

CITY COURT OF OPELOUSAS, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Honorable Judge Vanessa Harris
City Court of Opelousas
Opelousas, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining funds of City Court of Opelousas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City Court of Opelousas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Honorable Judge Vanessa Harris
City Court of Opelousas
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Opelousas, as of December 31, 2019 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, the schedule of employer's share of net pension liability, and the schedule of employer contributions on pages 28-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise City Court of Opelousas' basic financial statements. The accompanying individual governmental fund financial statements on pages 35-42 are presented for purposes of additional analysis and are not a part of the financial statements. The schedule of compensation, benefits and other payments to agency head on page 43, as required by the State of Louisiana, is presented for purposes of additional analysis and is not a part of the financial statements.

Honorable Judge Vanessa Harris
City Court of Opelousas
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This individual governmental fund financial statements and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual governmental fund financial statements and the schedule of compensation, benefits and other payments are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2020, on our consideration of City Court of Opelousas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City Court of Opelousas' 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 Opelousas' internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Matters

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated June 25, 2020 on the results of our state wide agreed-upon procedures performed 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. The purpose of that report is solely to describe the scope of testing performed on those controls and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing and not to provide an opinion on control or compliance.

John S. Dowling & Company

Opelousas, Louisiana
June 25, 2020

BASIC FINANCIAL STATEMENTS

City Court of Opelousas' basic financial statements comprise the following three components:

Government-wide financial statements - provide readers with a broad overview of City Court of Opelousas' finances in a manner similar to a private sector business.

Fund financial statements - provide readers information with an emphasis on inflows and outflows of resources useful for making decisions in a budgetary context where the focus is on meeting the near-term financial needs.

Notes to basic financial statements - provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash	\$ 34,358
Investments	19,930
Due from agency fund	2,534
Payroll deposit	4,537
Capital assets (net)	107,648
<u>Total assets</u>	<u>169,007</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources - pensions	<u>42,969</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	24,830
Salaries payable	7,166
Payroll taxes payable	319
Due to other governments	18,256
Non-current liabilities	
Due in more than one year	
Accrued compensatory pay	57,177
Accrued compensated absences	14,048
Net pension liability	214,015
<u>Total liabilities</u>	<u>335,811</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources - pensions	<u>6,012</u>
<u>NET POSITION</u>	
Net investment in capital assets	107,648
Restricted for:	
Juvenile docket	16,318
Judicial Building Fund	169
Unrestricted (Deficit)	<u>(253,982)</u>
<u>Total net position (deficit)</u>	<u>(129,847)</u>

See accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>			<u>NET (EXPENSES)</u>
		<u>FEES, FINES AND CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>REVENUES AND CHANGES IN NET POSITION</u>
					<u>TOTAL GOVERNMENTAL ACTIVITIES</u>
Governmental Activities					
General government	\$ 1,287,894	\$ 675,933	\$ -	\$ -	\$ (611,961)
Judicial Building Fund	56,148	39,178	-	-	(16,970)
Juvenile Fund	13,643	9,192	-	-	(4,451)
<u>Total governmental activities</u>	<u>1,357,685</u>	<u>724,303</u>	<u>-</u>	<u>-</u>	<u>(633,382)</u>
General Revenues					
Intergovernmental					495,247
Civil reimbursements					92,396
Interest earned					302
Miscellaneous					13,552
<u>Total general revenues</u>					<u>601,497</u>
					<u>(31,885)</u>
					<u>(97,962)</u>
					<u>(129,847)</u>

See accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY COURT OF OPELOUSAS, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	<u>GENERAL</u>	<u>JUDICIAL BUILDING</u>	<u>JUVENILE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>				
Cash	\$ 12,774	\$ 6,563	\$ 15,021	\$ 34,358
Investments	19,930	-	-	19,930
Due from agency fund	2,534	-	-	2,534
Due from other funds	4,254	-	1,301	5,555
Payroll deposit	4,537	-	-	4,537
<u>Total assets</u>	<u>44,029</u>	<u>6,563</u>	<u>16,322</u>	<u>66,914</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 22,686	\$ 2,140	\$ 4	\$ 24,830
Salaries payable	7,166	-	-	7,166
Payroll taxes payable	319	-	-	319
Due to other funds	1,301	4,254	-	5,555
Due to others	18,256	-	-	18,256
<u>Total liabilities</u>	<u>49,728</u>	<u>6,394</u>	<u>4</u>	<u>56,126</u>
<u>FUND BALANCES</u>				
Fund balances				
Restricted	-	169	16,318	16,487
Unassigned	(5,699)	-	-	(5,699)
<u>Total fund balances</u>	<u>(5,699)</u>	<u>169</u>	<u>16,318</u>	<u>10,788</u>
<u>Total liabilities and fund balances</u>	<u>44,029</u>	<u>6,563</u>	<u>16,322</u>	<u>66,914</u>

See accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total fund balances of governmental funds at December 31, 2019		\$ 10,788
Cost of capital assets at December 31, 2019	\$ 378,069	
Less: Accumulated depreciation as of December 31, 2019	<u>(270,421)</u>	107,648
Long-term liabilities at December 31, 2019		
Compensated absences	(14,048)	
Compensatory pay	(57,177)	
Net pension liability	<u>(214,015)</u>	(285,240)
Deferred outflows of resources related to net pension liability		42,969
Deferred inflows of resources related to net pension liability		<u>(6,012)</u>
Total net position of governmental funds at December 31, 2019		<u><u>(129,847)</u></u>

See accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	GENERAL	JUDICIAL BUILDING	JUVENILE	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Fines and fees	\$ 675,933	\$ 39,178	\$ 9,192	\$ 724,303
Intergovernmental	484,007	11,240	-	495,247
Interest earned	267	-	-	267
Civil Reimbursements	91,271	1,125	-	92,396
Miscellaneous	11,873	35	1,679	13,587
<u>Total revenues</u>	<u>1,263,351</u>	<u>51,578</u>	<u>10,871</u>	<u>1,325,800</u>
<u>EXPENDITURES</u>				
Current				
General government - judiciary	1,255,510	56,148	13,643	1,325,301
<u>Total expenditures</u>	<u>1,255,510</u>	<u>56,148</u>	<u>13,643</u>	<u>1,325,301</u>
<u>NET CHANGE IN FUND BALANCES</u>	7,841	(4,570)	(2,772)	499
<u>FUND BALANCES, beginning of year</u>	<u>(13,540)</u>	<u>4,739</u>	<u>19,090</u>	<u>10,289</u>
<u>FUND BALANCES, end of year</u>	<u>(5,699)</u>	<u>169</u>	<u>16,318</u>	<u>10,788</u>

See accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Total net change in fund balances for the year ended December 31, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 499
Depreciation expense for year ended December 31, 2019	<u>\$ (26,302)</u>	(26,302)
The effect of recording net pension liability, deferred outflows and deferred inflows of resources as it relates to net pension liability:		
Increase in pension expense		(5,557)
Change in Long-term debt - Compensated absences		<u>(525)</u>
Total change in net position for the year ended December 31, 2019 per Statement of Activities		<u><u>(31,885)</u></u>

See accompanying notes are an integral part of this statement.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUND
DECEMBER 31, 2019

ASSETS

Cash	\$ 98,121
Investments	106,677
Due from others	1,469
Accrued interest receivable	<u>124</u>
<u>Total assets</u>	<u><u>206,391</u></u>

LIABILITIES

Due to General Fund	\$ 2,534
Due to others	<u>203,857</u>
<u>Total liabilities</u>	<u><u>206,391</u></u>

See accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

A. FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

The criteria for determining whether an entity is a primary government are as follows:

- a. It has a legally separate elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other state and local governments.

City Court of Opelousas, Louisiana is considered to be a primary government because:

- a. The City Judge is an independently elected official.
- b. City Court of Opelousas possesses the corporate powers that would distinguish it as being legally separate from any other government.
- c. City Court of Opelousas can determine its budget without approval of any other government and it can issue bonded debt without approval of any other government.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on other governmental units.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information on all of the nonfiduciary activities of the City Court as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

FUND FINANCIAL STATEMENTS

Fund financial statements of City Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements report detailed information about City Court. As a general rule, interfund eliminations are not made in the fund financial statements.

The various funds of City Court of Opelousas, Louisiana are classified as governmental funds. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

The City Court of Opelousas, Louisiana reports the following major governmental funds:

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

Special Revenue Funds.

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

The Judicial Building Fund shall be used exclusively for the acquisition, leasing, construction, equipping, and maintenance of a new and/or existing city court building and for the maintenance and payment of any bond indebtedness on any such existing facilities.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF PRESENTATION (Continued)

The Juvenile Fund shall be used to account for the juvenile fines and fees assessed, for the purpose of providing after-school training programs to equip youth with life skills and to address academic performance and delinquent behavior. The Juvenile Fund also accounts for the proceeds from the Community Based Family Resources Grant, which provides for an after-school training program to equip youth with vital decision making, conflict resolution, social, anger management, and goal setting skills along with promoting academic performance.

Fiduciary Fund (not included in government-wide statements).

The agency fund type is used to account for assets held by a government as a trustee or agent capacity for others. Agency funds generally serve as clearing accounts. City Court's Agency Fund is the Civil Docket Fund. It is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The fund financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when the related fund liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available for use, it is the Judge's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Revenues

Court cost and fine revenue is recorded when received. Substantially all other revenues are recorded when received.

Expenditures

Expenditures for insurance and similar services, which extend over more than one accounting period, are accounted for as expenditures in the period of acquisition.

Purchases of operating supplies are regarded as expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of year-end unless significant.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

D. ENCUMBRANCES

City Court does not employ the encumbrance system of accounting.

E. BUDGET

City Court legally adopted a budget for the General Fund and Special Revenue Funds for the year ended December 31, 2019. The budgets are prepared on the modified accrual basis. At year-end all appropriations lapse. The budget presented in the Budgetary Comparison Schedule shows the original and final amended budget for the year.

F. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposits. Under state law, 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.

Investments are limited by Louisiana RS 33:2955 and City Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash. City Court's policy is to invest in 6 month and 1 year certificates of deposit. The certificates of deposit are stated at cost, which approximates market value.

G. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds" in the fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. RECEIVABLES AND PAYABLES (Continued)

In the fund financial statements, receivables consist of revenues that are both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

H. CAPITAL ASSETS

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 estimated fair value at the date of donation.

Capital assets are recorded in the government-wide financial statements. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Land improvements	40 years
Building and improvements	40 years
Furniture and equipment	3 – 40 years
Vehicles	10 years

In the fund financial statements, capital assets used in governmental fund activities are accounted for as capital outlay expenditures. City Court maintains a threshold level of \$500 or more for capitalized assets.

I. COMPENSATED ABSENCES

Annual and sick leave shall be simultaneously earned by full time employees based on a continuous service schedule. Upon death of the employee, annual leave at time of death shall be paid to the beneficiary of the employee. Upon separation of service, the Court shall pay for up to 240 hours of annual leave based on the regular rate of pay at time of separation.

J. COMPENSATORY TIME

Compensatory time not used accumulates and is paid upon termination, retirement or death. The Judicial Administrator is considered the department head and therefore, cannot be paid for overtime worked. The Judicial Administrator earns compensatory time for overtime worked. The entire amount of accrued compensatory pay is reported on the government-wide financial statements. Since none of the compensatory time is considered current, no accrual is included in the fund financial statements. Judge Harris has requested an Attorney General's opinion as to the validity of this liability. As of the statement date, no reply has been received. Suit was filed on April 27, 2010 with an answer timely filed shortly thereafter. No further activity after that date. Counsel believes that the liability recorded is sufficient.

K. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The City Court of Opelousas, Louisiana does not provide any post-employment benefits to retirees other than pension and therefore is not required to report under GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

L. BAD DEBTS

City Court of Opelousas, Louisiana, does not record bad debts and has not established an allowance for bad debts because it is their policy to record fines and court costs as collected.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. EQUITY CLASSIFICATIONS

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

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

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

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

1. Restricted fund balance – Reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
2. Committed fund balance – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the city judge – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the judge removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – Reflects the amounts constrained by the judge's "intent" to be used for specific purposes, but are neither restricted nor committed. The judge and the Clerk have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

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

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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.

NOTE 2 - CASH AND INVESTMENTS

Cash consists of cash on hand, demand deposits, and passbook savings accounts. At December 31, 2019, the carrying amount of City Court's cash was \$132,479 (\$34,358 in governmental funds and \$98,121 in fiduciary funds) and the carrying amounts of investments, which consisted of certificates of deposit, \$126,607 (\$19,930 in governmental funds and \$106,677 in fiduciary funds).

Under state law, the bank balances of cash and investments (certificates of deposit) must be secured by federal deposit insurance or the pledge of securities owned by the bank(s). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank(s). These securities are held in the name of the pledging bank(s) in a holding or custodial bank(s).

At December 31, 2019, City Court had \$270,223 (\$60,478 in governmental funds and \$209,745 in fiduciary funds) in bank deposits. These deposits are secured from risk by \$270,223 of federal deposit insurance.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, City Court's deposits may not be recovered or will not be able to recover collateral securities that are in possession of an outside party. 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 similar federal security or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. City Court does not have a policy for custodial credit risk.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for the City Court of Opelousas, Louisiana are as follows:

	Balances 1/1/2019	Additions	Disposals	Balances 12/31/2019
Governmental activities				
Land improvements	\$ 4,000	\$ -	\$ -	\$ 4,000
Building improvements	10,490	-	-	10,490
Furniture and equipment	283,593	-	-	283,593
Vehicles	79,986	-	-	79,986
<u>Total</u>	<u>378,069</u>	<u>-</u>	<u>-</u>	<u>378,069</u>
Less accumulated depreciation				
Land improvements	(2,608)	(100)	-	(2,708)
Building improvements	(6,284)	(765)	-	(7,049)
Furniture and equipment	(179,606)	(19,718)	-	(199,324)
Vehicles	(55,621)	(5,719)	-	(61,340)
<u>Total</u>	<u>(244,119)</u>	<u>(26,302)</u>	<u>-</u>	<u>(270,421)</u>
	<u>133,950</u>	<u>(26,302)</u>	<u>-</u>	<u>107,648</u>

The land and building in which City Court of Opelousas, Louisiana operates are provided by and currently owned by the City of Opelousas, Louisiana and are not included in the capital assets of City Court of Opelousas.

NOTE 4 – RESTRICTED NET POSITION

Restricted net position described in Note 1 as of December 31, 2019 is as follows:

Juvenile Docket	\$16,318
Judicial Building Fund	<u>169</u>
	<u>16,487</u>

NOTE 5 – RETIREMENT PLANS

Municipal Employees' Retirement System of Louisiana (MERS)

General

City Court of Opelousas participates in funding a retirement plan under the City of Opelousas because the majority of salaries and benefits are paid by the City of Opelousas.

Plan Description

Substantially all of City Court's full time employees are provided pension benefits under the City of Opelousas through the Municipal Employees' Retirement System of Louisiana, Plan A. This plan is a cost-sharing, multiple-employer, statewide funded plan. In addition to employee payroll deductions, the funds are remitted to the retirement system and are recorded expenditures. The retirement system is administered and controlled by a separate board of trustees. Contributions of participating agencies are pooled with the system to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and Required Supplementary Information. The report may be obtained at <http://www.mersla.com>.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

Funding Policy

Plan A members of the Municipal Employees' Retirement System are required by state statute to contribute 9.5 % of their annual covered salary and City Court (as the employer) is required to contribute at an actuarially determined rate. The rate for the year ending December 31, 2019 was 26% of annual covered payroll.

The contribution requirements of plan members and the employer are established by, and may be amended by state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is additionally funded by the State of Louisiana through the annual Legislative appropriation. City Court employer contributions to Municipal Employees' Retirement System for the year ended June 30, 2019 was \$45,080 and was equal to the required contribution for the year.

At December 31, 2019 City Court did not have a proportionate share of the net pension liability since it is under the City of Opelousas' retirement plan. At December 31, 2019 City Court reported deferred outflows of resources related to pensions from employer contributions subsequent to the measurement date of \$20,443. Deferred outflows of resources of \$20,443 related to pensions resulting from contributions subsequent to the measurement date of June 30, 2019 will be recognized as pension expense in the year ending December 31, 2020.

Payables to the Pension Plan

At December 31, 2019, City Court reported a payable to the Municipal Employee's Retirement System of Louisiana of \$4,242.

LASERS

Plan Description

The Judge of City Court is provided with a pension through a cost-sharing, multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La 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. Our rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or 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.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement 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 members 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 retirements, becomes eligible for a benefit provided the member lives to the minimum service requirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits

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

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

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.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship with 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 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

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. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2019 for the various plans follow:

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

<u>Plan</u>	<u>Plan Status</u>	<u>Employee Contribution Rate</u>	<u>Employer Contribution Rate</u>
Appellate Law Clerks	Closed	7.50%	37.90%
Appellate Law Clerks hired on or after 7/1/06	Open	8.00%	37.90%
Alcohol Tobacco Control	Closed	9.00%	31.40%
Bridge Police	Closed	8.50%	36.70%
Bridge Police hired on or after 7/1/06	Closed	8.50%	36.70%
Corrections Primary	Closed	9.00%	33.50%
Corrections Secondary	Closed	9.00%	37.70%
Harbor Police	Closed	9.00%	7.10%
Hazardous Duty	Open	9.50%	38.50%
Judges hired before 1/1/11	Closed	11.50%	40.10%
Judges hired after 12/31/10	Closed	13.00%	39.00%
Judges hired on or after 7/1/15	Open	13.00%	39.00%
Legislators	Closed	11.50%	41.60%
Optional Retirement Plan (ORP) before 7/1/06	Closed	7.50%	37.90%
Optional Retirement Plan (ORP) on or after 7/1/06	Closed	8.00%	37.90%
Peace Officers	Closed	9.00%	36.70%
Regular Employees hired before 7/1/06	Closed	7.50%	37.90%
Regular Employees hired on or after 7/1/06	Closed	8.00%	37.90%
Regular Employees hired on or after 1/1/11	Closed	8.00%	37.90%
Regular Employees hired on or after 7/1/15	Open	8.00%	37.90%
Special Legislative Employees	Closed	9.50%	43.60%
Wildlife Agents	Closed	9.50%	46.30%

City Court's contractually required composite contribution rate for LASERS for the year ended December 31, 2019 was 40.1% 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 LASERS pension plan from City Court were \$22,616 for the year ended December 31, 2019.

Payable to the Pension Plan

At December 31, 2019, City Court reported a payable to LASERS of \$2,533.

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

At December 31, 2019 the Employer reported a liability of \$214,015 for its proportionate share of the Net Pension Liability for LASERS. 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. City Court's proportion of the Net Pension Liability was based on a projection of 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, 2019, City Court's proportion was .00295% which was an increase of .00013% from its proportion measured as of June 30, 2018.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

For the year ended December 31, 2019, City Court recognized pension expense for LASERS of \$27,595 plus employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions of \$(25,795) for a total of \$1,800.

At December 31, 2019, City Court reported deferred outflows of resources and deferred inflows of resources as 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 LASERS	\$ 1,314	\$ (445)
Changes in assumptions LASERS	1,834	-
Net difference between projected and actual earnings on pension plan investments LASERS	7,394	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions and deferred outflows and inflows of resources LASERS	27	(5,567)
Employer contributions subsequent to the measurement date LASERS and MERS	<u>32,400</u>	<u>-</u>
Total	<u><u>42,969</u></u>	<u><u>(6,012)</u></u>

\$11,957 (LASERS) reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2020. 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>For year ended December 31:</u>	
2020	\$ 1,900
2021	(2,152)
2022	2,034
2023	<u>2,772</u>
Total	<u><u>4,554</u></u>

20,443 (MERS) reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2020.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

Actuarial Assumptions

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.6% per annum, net of investment expenses*
Inflation Rate	2.5% per annum
Mortality	Non-disabled members: Mortality rates for 2019 based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale.

Disabled members: Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, & 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:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
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 increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

*The investment rate of return used in the actuarial valuation for funding purposes was 8.00%, recognizing an additional 40 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.60%, which is the same as the discount rate. Therefore, we conclude that the 7.60% discount is reasonable.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RETIREMENT PLANS (Continued)

The long-term expected rate of return on pension plan investments for LASERS 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 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. 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected 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 Asset Allocation	5.06%
Total	6.09%

Discount Rate

The discount rate for LASERS used to measure the total pension liability was 7.60%. 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 contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Employer's proportionate share of the Net Pension Liability for LASERS using the discount rate of 7.60%, as well as what the Employer'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:

	<u>1.0% Decrease (6.60%)</u>	<u>Current Discount Rate (7.60%)</u>	<u>1% Increase (8.60%)</u>
Employer's proportionate share of the net pension liability	\$ 270,114	\$ 214,015	\$ 166,630

Pension Plan Fiduciary Net Position

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

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 – OPERATING LEASES

On December 28, 2007, City Court, along with the City Marshal's office, entered into an operating lease for a telephone system. The operating lease was for 60 months. On December 4, 2012, City Court, along with the City Marshal's office, renewed the operating lease for 36 months. After December 4, 2015 City Court did not renew the lease and continues to make monthly payments on a month-to-month basis with the vendor.

Telephone rental expense for 2019 was \$2,201.

In July 2014, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$39.06. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In February 2017, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$131.53. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In February 2017, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$165.22. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In June 2018, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$88.30. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

In September 2019, City Court entered into an operating lease for a copier machine. The operating lease is for 60 months with monthly payments of \$60.51. At the end of the lease, City Court has the option to purchase the equipment at fair market value, may upgrade the equipment, and / or renew the lease.

Copier rental expense for 2019 was \$8,588.

Following is a summary of future minimum rental payments required by the equipment leases:

2020	\$5,347
2021	5,347
2022	2,379
2023	1,256
2024	484

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations is as follows:

<u>Description of Debt</u>	<u>Balance 1/1/2019</u>	<u>Increase (Decrease)</u>	<u>Balance 12/31/2019</u>
Accrued compensatory pay	\$ 57,177	\$ -	\$ 57,177
Accrued compensated absences	13,523	525	14,048
	<u>70,700</u>	<u>525</u>	<u>71,225</u>

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between funds that may result in amounts owed between funds. Those related goods and services type transactions are classified as “due to and from other funds” in the fund financial statements. In the government-wide financial statements, interfund receivables and payables are eliminated within the governmental activities. All of these accounts are expected to be repaid within one year from the date of the financial statements.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 6,788	\$ 1,301
Agency Fund	-	2,534
Special Revenue Fund	1,301	4,254
	<u>8,089</u>	<u>8,089</u>

NOTE 9 – INTERFUND TRANSFERS

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. There were no interfund transfer balances at December 31, 2019.

NOTE 10 – ON BEHALF PAYMENTS

Several employees and the City Judge of City Court of Opelousas receive payments directly from the City of Opelousas and St. Landry Parish Government. Salaries paid to these employees and the City Judge includes \$293,266 from the City of Opelousas and \$11,627 from St. Landry Parish Government. The City of Opelousas and St. Landry Parish Government also pay for fringe benefits, retirement and payroll taxes. Payments made on behalf of City Court amounted to \$33,274 for group health insurance, \$70,807 for retirement and \$9,298 for payroll taxes by the City of Opelousas and \$4,796 for retirement and \$169 for payroll taxes by St. Landry Parish Government. These expenditures have been recorded on the books of City Court and are presented in their appropriate accounts.

In addition to the expenditures recorded on the books of City Court as noted above, the City of Opelousas also made expenditures on behalf of City Court in the amount of \$60,770 for office supplies and expenses, insurance, maintenance and repairs, and detention center cost. City Court also occupies a building owned by the City of Opelousas.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through June 25, 2020 which is the date the financial statements were available to be issued. As of June 25, 2020, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>REVENUES</u>				
Fines and fees				
Civil court fees	\$ 8,000	\$ 9,417	\$ 8,213	\$ (1,204)
Court costs and fines earned	405,000	564,099	508,185	(55,914)
Criminal Court Fees	50,000	48,950	48,801	(149)
Probation Evaluation fees	2,200	851	802	(49)
Driver's school	1,200	1,327	1,458	131
Community service	1,200	707	898	191
Drug testing	2,500	633	525	(108)
Subpoena fees	3,700	4,997	5,638	641
JEU Application income	500	587	560	(27)
Criminal & Traffic Record Income	2,400	4,736	3,993	(743)
Department of Public Safety fees	2,500	3,467	3,325	(142)
District Court - DWI and probation fees	70,000	45,060	44,257	(803)
Administrative cost fees	60,000	54,419	49,278	(5,141)
Intergovernmental				
On behalf payments				
City of Opelousas	565,207	478,410	467,415	(10,995)
St. Landry Parish Government	16,300	16,510	16,592	82
Investment earnings	300	215	267	52
Reimbursed expense for Judge from Civil	84,000	66,802	79,319	12,517
Reimbursed expense from Civil	66,000	19,874	11,952	(7,922)
Other	6,700	6,858	11,873	5,015
Total Revenues	<u>1,347,707</u>	<u>1,327,919</u>	<u>1,263,351</u>	<u>(64,568)</u>
<u>EXPENDITURES</u>				
General Government				
Current				
Accounting and auditing	40,000	53,146	50,244	2,902
Contract labor	1,000	1,833	975	858
Computer maintenance contracts	8,000	1,089	2,964	(1,875)
Refunds	-	-	2,512	(2,512)
Dues and subscriptions	1,200	2,575	2,486	89
Fuel cost	1,500	1,384	1,179	205
Insurance	17,000	13,809	12,410	1,399
Lease of equipment	11,100	10,971	10,789	182
Marshal's operating expenses	6,000	5,429	5,572	(143)
Miscellaneous	1,000	2,043	555	1,488
Office supplies	11,500	8,788	9,066	(278)
Printing jobs	200	578	654	(76)
Document storage	4,500	2,610	2,610	-
Payroll taxes	3,000	3,239	3,121	118
Salaries	233,400	218,000	210,651	7,349
Subpoenas	3,600	1,787	1,808	(21)
On behalf expenses				
City of Opelousas	565,207	478,410	467,415	10,995
St. Landry Parish Government	16,300	16,510	16,592	(82)
Travel and conventions	11,000	9,522	9,222	300
Telephone and internet	5,600	6,347	5,731	616
Auto repairs and maintenance	400	652	965	(313)
Uniforms	500	97	73	24
Utilities	10,000	6,626	6,787	(161)
Bank charges	2,500	2,897	4,166	(1,269)

Continued on next page.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
Restitution expense	\$ 800	\$ -	\$ -	\$ -
Employees' meals	750	359	-	359
Legal books	12,000	15,351	14,276	1,075
Retirement expense	68,700	65,070	64,587	483
Allocation of court cost				
City Marshal	30,000	36,481	36,225	256
St. Landry Parish Indigent Fund	68,000	104,299	93,752	10,547
Acadiana Criminalistics Laboratory	38,700	57,373	51,325	6,048
District Attorney	12,400	20,793	18,250	2,543
City Treasurer	29,700	54,372	51,434	2,938
St. Landry Parish Government	58,000	76,219	65,640	10,579
LA Commission of Law Enforcement	4,700	6,256	5,621	635
District Attorney - 12% Fund	8,000	12,269	10,358	1,911
Crime Victims	2,400	2,775	2,625	150
State DWI machine fee	1,100	1,599	1,359	240
City test fee	500	200	288	(88)
Supreme Court CMIS cost	3,700	6,025	5,355	670
District Attorney - worthless check fee	-	27	20	7
Officer subpoenas	1,300	1,013	1,200	(187)
Act 508 - P.T.	300	67	100	(33)
Act 832 - Drug Abuse Ed & Tx	200	205	154	51
Act 405 - Supreme Court - juv ed	700	1,026	906	120
ACT 895.4 - Crime Stoppers	2,400	3,941	3,488	453
<u>Total Expenditures</u>	<u>1,298,857</u>	<u>1,314,062</u>	<u>1,255,510</u>	<u>58,552</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>48,850</u>	<u>13,857</u>	<u>7,841</u>	<u>(6,016)</u>
<u>FUND BALANCE</u> , beginning of year			<u>(13,540)</u>	
<u>FUND BALANCE</u> , end of year			<u>(5,699)</u>	

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - JUDICIAL BUILDING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Fines and Fees	\$ 36,000	\$ 43,343	\$ 39,178	\$ (4,165)
St. Landry Parish Government Reimbursement	9,000	11,621	11,240	(381)
Reimbursement from Civil	-	1,125	1,125	-
Miscellaneous Income	-	-	35	35
<u>Total Revenues</u>	<u>45,000</u>	<u>56,089</u>	<u>51,578</u>	<u>(4,511)</u>
<u>EXPENDITURES</u>				
Bank service charges	200	313	300	13
Repairs and maintenance	38,500	57,926	54,366	3,560
Document Storage	400	773	580	193
Supplies	1,500	-	-	-
Utilities	-	1,202	529	673
Telephone	-	-	373	(373)
<u>Total Expenditures</u>	<u>40,600</u>	<u>60,214</u>	<u>56,148</u>	<u>4,066</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>4,400</u>	<u>(4,125)</u>	<u>(4,570)</u>	<u>(445)</u>
<u>FUND BALANCE</u> , beginning of year			<u>4,739</u>	
<u>FUND BALANCE</u> , end of year			<u>169</u>	

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND - JUVENILE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Reimbursements from other governments	\$ 1,500	\$ -	\$ -	\$ -
Juvenile Fines	10,000	9,154	9,192	38
Youth Blast income	10,000	9,000	1,500	(7,500)
Miscellaneous	2,500	179	179	-
<u>Total Revenues</u>	<u>24,000</u>	<u>18,333</u>	<u>10,871</u>	<u>(7,462)</u>
<u>EXPENDITURES</u>				
Juvenile upkeep & expense	8,000	4,593	5,559	(966)
Contract services	1,500	-	-	-
Dues & subscriptions	-	-	99	(99)
FINS - 27th Judicial Expense Fund	5,400	5,400	5,400	-
Marshall subpoenas	70	153	160	(7)
Miscellaneous	160	947	-	947
Office supplies	-	-	611	(611)
Youth Blast expense	10,000	1,810	1,814	(4)
<u>Total Expenditures</u>	<u>25,130</u>	<u>12,903</u>	<u>13,643</u>	<u>(740)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(1,130)</u>	<u>5,430</u>	<u>(2,772)</u>	<u>(8,202)</u>
<u>FUND BALANCE</u> , beginning of year			<u>19,090</u>	
<u>FUND BALANCE</u> , end of year			<u>16,318</u>	

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2019*

<u>Year ended June 30,</u>	<u>Employer Proportion of the Net Pension Liability (Asset)</u>	<u>Employer Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2019	0.00295%	\$ 214,015	\$ 56,400	379%	62.9%
2018	0.00308%	\$ 210,327	\$ 56,300	374%	64.3%
2017	0.00313%	\$ 220,527	\$ 53,733	410%	62.5%
2016	0.00299%	\$ 234,948	\$ 53,000	443%	57.7%
2015	0.00286%	\$ 194,523	\$ 53,000	367%	62.7%

This 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.

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31, 2019*

<u>Year ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2019	\$ 22,616	\$ 22,616	\$ -	\$ 56,400	40.1%
2018	\$ 25,576	\$ 22,576	\$ -	\$ 56,300	40.1%
2017	\$ 20,415	\$ 20,415	\$ -	\$ 53,733	38.0%
2016	\$ 20,148	\$ 20,148	\$ -	\$ 53,000	38.0%
2015	\$ 21,094	\$ 21,094	\$ -	\$ 53,000	39.8%

This 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.

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

BUDGET

NOTE (1) BASIS OF ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE (2) BUDGETARY PRACTICES

The Court prepares and adopts a budget in accordance with LSA-RS 39:1301 et seq. The annual budget for the General Fund is prepared in accordance with the basis of accounting utilized by that fund.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are performed.

NOTE (3) EXCESS OF ACTUAL EXPENDITURES OVER BUDGET

The Juvenile Fund was over budget by \$740 due to additional juvenile upkeep and expenses.

PENSION PLAN

There were no changes of benefit terms for the plan year ended June 30, 2019. Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability and various other factors that have an impact on the cost of the plans.

OTHER SUPPLEMENTARY INFORMATION

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Cash	\$ 12,774	\$ 1,030
Investments	19,930	29,970
Due from other funds	4,254	4,701
Due from agency fund	2,534	41
Payroll deposit	4,537	-
	<u>44,029</u>	<u>35,742</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 22,686	\$ 27,530
Salaries payable	7,166	7,474
Payroll taxes payable	319	415
Due to other funds	1,301	1,249
Due to others	18,256	10,464
Accrued compensated absences	-	2,150
	<u>49,728</u>	<u>49,282</u>
 <u>FUND BALANCE</u>		
Unassigned	(5,699)	(13,540)
	<u>(5,699)</u>	<u>(13,540)</u>
	<u>44,029</u>	<u>35,742</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Fines and Fees		
Civil court fees	\$ 8,213	\$ 8,207
Court costs and fines earned	508,185	375,446
Probation Evaluation fees	802	2,250
Criminal Court Funds	48,801	40,785
Driver's school	1,458	1,075
Community service income	898	919
Drug testing	525	2,325
Subpoena fees	5,638	4,734
JEU Application income	560	570
Criminal & Traffic Record Income	3,993	22,396
Department of Public Safety fees	3,325	2,250
District Court - DWI and probation fees	44,257	60,494
Administrative cost fees	49,278	52,853
Intergovernmental		
On behalf payments		
City of Opelousas	467,415	464,517
St. Landry Parish Government	16,592	16,458
Investment earnings	267	304
Reimbursed expense for Judge from Civil	79,319	79,163
Reimbursed expense from Civil	11,952	57,416
Other	11,873	6,864
<u>Total Revenues</u>	<u>1,263,351</u>	<u>1,199,026</u>
<u>EXPENDITURES</u>		
General Government		
Current		
Accounting and auditing	50,244	46,622
Contract services -probation	975	2,425
Contract labor	-	445
Computer expense	2,964	5,932
Refunds	2,512	203
Dues and subscriptions	2,486	2,551
Fuel cost	1,179	1,327
Insurance	12,410	16,837
Lease of equipment	10,789	12,071
Marshal's operating expenses	5,572	6,000
Miscellaneous	555	938
Office supplies	9,066	11,649
Printing jobs	654	362

See accountant's compilation report.

Continued on next page.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Document storage	\$ 2,610	\$ 3,190
Payroll taxes	3,121	4,981
Salaries	210,651	306,029
Compensated absences	-	2,150
On behalf expenses		
City of Opelousas	467,415	464,517
St. Landry Parish Government	16,592	16,458
City Marshal subpoenas	1,808	1,740
Travel and conventions	9,222	8,554
Telephone and internet	5,731	5,162
Auto repairs and maintenance	965	548
Uniforms	73	60
Utilities	6,787	7,757
Bank charges	4,166	2,802
Restitution expense	-	798
Employees' meals	-	376
Legal books	14,276	13,827
Retirement expense	64,587	80,363
Allocation of court cost		
City Marshal	36,225	27,178
St. Landry Parish Indigent Fund	93,752	63,298
Acadiana Criminalistics Laboratory	51,325	35,966
District Attorney	18,250	11,546
City Treasurer	51,434	29,266
St. Landry Parish Government	65,640	54,969
LA Commission of Law Enforcement	5,621	4,162
District Attorney - 12% Fund	10,358	7,496
Crime Victims	2,625	2,164
State DWI machine fee	1,359	1,071
City test fee	288	467
Supreme Court CMIS cost	5,355	3,396
District Attorney - worthless check fee	20	-
Officer subpoenas	1,200	540
Act 508 - P. T.	100	200
Act 832 - Drug Abuse Ed & Tx	154	100
Act 405 - Supreme Court - juv ed	906	641
ACT 895.4 - Crime Stoppers	3,488	2,246
<u>Total Expenditures</u>	<u>1,255,510</u>	<u>1,271,380</u>

See independent auditor's report.
Continued on next page.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>NET CHANGE IN FUND BALANCE</u>	\$ 7,841	\$ (72,354)
<u>FUND BALANCE</u> , beginning of year	<u>(13,540)</u>	<u>58,814</u>
<u>FUND BALANCE</u> , end of year	<u><u>(5,699)</u></u>	<u><u>(13,540)</u></u>

See independent auditor's report.

SPECIAL REVENUE FUND

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

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE BALANCE SHEET
JUDICIAL BUILDING FUND
DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Cash	\$ 6,563	\$ 8,482
<u>Total Assets</u>	6,563	8,482
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 2,140	\$ 765
Due to General Fund	4,254	2,978
<u>Total Liabilities</u>	6,394	3,743
 <u>FUND BALANCE</u>		
Restricted Fund Balance	169	4,739
<u>Total Fund Balance</u>	169	4,739
<u>Total liabilities and fund balance</u>	6,563	8,482

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
JUDICIAL BUILDING FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Fines and Fees	\$ 39,178	\$ 33,536
St. Landry Parish Government Reimbursement	11,240	11,622
Reimbursement from Civil for expenses	1,125	19,975
Miscellaneous Income	35	-
<u>Total Revenues</u>	<u>51,578</u>	<u>65,133</u>
<u>EXPENDITURES</u>		
Bank Service Charges	300	199
Repairs and maintenance	54,366	56,547
Supplies	-	1,970
Document storage	580	580
Utilities	529	577
Telephone	373	-
<u>Total Expenditures</u>	<u>56,148</u>	<u>59,873</u>
<u>NET CHANGE IN FUND BALANCE</u>	(4,570)	5,260
<u>FUND BALANCE</u> , beginning of year	<u>4,739</u>	<u>(521)</u>
<u>FUND BALANCE</u> , end of year	<u>169</u>	<u>4,739</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE BALANCE SHEET
JUVENILE FUND
DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Cash	\$ 15,021	\$ 17,847
Due from General Fund	1,301	1,249
<u>Total Assets</u>	16,322	19,096
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 4	\$ 6
<u>Total Liabilities</u>	4	6
 <u>FUND BALANCES</u>		
Restricted	16,318	19,090
<u>Total Fund Balances</u>	16,318	19,090
<u>Total liabilities and fund balances</u>	16,322	19,096

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
JUVENILE FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Juvenile Fines	\$ 9,192	\$ 7,412
Youth Blast Income	1,500	21,500
Miscellaneous	179	1,763
<u>Total Revenues</u>	<u>10,871</u>	<u>30,675</u>
<u>EXPENDITURES</u>		
Juvenile upkeep & expense	5,559	9,530
Accounting fees	-	6,098
Contract services	-	1,500
Dues & subscriptions	99	99
FINS - 27th Judicial Expense Fund	5,400	5,400
Marshall subpoenas	160	75
Office Supplies	611	23
Youth Blast expense	1,814	13,197
<u>Total Expenditures</u>	<u>13,643</u>	<u>35,922</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(2,772)</u>	<u>(5,247)</u>
<u>FUND BALANCE, beginning of year</u>	<u>19,090</u>	<u>24,337</u>
<u>FUND BALANCE, end of year</u>	<u>16,318</u>	<u>19,090</u>

See independent auditor's report.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head Name: Vanessa Harris, Judge
 Service Period: 12 Months

<u>Purpose:</u>	<u>Amount</u>
Salary	\$ 56,400
Retirement	29,643
Insurance	4,749
Per diem	590
Reimbursements	-
Travel	586
Registration Fees	1,375
Convention Travel	2,688
Other (dues/memberships)	<u>1,900</u>
	<u><u>97,931</u></u>

See independent auditor's report.

RELATED REPORTS

James L. Nicholson, Jr., CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



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Van L. Auld, CPA

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

Honorable Judge Vanessa Harris
 City Court of Opelousas
 Opelousas, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City Court of Opelousas, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise City Court of Opelousas' basic financial statements and have issued our report thereon dated June 25, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control that we consider to be a significant deficiency which is described in the accompanying schedule of findings and responses as 2019-1.

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Honorable Judge Vanessa Harris
City Court of Opelousas
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Opelousas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and responses as 2019-2.

Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Opelousas, Louisiana
June 25, 2020

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I - SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of City Court of Opelousas.
2. One significant deficiency relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and on Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. One instance of noncompliance relating to the audit of the financial statements was reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
4. No management letter was issued for City Court of Opelousas as of and for the year ended December 31, 2019.
5. There was no single audit required under 2CFR 200.516(a) (Uniform Guidance).

Section II - FINDINGS - FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2019-1 Deficit Fund Balance in General Fund

Condition: City Court's General Fund has a deficit fund balance at year end.

Criteria: The General Fund should have a positive fund balance.

Cause: Due to expenditures exceeding revenues for several years, a deficit fund balance was created.

Effect: City Court has a deficit fund balance in the General Fund which creates instability.

Recommendation: We recommend a plan be implemented to reduce expenditures in order to create income to reduce the current deficit fund balance.

Response: As with many courts of jurisdictions within the state of Louisiana, the general fund is primarily sustained by revenue collected from court costs, fines, and fees. When the City of Opelousas's Police Department's new administration began in January 2019, the Court initially experienced an increase in citation filings which we had anticipated would positively impact overall collection rate. However, over the course of time, the number of filings decreased which resulted in a decrease in the number of defendants appearing in Court. Nonetheless, we are observing an upward trend in the number of citations issued by the police department during the first and second quarters of 2020 and remain optimistic this increase in filings will positively impact future revenue. The Court will seek to maintain expenses below actual revenue by closely monitoring expenditures.

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019

Section II – FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

Contact Person: LaVonya Malveaux, Judicial Administrator

COMPLIANCE

2019-2 Budget Amendment

Condition: The budgets were not properly amended for Judicial Building Fund and Juvenile Fund.

Criteria: Louisiana Local Government Budget Act RS 39:1311(A)(2) states that the budget must be amended when budgeted revenues exceed actual revenues by 5 percent or more and when actual expenditures exceed budgeted expenditures by 5 percent or more.

Cause: The budgets were not properly amended as required by Louisiana Local Government Budget Act for Judicial Building Fund and Juvenile Fund.

Effect: Budgeted revenues exceeded actual revenues in Judicial Building Fund by 8.0%, in the Juvenile Fund by 40.7%, and actual expenditures exceeded budgeted expenditures in Juvenile Fund by 5.7%.

Recommendation: City Court of Opelousas should consult and follow the Louisiana Local Government Budget Act when amending the budget.

Response: The Judicial Building and Juvenile Fund budgets were amended using actual numbers through 9/30/19 and projected for the remainder of the year based on these figures. Nonetheless, for the Judicial Building Fund the revenues projected for the remainder of the year from civil and criminal were less than we anticipated on the budget due to a decrease in filings during the last quarter of the year. For the Juvenile Fund there was \$740 in expenditures more than we budgeted for in the last few months of the year. These expenditures were mostly incurred on the behalf of the St. Landry Parish Children and Youth Services Planning Boards for which the Court manages discretionary sponsorship funds. The Court will seek to maintain expenses below actual revenues by closely monitoring expenditures.

Contact Person: LaVonya Malveaux. Judicial Administrator

Section III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

N/A

CITY COURT OF OPELOUSAS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Internal Control

2018-1 Deficit Fund Balance in General Fund

UNRESOLVED

Compliance

2018-2 Amended Budget Adopted with Deficit Fund Balance in General Fund

RESOLVED

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

No findings.

James L. Nicholson, Jr., CPA
 Michael A. Roy, CPA
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Van L. Auld, CPA

**INDEPENDENT ACCOUNTANT'S REPORT
 ON APPLYING AGREED-UPON PROCEDURES**

Honorable Judge Vanessa Harris
 of City Court of Opelousas
 and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by City Court of Opelousas (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained for budgeting and address all of the above functions.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained for purchasing and address all of the above functions.

c) **Disbursements**, including processing, reviewing, and approving

Written policies and procedures were obtained for disbursements and address all of the above functions.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)

Written policies and procedures were obtained for receipts and address all of the above functions.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained for payroll/personnel and address all of the above functions.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Written policies and procedures were obtained for contracting and address all of the above functions.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Written policies and procedures were obtained for credit cards and address all of the above functions.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained for travel and expense reimbursement and address all of the above functions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were obtained for ethics and address all of the above functions.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

City Court does not have debt service, therefore, there are no written policies and procedures addressing debt service.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained for disaster recovery/business continuity and address all of the above functions.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

We were provided with a listing from management and management's representation that the listing was complete.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exceptions noted.

- 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

Bank reconciliations included evidence that the Judicial Administrator reviewed each bank reconciliation.

- 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.

The only cash account with outstanding items for more than 12 months from the statement closing date is the criminal docket account. There is evidence that management has researched the reconciling items.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period and management's representation that the listing was complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained a listing of deposit sites for the fiscal period and management's representation that the listing was complete.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Each employee has a separate cash drawer.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Employees responsible for preparing/making deposits do not reconcile the collections. An outside CPA firm reconciles the bank accounts on a monthly basis.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exceptions noted.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

An outside CPA firm reconciles each bank account on a monthly basis, and they are not responsible for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Per management, all employees who have access to cash are covered by a bond.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

No exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger

No exceptions noted.

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 those C/C areas identified in the SAUPs. 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.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, 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.

A handwritten signature in cursive script that reads "John L. Dowling & Company". The signature is written in black ink and is positioned above the typed text.

Opelousas, Louisiana
June 25, 2020