

CITY COURT OF MINDEN
City of Minden
Minden, LA

FINANCIAL STATEMENTS

DECEMBER 31, 2019

CITY COURT OF MINDEN
City of Minden
Minden, LA

Financial Statements
As of and for the year ended December 31, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

City Court of Minden
Minden, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Minden, a component unit of the City of Minden, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United State of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

The accompanying schedule of compensation, benefits, and other payments to the agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that following supplementary information on page 31 through page 33 be presented to supplement the basic financial statements:

Budgetary Comparison Schedule
Schedule of Proportionate Share of Net Pension Liability
Schedule of Employer Contributions

Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and accordingly, do not express an opinion on such information.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United State 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 who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriated operational, economic, or historical content.

Weise Martin & Cole LLC

Minden, LA
November 30, 2020

BASIC FINANCIAL STATEMENTS

STATEMENT A

CITY COURT OF MINDEN
 City of Minden
 Minden, Louisiana

Statement of Net Position
 December 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 20,629
Due from agency fund	667
Capital assets, net	<u>2,728</u>
TOTAL ASSETS	<u>24,024</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows on pensions	<u>36,212</u>
 LIABILITIES	
Accounts, salaries and other payables	13,604
Noncurrent liabilities	
Due in more than one year	<u>344,423</u>
TOTAL LIABILITIES	<u>358,027</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows on pensions	<u>5,602</u>
 NET POSITION	
Net investment in capital assets	2,728
Restricted	11,454
Unrestricted	<u>(317,575)</u>
TOTAL NET POSITION	<u>\$ (303,393)</u>

See accompanying notes and independent accountants' review report.

CITY COURT OF MINDEN

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Statement of Activities
For the Year Ended December 31, 2019

<u>FUNCTION/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental activities:			
Judicial activities	\$ 284,318	\$ 245,098	\$ (39,220)
Total governmental activities	<u>\$ 284,318</u>	<u>\$ 245,098</u>	<u>(39,220)</u>
General revenues:			
Interest income			<u>39</u>
Change in net position			(39,181)
Net position - beginning			<u>(264,212)</u>
Net position - ending			<u>\$ (303,393)</u>

See accompanying notes and independent accountants' review report.

STATEMENT C

CITY COURT OF MINDEN

City of Minden
Minden, Louisiana

Balance Sheet - Governmental Funds
December 31, 2019

	<u>General</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 9,175	\$ 11,454	\$ 20,629
Due from other fund	<u>517</u>	<u>150</u>	<u>667</u>
TOTAL ASSETS	<u><u>\$ 9,692</u></u>	<u><u>\$ 11,604</u></u>	<u><u>\$ 21,296</u></u>
LIABILITIES			
Accounts, salaries and other payables	\$ 13,604	\$ -	\$ 13,604
TOTAL LIABILITIES	<u>13,604</u>	<u>-</u>	<u>13,604</u>
FUND BALANCE			
Restricted	-	11,604	11,604
Unassigned	<u>(3,912)</u>	<u>-</u>	<u>(3,912)</u>
TOTAL FUND BALANCES	<u>(3,912)</u>	<u>11,604</u>	<u>7,692</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 9,692</u></u>	<u><u>\$ 11,604</u></u>	<u><u>\$ 21,296</u></u>

See accompanying notes and independent accountants' review report.

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Reconciliation of the Governmental Fund Balance Sheet
to the Government-wide Financial Statement of Net Position
December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Fund (Statement C)	\$ 7,692
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	2,728
Deferred outflows/inflows related to pensions are not due and payable in the current period and accordingly not recorded in the fund financial statements	
Deferred outflow on pensions	36,212
Deferred inflow on pensions	(5,602)
Long-term liabilities applicable to the City Court's governmental activities are not due and payable in the current period and, therefore, are not reported as fund liabilities in the governmental funds. All liabilities, both current and long-term are reported in the Statement of Net Position	
Pension liability	<u>(344,423)</u>
Net Position of Governmental Activities (Statement A)	<u>\$ (303,393)</u>

See accompanying notes and independent accountants' review report.

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Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2019

	<u>General</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Charges for services:			
Criminal fees	\$ 89,251	\$ -	\$ 89,251
Civil fees	121,080	-	121,080
Probation fees	24,607	-	24,607
Judicial building fund fees	-	6,650	6,650
Other fees	25	15	40
TOTAL REVENUE	<u>234,963</u>	<u>6,665</u>	<u>241,628</u>
EXPENDITURES			
Current:			
Judicial activities			
Salaries and employce benefits	196,678	-	196,678
Travel, education and seminars	2,101	-	2,101
Office expense	20,598	3,590	24,188
Insurance	15,790	-	15,790
Professional fees	16,924	-	16,924
Telephone and internet	5,005	-	5,005
Library	5,418	-	5,418
Dues and subscriptions	1,924	-	1,924
Miscellaneous	2,242	-	2,242
TOTAL EXPENDITURES	<u>266,680</u>	<u>3,590</u>	<u>270,270</u>
Excess (deficiency) of revenues over (under) expenditures	(31,717)	3,075	(28,642)
OTHER FINANCING SOURCES (USES)			
Transfers in	3,510	-	3,510
Transfers out	-	(3,510)	(3,510)
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,510</u>	<u>(3,510)</u>	<u>-</u>
Net change in fund balance	(28,207)	(435)	(28,642)
Fund balance - beginning	24,295	12,039	36,334
Fund balance - ending	<u>\$ (3,912)</u>	<u>\$ 11,604</u>	<u>\$ 7,692</u>

See accompanying notes and independent accountants' review report.

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Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net change in fund balance - total governmental fund	\$ (28,642)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were more than depreciation expense in the current period.	(5,360)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.	<u>(5,179)</u>
Change of net position of governmental activities	<u>\$ (39,181)</u>

See accompanying notes and independent accountants' review report.

CITY COURT OF MINDEN
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Statement of Fiduciary Net Position
Agency Funds
December 31, 2019

	<u>Criminal Court Fund</u>	<u>Civil Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 7,770	\$ 79,947	\$ 87,717
Due from others	2,414	-	2,414
TOTAL ASSETS	<u>\$ 10,184</u>	<u>\$ 79,947</u>	<u>\$ 90,131</u>
LIABILITIES			
Due to General fund	\$ 517	\$ -	\$ 517
Due to Judicial Building fund	150	-	150
Due to others	1,747	-	1,747
Civil funds held for future disposition	-	79,947	79,947
Criminal funds held for future disposition	7,770	-	7,770
TOTAL LIABILITIES	<u>\$ 10,184</u>	<u>\$ 79,947</u>	<u>\$ 90,131</u>

See accompanying notes and independent accountants' review report.

CITY COURT OF MINDEN

City of Minden

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Notes to the Financial Statements

As of and for the Year Ended December 31, 2019

INTRODUCTION

The Louisiana Constitution of 1974, Article V, Section 1 created the Courts of the State, among them the City Court of Minden. Article V, Section 15 created trial courts of limited jurisdiction and sets forth the duties of the Court. City Court of Minden (the City Court) exists and operates in accordance with the authorities cited. As provided by Article V, Section 15 of the Louisiana Constitution of 1974, the Judge has charge of civil and criminal matters in his jurisdiction. The Judge is elected by a popular vote for a term of six years.

The City Court's jurisdiction covers Ward One of Webster Parish and serves approximately 30,000 people and employs three full-time employees, one part-time probation officer, and one part-time employee. For the year ended December 31, 2019, the City Court had 1,500 criminal cases and 528 civil cases filed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The City Court Judge is an independently elected official. However, the City Court, fiscally dependent on the City of Minden for office space, courtrooms, and related utility costs, as well as partial funding of salary costs, was determined to be a component unit of the City of Minden.

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

CITY COURT OF MINDEN

City of Minden

Minden, LA

Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

C. BASIC FINANCIAL STATEMENTS

Government-wide statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the City Court.

Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported separately in the Statement of Fiduciary Net Position.

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

Program Revenues – Program revenues, included in the Statement of Activities, are derived directly from court users as a fee for services. Program revenues reduce the cost of the function to be financed from the City Court's general revenues.

Allocation of indirect expense - The Court reports all direct expenses by function in the Statement of Activities. Indirect expenses not allocated to functions are reported separately in the Statement of Activities.

Elimination of internal activity – Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds." While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column.

Fund financial statements

The City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain court functions and activities.

CITY COURT OF MINDEN

City of Minden

Minden, LA

Notes to the Financial Statements As of and for the Year Ended December 31, 2019

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

1. General fund – the primary operating fund of the City Court and it accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue fund – funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the City Court are agency funds. The agency funds account for assets held by the City Court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting. Fiduciary funds of the City Court include:

1. Criminal Court Fund – used to account for fines and court costs of all criminal cases. Fines collected by the Minden Police Department are remitted monthly to the City Court. These and all fines collected by the Court for criminal cases are disbursed to appropriate agencies and the General fund on a monthly basis.
2. Civil Fund – used to account for all court costs and restitution resulting from civil cases filed in the City Court. Disbursements are made to the General fund for court fees, to victims for restitution and other agencies for services performed relative to civil suits.

The City Court considers the following funds to be major:

Governmental funds –

General fund – The General fund is the principal operating fund of the City Court.

Judicial Building Fund – Special revenue fund used to account for fines and fees derived from traffic tickets and civil filings allowed under LSA R.S. 13:1910. Funds are dedicated exclusively to the acquisition, leasing, construction, equipping, and

CITY COURT OF MINDEN

City of Minden

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Notes to the Financial Statements As of and for the Year Ended December 31, 2019

maintenance of new and existing city courts and for the maintenance and payment of any bond indebtedness on any such existing facilities.

D. BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, liabilities, deferred outflows and inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Although most expenditures are recorded when a liability is incurred as under accrual accounting, the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are recorded in governmental funds if claims are due and payable.

Fines collected by the City of Minden Police Department and remitted to the City Court the succeeding month are recognized as revenue when the fines are received.

E. BUDGETS

Prior to the beginning of each fiscal year, the City Court adopts an operating budget for its General fund. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on a cash basis of accounting. For 2019, no budget was adopted for the City Court's special revenue fund, the Judicial building fund.

CITY COURT OF MINDEN
City of Minden
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

The revenues and expenditures shown on page 8 are reconciled with the amounts reflected on the budgetary comparison schedule on page 31 as follows:

	<u>General</u>
Deficiency of revenues under expenditures, GAAP basis	\$ (31,717)
Adjustments:	
Decrease in receivables	209
Decrease in interfund receivables	16,920
Increase in liabilities	<u>1,200</u>
Deficiency of revenues under expenditures, budget - cash basis	\$ <u>(13,388)</u>

F. CASH

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The 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 fixed assets or materially extend useful lives are not capitalized. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over five to seven years.

H. DEFERRED OUTFLOW/INFLOW OF RESOURCES

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City

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Notes to the Financial Statements As of and for the Year Ended December 31, 2019

Court has one item that qualifies for reporting in this category. The Statement of Net Position reports the City Court's proportionate share of the deferred outflows of resources related to pensions. See Note 6 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City Court has one item that qualifies for reporting in this category. The Statement of Net Position reports the City Court's proportionate share of the deferred inflows of resources related to pensions. See Note 6 for more information.

I. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the accrual basis, the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. COMPENSATED ABSENCES

The vacation and sick leave policy of the City Court does not provide for the accumulation and vesting of leave time, therefore the City Court has no accrued compensated absences.

K. ESTIMATES

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

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Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

L. RESTRICTED NET POSITION

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or
- Imposed by law through constitutional provisions or enabling legislation.

It is the City Court's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Fund balance is reported in the following categories:

Nonspendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the City Court's highest level of decision making authority. The City Court Judge is the highest level of decision making authority, and by the Judge's order, can commit fund balance. Committed amounts cannot be used for any other purpose unless the Judge removes or changes the specified use by taking the same employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned: Fund balance that is constrained by the City Court's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Court Judge or body to which the City Court delegates the authority.

Unassigned: Fund balance that is the residual classification for the General fund.

The City Court reduces committed amounts, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for the purposes for which amounts in any

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Notes to the Financial Statements

As of and for the Year Ended December 31, 2019

of those unrestricted fund balance classifications could be used. The City Court considers restricted amounts to have been spent when expenditure has been incurred for purposes which both restricted and unrestricted fund balance is available.

The City Court reported a deficit of \$3,912 in the General fund. It is expected that monitoring of expenditures and keeping in line with next year's criminal and civil fees to provide a positive fund balance.

2. CASH AND CASH EQUIVALENTS

At December 31, 2019, the City Court had cash and cash equivalents (book balances) as follows:

Demand deposits (Statement A)	\$ 19,769
Demand deposits (Statement G)	87,717
Petty cash (Statement A)	100
Cash on hand (Statement A)	<u>760</u>
Total	\$ <u>108,346</u>

These deposits are stated at cost which approximates market. Under state law, these deposits or the resulting bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The 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

Custodial Credit Risk – Deposits: At year end, the City Court had bank balances of \$117,632. These deposits were fully secured by federal depository insurance.

The City Court has not formally adopted a deposit or investment policy that limits the government's allowable deposits or investments and addresses custodial credit or interest rate risks.

3. RECEIVABLES

The City Court reported no accounts receivable at December 31, 2019.

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Notes to the Financial Statements

As of and for the Year Ended December 31, 2019

4. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2019 were as follows:

<u>Receivable</u>	<u>Payable</u> <u>Criminal</u> <u>Court fund</u>
General fund	\$ 517
Judicial Building fund	<u>150</u>
Total	<u>\$ 667</u>

The Criminal Court fund reports a payable to the General fund and the Judicial Building fund for costs collected and not paid until after year end.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, is as follows:

<u>Governmental activities</u>	<u>Balance at</u> <u>beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>ending</u>
Capital assets being depreciated				
Office equipment	\$ 35,612	\$ -	\$ -	\$ 35,612
Less accumulated depreciation	<u>(27,524)</u>	<u>(5,360)</u>	<u>-</u>	<u>(32,884)</u>
Capital assets, being depreciated, net	<u>\$ 8,088</u>	<u>\$ (5,360)</u>	<u>\$ -</u>	<u>\$ 2,728</u>

Total depreciation expense charged to judicial activities was \$5,360.

6. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS), and additions to/deductions from LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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As of and for the Year Ended December 31, 2019

General Information about the Louisiana State Employees' Retirement System (LASERS)

Plan Description: The City Judge of the City of Minden is provided with pensions 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. 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.

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. LASERS 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, at age 55 upon completing 25 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

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Notes to the Financial Statements

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retirement 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, 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 classifications.

Deferred 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

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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 compensation or 100% of final average compensation if the injury was a 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 regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with

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no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

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

Contributions: The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each plan pays a separate actuarially-determined employer contribution requirement. However, all assets of LASERS are used for the payment and benefits for all classes of member, regardless of their plan membership.

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Rates for the year ended June 30, 2019 are as follows:

<u>Plan</u>	<u>Plan Status</u>	2019 <u>Employer Rate</u>
Appellate Law Clerks	Closed	37.90%
Appellate Law Clerks hired on or after 7/01/06	Closed	37.90%
Alcohol Tobacco Control	Closed	31.40%
Bridge Police	Closed	36.70%
Bridge Police hired on or after 7/01/06	Closed	36.70%
Corrections Primary	Closed	33.50%
Corrections Secondary	Closed	37.70%
Harbor Police	Closed	7.10%
Hazardous Duty	Open	38.50%
Judges hired before 1/1/2011	Closed	40.10%
Judges hired after 12/31/2010	Closed	39.00%
Judges hired on or after 7/01/15	Open	39.00%
Legislators	Closed	41.60%
Optional Retirement Plan (ORP) before 7/01/06	Closed	37.90%
Optional Retirement Plan (ORP) on or after 7/01/06	Closed	37.90%
Peace Officers	Closed	36.70%
Regular Employees hired before 7/01/06	Closed	37.90%
Regular Employees hired on or after 7/01/06	Closed	37.90%
Regular Employees hired on or after 1/1/11	Closed	37.90%
Regular Employees hired on or after 7/1/15	Open	37.90%
Special Legislative Employees	Closed	43.60%
Wildlife Agents	Closed	46.30%
Aggregate Rate		37.90%

The agency's contractually required composite contribution rate for the year ended December 31, 2019 ranged from 39.0%-42.0% 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 Agency were \$37,115 for the year ended December 31, 2019.

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As of and for the Year Ended December 31, 2019

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

At December 31, 2019, the Agency reported a liability of \$344,423 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Agency's proportion was 0.00475% which was 0.00002% less than the proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Agency recognized pension expense of \$42,294.

At December 31, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental activities</u>	
	<u>Deferred outflows</u>	<u>Deferred inflows</u>
Differences between expected and actual experience	\$ 2,115	\$ 716
Net difference between projected and actual earnings on pension plan investments	11,901	-
Change of assumptions	2,951	-
Change in proportionate share from beginning net pension Liability, beginning deferred inflows	-	4,392
Change in proportion and differences between employer contributions and proportionate share of contributions	-	494
Employer contributions subsequent to the measurement date	<u>19,245</u>	<u>-</u>
Total	\$ <u>36,212</u>	\$ <u>5,602</u>

Deferred outflows of resources related to pensions of \$19,245 resulting from the Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

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Notes to the Financial Statements

As of and for the Year Ended December 31, 2019

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

<u>Fiscal Year Ended</u>	
12/31/2020	\$ 7,091
12/31/2021	(3,462)
12/31/2022	3,275
12/31/2023	4,461

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.60% per annum, net of investment expenses
Inflation Rate	2.50% per annum
Expected Remaining Service Lives	2 years
Mortality	Non-disabled members – Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis 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:

	Lower	Upper
<u>Member Type</u>	<u>Range</u>	<u>Range</u>
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%

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As of and for the Year Ended December 31, 2019

Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

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 raises. 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 substantially automatic.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Expected long-term Real Rate of Return</u>
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Global Tactical Asset Allocation	5.06%
Total Fund	6.09%

Discount Rate: The discount rate used to measure the total pension liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that employer contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected

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Notes to the Financial Statements
As of and for the Year Ended December 31, 2019

rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the Agency's proportionate share of the net pension liability using the discount rate of 7.60%, as well as what the Agency's 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 as of June 30, 2019:

	<u>Changes in Discount Rate</u>		
	1% Decrease	Current Rate	1% Increase
	<u>6.60%</u>	<u>7.60%</u>	<u>8.60%</u>
Net Pension Liability	\$ 434,706	\$ 344,423	\$ 268,165

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2019 Comprehensive Annual Financial Report for the year ended June 30, at www.lasersonline.org.

Payables to the Pension Plan: At December 31, 2019, the Agency had \$4,200 in payables to the Louisiana State Employees' Retirement System for the December 31, 2019 employee and employer legally required contributions.

7. CHANGES IN AGENCY FUND BALANCES

<u>Fund</u>	<u>Criminal Fund</u>	<u>Civil</u>
Balance at December 31, 2018	\$ 8,895	\$ 78,237
Additions	163,817	184,820
Deletions	<u>(164,942)</u>	<u>(183,110)</u>
Balance at December 31, 2019	\$ <u>7,770</u>	\$ <u>79,947</u>

8. LITIGATION AND CLAIMS

The City Court was not involved in any litigation as of December 31, 2019, nor was it aware of any unasserted claims. The City Court is not a defendant in any litigation seeking damages from the City Court. The Judge estimates that any potential claims against the City Court would not materially affect the financial statements.

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Notes to the Financial Statements

As of and for the Year Ended December 31, 2019

9. RISK MANAGEMENT

The City Court is at risk for liability and theft which are covered by commercial insurance. The City Court is responsible for the payment of premiums. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

10. SUBSEQUENT EVENTS

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration of the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

Subsequent events have been evaluated through November 30, 2020. This date represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF MINDEN

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Budgetary Comparison Schedule- General Fund
For the year ended December 31, 2019

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Charges for services:				
Criminal fees	\$ 200,000	\$ 200,000	\$ 99,043	\$ (100,957)
Civil fees	139,000	139,000	121,080	(17,920)
Probation fees	-	-	24,607	24,607
Misc other fees	500	500	25	(475)
Total revenues	<u>339,500</u>	<u>339,500</u>	<u>244,755</u>	<u>(94,745)</u>
Expenditures				
General government:				
Salaries and employee benefits	220,000	220,000	190,940	29,060
Travel, education and seminars	18,000	18,000	2,101	15,899
Office expense	13,500	13,500	17,440	(3,940)
Insurance	11,500	11,500	15,788	(4,288)
Professional fees	8,500	8,500	16,924	(8,424)
Telephone and internet	8,600	8,600	5,006	3,594
Witness fees	7,000	7,000	-	7,000
Library	3,800	3,800	5,774	(1,974)
Dues and subscriptions	2,400	2,400	1,924	476
Probation	2,000	2,000	-	2,000
Repairs and maintenance	400	400	-	400
Miscellaneous	3,000	3,000	2,246	754
Total expenditures	<u>298,700</u>	<u>298,700</u>	<u>258,143</u>	<u>40,557</u>
Excess (deficiency) of revenues over (under) expenditure:	40,800	40,800	(13,388)	(54,188)
OTHER FINANCING SOURCES				
Operating transfers in	-	-	3,510	3,510
Total other financing sources	-	-	3,510	3,510
Net change in fund balance	40,800	40,800	(9,878)	(50,678)
Fund balance -- beginning of the year, restated	<u>19,000</u>	<u>19,000</u>	<u>14,887</u>	<u>(4,113)</u>
Fund balance -- ending of the year	<u>\$ 59,800</u>	<u>\$ 59,800</u>	<u>\$ 5,009</u>	<u>\$ (54,791)</u>

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Schedule of Proportionate Share of Net Pension Liability
 December 31, 2019

Fiscal Year	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement Systems					
2015	0.00459%	\$ 316,689	\$ 41,262	767.51%	62.70%
2016	0.00480%	376,922	85,283	441.97%	57.70%
2017	0.00493%	347,296	88,043	394.46%	62.50%
2018	0.00477%	325,788	88,793	366.91%	64.30%
2019	0.00475%	344,423	90,742	379.56%	62.90%

Notes:

The amounts presented have a measurement date of June 30, 2019.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

City Court of Minden
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Schedule of Employer Contributions
 December 31, 2019

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Employee Payroll</u>
<i>Louisiana State Employees' Retirement Systems</i>					
2015	\$ 33,303	\$ 33,303	\$ -	\$ 82,523	40.36%
2016	33,456	33,456	-	88,043	38.00%
2017	33,588	33,588	-	88,043	38.15%
2018	35,249	35,249	-	89,694	39.30%
2019	37,114	37,115	-	91,641	40.50%

Notes:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

SUPPLEMENTARY INFORMATION

CITY COURT OF MINDEN
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Schedule of Compensation, Reimbursements and Benefits Paid Agency Head
For the Year Ended December 31, 2019

Agency Head Name: Judge Charles S. Sentell, III

Purpose:	
Salary	\$ 91,641
Benefits-Retirement	37,115
Conferences	1,857
Dues	<u>785</u>
Total	\$ <u>131,398</u>

OTHER REPORTS

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

City Court of Minden
Minden, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the City Court of Minden and the Louisiana Legislative Auditor, on the City Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The City Court's management is responsible for its financial record and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable, and report whether the expenditures were made in accordance with the laws.

There were no expenditures exceeding the above listed thresholds.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S 42:1101-1124 (the ethics law).

Management provided us with the requested information for the agency head.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included on the list provided by management for agreed upon 3 appeared on the list provided by management for agreed upon procedure 2.

5. Obtain a list of all disbursements made during the year; and a list of outside business interest of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of the agency head, employees, and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget for the General fund. Management represented that there were no amendments to the General fund budget during the year.

Exception: No budget was adopted for the City Court's special revenue fund.

Management's response: For the current year, management adopted a budget for the General fund. In the future, management will also adopt a budget for its special revenue fund, the Judicial Building fund.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We observed the approval documentation of the adopted budget.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures.

Exception: The General fund actual revenues failed to meet budgeted revenues by more than 5%.

Management's response: Management will monitor the budget and make efforts to ensure that actual revenues and actual expenditures meet budgeted amounts within 5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

We examined supporting documentation for the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Report whether the 6 disbursements were coded to the correct fund and general ledger account.

All six payments were properly coded to the correct fund and general ledger account.

(c) Report whether the 6 disbursements were approved in accordance with management's policies and procedures.

All six payments were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:2 (the open meetings law); and report whether there are any exceptions.

This procedure is not applicable to the City Court.

Debt

11. Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified obtain from management evidence of approval by the State Bond Commission and report any exceptions.

We examined all bank deposits for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing boards, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and compared to letters authorizing pay for the year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Minden City Court provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

This procedure does not apply since the City court was in compliance with R.S. 24:513.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and /or comments have been resolved.

Our prior year report dated June 30, 2019 had two findings. One finding was resolved.

Exception: Finding in prior year for Lack of Segregation of Duties remains unresolved.

Management's Response: Management is aware of the problem and the City Court Judge will assess risks to determine possible segregation between staff and continue to be involved with oversight.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Minden City Court's compliance with the foregoing matters. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Minden City Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

Wise Martin & Cole LLC

Minden, Louisiana
November 30, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

2/28/20 (Date Transmitted)

Wise, Martin & Cole, LLC (CPA Firm Name)
601 Main Street (CPA Firm Address)
Minden, LA 71055 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/19 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes No

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.
Yes No

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.
Yes No

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.
Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.
Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.
Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.
Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.
Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.
Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.
Yes No

The previous responses have been made to the best of our belief and knowledge.

Sherb Dentell Name
Judge Title
3-11-20 Date

OTHER INFORMATION

CITY COURT OF MINDEN

City of Minden

Minden, LA

Schedule of Prior Year Findings
For the year ended December 31, 2019

2018-01 Lack of segregation of duties

Finding: The City Court lacks adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

Status: Not resolved, see 2019-01.

2018-02 Lack of written procedures over accounting procedures

Finding: The City Court lacks formal written policies and procedures for all operations.

Status: Resolved.

CITY COURT OF MINDEN

City of Minden

Minden, LA

Schedule of Current Year Findings
For the Year Ended December 31, 2019

2019-01 Lack of segregation of duties

Origination date: Fiscal year ended December 31, 2018

Criteria: Internal controls should be in place to ensure that adequate controls exist over financial activities.

Condition: Due to the size of the office and the limited personnel, the City Court does not have adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control. The same person prepares disbursements, signs checks, collects payments, prepares deposits, records activity, receives and reconciles bank statements.

Cause: Unknown

Effect: Without proper segregation of duties over collections and disbursements, errors or irregularities could occur and not be detected.

Recommendation: We suggest that City implement checks and balances to mitigate this issue. Although it may not be practical to segregate duties due to limited personnel, the City Court should continue to be involved with oversight of the accounting function to minimize the risk from the lack of segregation of duties.

Management's response: Management is aware of the problem with segregation of duties. The City Court Judge will assess risks to determine possible segregation between staff and continue to be involved with oversight.