60
Judge Fee, Civil Fees	65,403	66,354
Refunds of Civil, Civil Fees	6,902	11,001
Secretary of State, Civil Fees	200	50
Sheriff, Avoyelles Parish, Civil Fees	35	-
Sheriff, Bossier Parish, Civil Fees	-	95
Sheriff, E. Baton Rouge Parish, Civil Fees	474	78
Sheriff, Jefferson Parish, Civil Fees	435	105
Sheriff, Lafayette Parish, Civil Fees	100	-

CITY COURT OF EAST ST. TAMMANY
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DIBURSING ENTITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period End June 30, 2021	Second Six Month Period End December 31, 2021
<i>Cash Basis Presentation</i>		
Sheriff, Orleans Parish, Civil Fees	850	240
Sheriff, Plaquemines Parish, Civil Fees	60	-
Sheriff, Rapides Parish, Civil Fees	41	-
Sheriff, St. Bernard Parish, Civil Fees	233	-
Sheriff, St. Charles Parish, Civil Fees	144	-
Sheriff, St. John the Baptist Parish, Civil Fees	5	-
Sheriff, St. Martin Parish, Civil Fees	25	-
Sheriff, St. Tammany Parish, Civil Fees	1,178	225
Sheriff, Tangipahoa Parish, Civil Fees	164	206
Sheriff, Washington Parish, Civil Fees	89	-
Less: amounts retained by collecting agency		
Self-Disbursed to CCEST - criminal court costs/fees	180,999	122,794
Self-Disbursed to CCEST - criminal fines - contempt	177,190	108,939
Self-Disbursed to CCEST - criminal fines - other	102,948	89,576
Self-Disbursed to CCEST - probation/parole/supervision fees	161,233	112,472
Self-Disbursed to CCEST - civil fees	137,526	67,580
Less: disbursements to individuals/3rd party collection or processing agencies		
Other disbursements to individuals	82,946	33,453
Payments to 3rd party collection/processing agencies	8,291	6,338
Total disbursements/retainage	<u>1,562,459</u>	<u>1,111,768</u>
Total: ending balance of amounts collected but not disbursed/retained (i.e. cash on hand)	<u>\$ 815,493</u>	<u>\$ 822,215</u>
Ending balance of "partial payments" collected but not disbursed	<u>\$ -</u>	<u>\$ -</u>
Other information:		
Ending balance of total amounts assessed but not yet collected	* <u>\$ -</u>	* <u>\$ -</u>
Total waivers during the fiscal period	* <u>\$ -</u>	* <u>\$ -</u>

* Due to lack of case management reporting capabilities, this amount is not obtainable at the present time.

CITY COURT OF EAST ST. TAMMANY
JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
FOR THE YEAR ENDED DECEMBER 31, 2021

<i>Cash Basis Presentation</i>	<u>First Six Month Period End June 30, 2021</u>	<u>First Six Month Period End June 30, 2021</u>
Receipts from:		
LA Department of Public Safety & Corrections, Public Safety Services, Criminal Court Costs/Fees	\$ <u>100</u>	\$ <u>63</u>
Total Receipts	\$ <u>100</u>	\$ <u>63</u>
Ending balance of amounts assessed but not received	\$ <u>-</u>	\$ <u>-</u>



**INDEPENDENT AUDITORS' 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***

To the Honorable Judge Bryan Haggerty
Slidell, 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, and each major fund of City Court of East St. Tammany, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City Court of East St. Tammany's basic financial statements, and have issued our report thereon dated June 25, 2022.

Internal Control over Financial Reporting

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

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

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



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

To the Honorable Judge Bryan Haggerty
City Court of East St. Tammany
June 25, 2022

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of East St. Tammany's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document. Accordingly, this communication is not suitable for any other purpose.

June 25, 2022
New Orleans, Louisiana

Ericksen Krentel, LLP

Certified Public Accountants

CITY COURT OF EAST ST. TAMMANY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

SECTION I SUMMARY OF AUDIT RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the City Court of East St. Tammany.
2. No material weaknesses or significant deficiencies in internal control relating to the audit of the financial statements are reported in the Independent Auditors' 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. No instances of noncompliance material to the financial statements of the City Court of East St. Tammany were reported in the Independent Auditors' 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*.
4. No management letter was issued for the year ended December 31, 2021.

SECTION II FINANCIAL STATEMENT FINDINGS

There were no financial statement findings related to the year ended December 31, 2021.

CITY COURT OF EAST ST. TAMMANY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2020.

CITY COURT OF EAST ST. TAMMANY

SLIDELL, LOUISIANA

AGREED-UPON PROCEDURES

FOR THE PERIOD

JANUARY 1, 2021 TO JULY 31, 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Judge Bryan D. Haggerty
and Management of City Court of East St. Tammany, Louisiana
Slidell, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified by the Louisiana Legislative Auditor (LLA) for the fiscal period January 1, 2021 through July 31, 2021, in accordance with Act 774 of 2014 Regular Legislative Session. City Court of East St. Tammany's management is responsible for those C/C areas identified in the agreed-upon procedures.

City Court of East St. Tammany (the City Court) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in accordance with Act 774 of 2014 Regular Legislative Session for the fiscal period January 1, 2021 through July 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes

Our procedures and associated findings are detailed in Schedule "1".

We were engaged by the City Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the agreed-upon procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the agreed-upon procedures, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

May 31, 2022
Mandeville, Louisiana

Ericksen Krentel, LLP
Certified Public Accountants

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES
JANUARY 1, 2021 TO JULY 31, 2021

Bank Reconciliations

1. **Procedures:** Obtain and inspect the entity's written policies and procedures over bank reconciliations and observe that they address (1) monthly bank statement reconciliations, (2) review of all bank reconciliations by someone independent of cash receipt and disbursement functions, and (3) process for addressing items outstanding for more than 12 months from the statement closing date, if applicable.

Results: Obtained written policies and procedures over bank reconciliations. Policy addresses monthly bank statement reconciliations, review of all bank reconciliations by someone independent of cash receipt and disbursement functions, and process for addressing items outstanding for more than 12 months from the statement closing date, if applicable.

2. **Procedures:** Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Obtained listing of entity bank accounts and management's representation that the listing is complete. Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. The entity did not have any reconciling items outstanding from more than 12 months from the statement closing date.

Capital Assets

1. **Procedures:** Obtain and inspect the entity's written policies and procedures over capital assets and observe that they address the process for tagging assets, performing an annual inventory, and disposing of assets.

Results: Obtained the entity's written policies and procedures over capital assets and observed that they address the process for tagging assets, performing an annual inventory, and disposing of assets.

CITY COURT OF EAST ST. TAMMANY
AGREED-UPON PROCEDURES (CONTINUED)
JANUARY 1, 2021 TO JULY 31, 2021

2. **Procedures:** Obtain documentation from management for the most recent capital asset inventory count in which all assets were inventoried. Observe that the inventory count was performed no more than one year ago.
Results: Obtained documentation for the most recent capital asset inventory count in which all assets were inventoried. The inventory count was performed not more than one year ago.
3. **Procedures:** Obtain a listing of capital assets and obtain management's representation that the listing is complete. Randomly select 25 assets from the listing, physically locate each asset, and observe that each asset is tagged and agrees to the information on the listing as to the location, description, manufacturer, model, and serial number.
Results: Obtained a listing of capital assets and obtained management's representation that the listing is complete. Physically located the 25 randomly selected assets and observed that each asset is tagged and agrees to the information on the listing.
4. **Procedures:** Select 10 capital assets in two physical locations (if entity has at least two physical locations) that meet the asset capitalization threshold (e.g., vehicles, office furniture, lawn mowers). Observe that each asset is tagged and trace to the listing from #3 above. Observe that each asset is included on the listing and agree the information on the listing to the location, description, manufacturer, model, and serial number of the asset.
Results: The entity has only one location. Selected 10 capital assets and observed that each asset is tagged and traced to the listing from #3 above. Observed that each asset is included on the listing and agreed the information on the listing to the location, description, manufacturer, model, and serial number of the asset.

Fraud Notice

1. **Procedures:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
Results: The entity did not have any misappropriations of public funds and assets during the fiscal period and obtained management's representation.
2. **Procedures:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
Results: Observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.