

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2019**

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 FINANCIAL STATEMENTS  
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# **BAXLEY AND ASSOCIATES, LLC**

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The Honorable Judge Michael Distefano  
City Court of Plaquemine

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major funds of the City Court of Plaquemine (a component unit of City of Plaquemine, LA), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City Court of Plaquemine's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City Court of Plaquemine (a component unit of City of Plaquemine, LA), as of December 31, 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 management's discussion and analysis, budgetary comparison information, schedule of City Court of Plaquemine's proportionate share of the net pension liability, and schedule of City Court of Plaquemine's contributions on pages 3-7 and 41-46, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

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

The combining nonmajor special revenue fund financial statements and the schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor special revenue fund financial statements and the schedule of compensation, benefits, and other payments to agency head 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 26, 2020, on our consideration of the City Court of Plaquemine's internal control over financial reporting and on our tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Plaquemine's internal control over financial reporting and compliance.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 26, 2020

**CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

As management of the City Court of Plaquemine, we are pleased to provide an overview of our financial activities for the year ended December 31, 2019. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, and adherence to budget. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

**FINANCIAL HIGHLIGHTS**

- City Court's net position increased by \$6,823 from (\$53,795) in 2018 to (\$46,972) in 2019.
- City Court's revenues increased by \$27,220 from \$472,501 in 2018 to \$500,531 in 2019.
- City Court's expenses increased by \$17,180 from \$475,718 in 2018 to \$493,708 in 2019.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

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

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

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (CONTINUED)**

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

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

**Fund Financial Statements**

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

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

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

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

**Notes to the Basic Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

**Other Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the City Court of Plaquemine's budgetary control, on pages 41-44. Schedules of the City Court's Proportionate Share of the Net Pension Liability and City Court's Contributions can be found on page 45-46.

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

**FINANCIAL ANALYSIS OF CITY COURT OF PLAQUEMINE AS A WHOLE**

The City Court of Plaquemine's net position at fiscal year-end is (\$46,972). The table that follows provides a summary of the City Court of Plaquemine's net position:

<b>Summary of Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets:</b>		
Current assets	\$ 65,632	\$ 67,713
Capital assets, net of accumulated depreciation	-	-
<b>Total Assets</b>	<b>65,632</b>	<b>67,713</b>
Deferred outflows of resources - pension	65,791	90,524
<b>Liabilities:</b>		
Current liabilities	-	17
Long-term liabilities	145,768	146,151
<b>Total Liabilities</b>	<b>145,768</b>	<b>146,168</b>
Deferred inflows of resources - pension	32,627	65,864
<b>Net position:</b>		
Unrestricted	(46,972)	(53,795)
<b>Total Net Position</b>	<b>\$ (46,972)</b>	<b>\$ (53,795)</b>

Current assets decreased by \$2,081. The agency funds are not included on the Statement of Net Position.

The City Court of Plaquemine reported a negative balance in net position for its governmental activities. Net position at December 31, 2019 increased from net position at December 31, 2018 by \$6,823.

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

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

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

	Changes in Net Position	
	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Court fees, fines, and costs	\$ 810	\$ 1,050
General revenues:		
Intergovernmental	451,437	437,279
Miscellaneous	48,249	34,135
Investment earnings	35	37
Transfers	-	-
Total Revenues	500,531	472,501
Expenses:		
Program expenses:		
General government - City Court	493,708	475,718
Total Expenses	493,708	475,718
Change in Net Position	6,823	(3,217)
Beginning net position	(53,795)	(50,578)
Ending net position	\$ (46,972)	\$ (53,795)

The revenues of the City Court of Plaquemine reflect the actual revenues as opposed to anticipated revenues. Each year's budget is based on city and parish funding and not on an accrual basis. The court's revenues consist of fees, fines, state and federal grants, and the balance being supported by the city and parish subsidiaries. Revenues increased by 6% from 2018 to 2019.

The expenditures consist of court administration, personnel salaries and benefits, operating services, communication, maintenance of equipment, continuing education, travel, and court materials. Expenditures increased by 4% from 2018 to 2019.

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

**BUDGETARY HIGHLIGHTS**

The City Court of Plaquemine submits an annual budget to the city and adheres to the budget on the expense side, but the Court can only anticipate the revenues from fines and fees. The operations budget for the court maintains not only the traffic and misdemeanor court proceedings, but handles all small claims, civil suits, garnishments, and eviction services to the citizens of Plaquemine. Budgetary comparison statements can be found on pages 41-44. These statements compare the original adopted budget, the budget if amended throughout the year, and the actual revenues and expenditures prepared on a budgetary basis.

In the General fund, actual revenues exceeded budgeted revenues by \$22,862 and actual expenditures exceeded budgeted expenditures by \$184,945. In the Marshal's fund, actual revenues exceeded budgeted revenues by \$675 and actual expenditures exceeded budgeted expenditures by \$56,132. In the Probation fund, budgeted revenues exceeded actual revenues by \$31,192 and actual expenditures exceeded budgeted expenditures by \$75,008.

**CAPITAL ASSETS**

The City Court of Plaquemine's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2019 was \$0. The net decrease in net investment in capital assets from 2018 to 2019 was \$0. No additions or deletions were made in 2019.

**REQUESTS FOR INFORMATION**

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

## BASIC FINANCIAL STATEMENTS

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

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 42,278
Intergovernmental receivables	15,000
Accounts receivable	7,154
Prepaid expense	1,200
<b>TOTAL ASSETS</b>	<b>\$ 65,632</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	<b>\$ 65,791</b>
<b>LIABILITIES AND NET POSITION</b>	
<b>Liabilities</b>	
Net pension liability	145,768
<b>Total Liabilities</b>	<b>145,768</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	<b>32,627</b>
<b>NET POSITION</b>	
Unrestricted	(46,972)
<b>TOTAL NET POSITION</b>	<b>\$ (46,972)</b>

The accompanying notes are an integral part of this statement.

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

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues from Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental Activities:</b>				
City Court	\$ 493,708	\$ 810	\$ -	\$ (492,898)
<b>Total Governmental Activities</b>	<u>\$ 493,708</u>	<u>\$ 810</u>	<u>\$ -</u>	<u>\$ (492,898)</u>

General Revenues:	
Intergovernmental revenue	451,437
Investment earnings	35
Other general revenues	48,249

Total General Revenues 499,721

**Change in Net Position** \$ 6,823

**Net Position at Beginning of the Year** (53,795)

**Net Position at End of the Year** \$ (46,972)

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 COMBINED BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2019

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 20,791	\$ 6,495	\$ 6,306	\$ 8,686	\$ 42,278
Account receivable	1,944	4,280	-	930	7,154
Intergovernmental receivables	10,000	5,000	-	-	15,000
Prepaid expense	-	-	-	1,200	1,200
Interfund receivables	9,595	-	1,100	1,320	12,015
<b>TOTAL ASSETS</b>	<b>\$ 42,330</b>	<b>\$ 15,775</b>	<b>\$ 7,406</b>	<b>\$ 12,136</b>	<b>\$ 77,647</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	1,920	37	9,558	500	12,015
<b>Total Liabilities</b>	<b>1,920</b>	<b>37</b>	<b>9,558</b>	<b>500</b>	<b>12,015</b>
<b>Fund Balance</b>					
Nonspendable	-	-	-	1,200	1,200
Restricted	-	15,738	(2,152)	-	13,586
Unassigned	40,410	-	-	10,436	50,846
<b>Total Fund Balance</b>	<b>40,410</b>	<b>15,738</b>	<b>(2,152)</b>	<b>10,436</b>	<b>65,632</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 42,330</b>	<b>\$ 15,775</b>	<b>\$ 7,406</b>	<b>\$ 10,936</b>	

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

Net pension liability	(145,768)
Deferred inflows of resources	(32,627)
Deferred outflows of resources	65,791
<b>Net position of governmental activities</b>	<b>\$ (46,972)</b>

The accompanying notes are an integral part of this statement.

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

	General Fund	Marshal's Fund	Probation Fund	Other Governmental Funds	Totals 2019
<b>REVENUES</b>					
Court fees, fines and costs	\$ -	\$ 810	\$ -	\$ -	\$ 810
Intergovernmental	254,761	105,703	75,198	15,775	451,437
Interest	35	-	-	-	35
Miscellaneous revenue	13	1,228	147	-	1,388
<b>TOTAL REVENUES</b>	<b>254,809</b>	<b>107,741</b>	<b>75,345</b>	<b>15,775</b>	<b>453,670</b>
<b>EXPENDITURES</b>					
Auto and travel	-	14,400	-	-	14,400
Drug testing	-	-	1,310	-	1,310
Dues and seminars	4,020	8,209	-	297	12,526
Office supplies and expense	2,055	3,207	-	1,200	6,462
Professional fees	12,000	-	22,000	-	34,000
Personnel services and related benefits	196,035	98,311	75,198	52,175	421,719
Domestic Violence Grant expense	-	-	-	-	-
Repairs and maintenance	410	-	-	-	410
Telephone	2,948	-	-	-	2,948
Miscellaneous	6,777	2,005	-	36	8,818
<b>TOTAL EXPENDITURES</b>	<b>224,245</b>	<b>126,132</b>	<b>98,508</b>	<b>53,708</b>	<b>502,593</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>30,564</b>	<b>(18,391)</b>	<b>(23,163)</b>	<b>(37,933)</b>	<b>(48,923)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	22,917	15,667	22,526	38,049	99,159
Operating transfers out	(52,300)	-	-	-	(52,300)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(29,383)</b>	<b>15,667</b>	<b>22,526</b>	<b>38,049</b>	<b>46,859</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>1,181</b>	<b>(2,724)</b>	<b>(637)</b>	<b>116</b>	<b>(2,064)</b>
<b>FUND BALANCE (DEFICIT), Beginning</b>	<b>39,229</b>	<b>18,462</b>	<b>(1,515)</b>	<b>11,520</b>	<b>67,696</b>
<b>FUND BALANCE (DEFICIT), Ending</b>	<b>\$ 40,410</b>	<b>\$ 15,738</b>	<b>\$ (2,152)</b>	<b>\$ 11,636</b>	<b>\$ 65,632</b>

The accompanying notes are an integral part of this statement.

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

**Amounts reported for governmental activities are different because:**

Net Change in fund balances - total governmental funds (page 12)	\$ (2,064)
<p>Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the statement of activities.</p>	
Non-employer contributions to cost-sharing pension plan	-
Pension expense	<u>8,887</u>
<b>Change in net position of governmental activities (page 10)</b>	<b><u><u>\$ 6,823</u></u></b>

The accompanying notes are an integral part of this statement.

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF FIDUCIARY RESPONSIBILITIES  
 AGENCY FUNDS  
 DECEMBER 31, 2019

	Fines, Fees, & Costs Fund	Civil Fund	Garnishment Fund	Totals 2019
<b>ASSETS</b>				
Cash	\$ 1,058	\$ 50,696	\$ 36,759	\$ 88,513
<b>TOTAL ASSETS</b>	<u>\$ 1,058</u>	<u>\$ 50,696</u>	<u>\$ 36,759</u>	<u>\$ 88,513</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Other payables	\$ 1,058	\$ 50,696	\$ 36,759	\$ 88,513
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,058</u>	<u>\$ 50,696</u>	<u>\$ 36,759</u>	<u>\$ 88,513</u>

The accompanying notes are an integral part of this statement.

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**Financial Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*, established criteria for determining the reporting entity and component units that should be included within the reporting entity. The City Court judge and marshal are independently elected officials. However, the Court is fiscally dependent on the City of Plaquemine for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the Court is fiscally dependent on the City, the City Court was determined to be a component unit of the City of Plaquemine, the financial reporting entity.

As a component unit, the accompanying financial statements are to be included within the reporting of the City of Plaquemine, either blended within those financial statements or separately reported as a discrete component unit. The financial statements present information only on the funds maintained by the Court and do not present information on the City of Plaquemine, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Fund Accounting**

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

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**A. Governmental Funds**

1. General Fund

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

2. Special Revenue Funds

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

**B. Fiduciary Funds**

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the municipality. Fiduciary funds include:

Agency Funds

Agency Funds account for assets that the municipality holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Government-Wide and Fund Financial Statements**

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

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

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

**Major Fund – General**

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**Major Special Revenue Funds**

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

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

**Non Major Special Revenue Funds**

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

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

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

**Non Major - Agency Funds**

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

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

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

**Basis of Accounting**

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**, continued

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

**A. Revenues**

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

**B. Expenditures**

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

**C. Other Financing Sources (Uses)**

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

**Basis of Presentation**

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

**Assets, Liabilities, and Net Position or Equity**

**A. Cash and Cash Equivalents**

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**B. Receivables and Payables**

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

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

**C. Capital Assets**

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

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

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

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

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

**D. Deferred Outflows/Inflows of Resources**

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

The City Court does not have an item that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until then. The City Court has no items that meet the criterion for this category. The governmental funds report unavailable revenue from property taxes and state revenue sharing. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available.

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

**E. Interest Cost**

Interest costs are not capitalized.

**F. Net Position / Fund Balances**

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

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

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

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

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

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

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**, continued

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

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

*Unassigned* – All other spendable amounts.

As of December 31, 2019, \$50,846 of the total fund balance was unassigned. Restricted funds are used first as appropriate. Total restricted fund balance was \$13,586. Nonspendable funds, \$1,200, are reduced to the extent that expenditure authority has been budgeted by the Court or the assignment has been changed by the Court. Decreases in fund balance first reduce Unassigned fund balance; in the event that Unassigned becomes zero, then Assigned and Committed fund balances are used in that order.

**Budget and Budgetary Accounting**

The proposed budget for the year ended December 31, 2019 was prepared and is available at the City Court's office for public inspection. The budget is legally adopted and amended, as necessary, by the City Court Judge. All appropriations lapse at year-end.

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

**Use of Estimates**

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

**Operating Transfers**

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

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES, continued**

**Pension Plans**

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

**NOTE B – COURT OPERATIONS**

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

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

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

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

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

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

**NOTE B – COURT OPERATIONS, continued**

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

**NOTE C – CHANGES IN CAPITAL ASSETS**

The following is a summary of capital assets as of December 31, 2019:

	<u>Balance 12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2019</u>	
Furniture and fixtures	\$ 142,903	\$ -	\$ -	\$ 142,903	
	<u>\$ 142,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,903</u>	
	<u>Accumulated Depreciation Balance 12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Accumulated Depreciation Balance 12/31/2019</u>	<u>Capital Assets Net of Accumulated Depreciation</u>
Furniture and fixtures	\$ 142,903	\$ -	\$ -	\$ 142,903	\$ -
	<u>\$ 142,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,903</u>	<u>\$ -</u>

**NOTE D – INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS**

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Court Expense Fund	\$ 9,595	\$ 1,920
Major Special Revenue Fund:		
Marshal's Fund	-	37
Probation	1,100	9,558
Non-Major Special Revenue Fund:		
Public Defender	<u>1,320</u>	<u>500</u>
	<u>\$ 12,015</u>	<u>\$ 12,015</u>

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

**NOTE D – INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS, continued**

<u>Interfund Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General	\$ 22,917	\$ 52,300
Marshal	15,667	-
Probation	22,526	-
Non Major Special Revenue Fund		
Pre Trial Diversion	22,000	-
Public Defender	14,794	-
Prosecution	1,255	-
Agency Funds	-	46,859
	<u>\$ 99,159</u>	<u>\$ 99,159</u>

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

**NOTE E – DEPOSITS AND CASH EQUIVALENTS**

At year end, the City Court of Plaquemine's carrying amount of deposits was \$130,791 and the bank balance was \$195,780. The entire bank balance was covered by federal depository insurance.

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

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

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

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

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

**NOTE F – RELATED PARTY TRANSACTIONS**

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

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

**NOTE G – RISK MANAGEMENT**

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

**NOTE H – INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended December 31, 2019 consisted of the following:

<b>General Fund</b>	<b>2019</b>
General support:	
Iberville Parish Council	\$ 61,800
City of Plaquemine	10,000
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	19,200
City of Plaquemine	163,761
Total General Fund	\$ 254,761

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

**NOTE H – INTERGOVERNMENTAL REVENUE, continued**

<u>Special Revenue Funds</u>	<u>2019</u>
<b><u>Marshal's Fund</u></b>	
General support:	
Iberville Parish Council	\$ 27,600
City of Plaquemine	38,400
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	16,800
City of Plaquemine	<u>22,903</u>
Total Marshal's Fund	<u>\$ 105,703</u>
 <b><u>Public Defender Fund</u></b>	
On-behalf payments of salaries and benefits:	
City of Plaquemine	<u>\$ 15,775</u>
Total Public Defender Fund	<u>\$ 15,775</u>
 <b><u>Probation Fund</u></b>	
On-behalf payments of salaries and benefits:	
Iberville Parish Council through City of Plaquemine	\$ 16,800
City of Plaquemine	<u>58,398</u>
Total Probation Fund	<u>\$ 75,198</u>
 Total All Funds	 <u>\$ 451,449</u>

**NOTE I – PENSION PLAN**

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

**Louisiana State Employee's Retirement System (LASERS)**

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

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

**NOTE I – PENSION PLAN**, continued

**Retirement Benefits:**

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

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

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

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

**NOTE I – PENSION PLAN, continued**

creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

**Deferred Retirement Benefits:**

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

Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

**Disability Benefits:**

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

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

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

**NOTE I – PENSION PLAN, continued**

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

**Survivor Benefits:**

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

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

**Permanent Benefit Increases/Cost of Living Adjustments:**

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

**Employer Contributions:**

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2019 are as follows:

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

**NOTE I – PENSION PLAN, continued**

Plan	Plan Status	Employer Contribution Rate
Appellate Law Clerks	Closed	37.9%
Appellate Law Clerks hired on or after 7/1/06	Open	37.9%
Alcohol Tobacco Control	Closed	31.4%
Bridge Police	Closed	36.7%
Bridge Police hired on or after 7/1/06	Closed	36.7%
Corrections Primary	Closed	33.5%
Corrections Secondary	Closed	37.7%
Harbor Police	Closed	7.1%
Hazardous Duty	Open	38.5%
Judges hired before 1/1/2011	Closed	40.1%
Judges hired after 12/31/2010	Closed	39.0%
Judges hired on or after 7/1/05	Open	39.0%
Legislators	Closed	41.6%
Optional Retirement Plan (ORP) before 7/1/06	Closed	37.9%
Optional Retirement Plan (ORP) after 7/1/06	Closed	37.9%
Peace Officers	Closed	36.7%
Regular Employees hired before 7/1/06	Closed	37.9%
Regular Employees hired after 7/1/06	Closed	37.9%
Regular Employees hired on or after 1/1/11	Closed	37.9%
Regular Employees hired on or after 7/1/15	Open	37.9%
Special Legislative Employees	Closed	43.6%
Wildlife Agents	Closed	46.3%
Aggregate Rate		37.9%

The City Court's contractually required composite contribution rate for the year ended December 31, 2018 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 pension plan from the City Court for the years ended December 31, 2019, 2018, and 2017, were \$17,061, \$17,213, and \$14,814, respectively.

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

At December 31, 2019, the City Court reported a liability of \$145,768 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 of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the City Court's proportion for LASERS was 0.00201%, which was a decrease of 0.00013% from its proportion measured as of June 30, 2018.

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

**NOTE I – PENSION PLAN**, continued

For the year ended December 31, 2019, the City Court recognized pension expense of \$990 for LASERS plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$7,186.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 895	\$ (301)
Changes of assumptions	1,249	-
Net difference between projected and actual earnings on pension plan investments	5,036	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	41,549	(32,327)
Employer contributions subsequent to the measurement date	17,061	-
Total	<b>\$ 65,790</b>	<b>\$ (32,628)</b>

The City Court reported a total of \$14,061 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019, which will be recognized as a reduction in net pension liability for 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:

Year		
2020	\$	16,660
2021		(3,833)
2022		1,386
2023		1,888
	\$	16,101

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

**NOTE I – PENSION PLAN**, continued

**Actuarial Assumptions:**

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

<b>Valuation Date</b>	June 30, 2019																		
<b>Actuarial Cost Method</b>	Entry Age Normal																		
<b>Actuarial Assumptions:</b>																			
<b>Inflation Rate</b>	2.75% per annum																		
<b>Expected Remaining Service Lives</b>	2 years																		
<b>Investment Rate of Return</b>	7.60% per annum, net of investment expenses*																		
<b>Mortality</b>	<b>Non-disabled members</b> - Mortality rates for 2019 were based on the RP-2014 Health Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis. <b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members for 2019.																		
<b>Salary increases</b>	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:																		
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.2%</td> <td style="text-align: center;">13.0%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.8%</td> <td style="text-align: center;">5.3%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.8%</td> <td style="text-align: center;">14.0%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.8%</td> <td style="text-align: center;">14.0%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.8%</td> <td style="text-align: center;">14.0%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	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%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																	
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%																	
<b>Cost of Living Adjustments</b>	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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return

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

**NOTE I – PENSION PLAN**, continued

by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.75% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in LASERS target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Portfolio Real Rate of Return
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%
Totals	6.09%

**Discount Rate:**

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

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

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

	1.0% Decrease 6.60%	Current Discount Rate 7.60%	1.0% Increase 8.60%
Net Pension Liability	\$ 183,977	\$ 145,768	\$ 113,493

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

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

**Plan Description:**

The City Marshal and other eligible court employees participate in the MERS, a multiple-employer, cost-sharing pension plan administered by a separate board of trustees. The Marshal receives compensation from the City Court Civil Fund on which retirement contributions are based. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provided retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. MERS has issued a stand-alone audit report on their financial statements for the year ended June 30, 2018. Access to the report can be found on the Louisiana Legislative Auditor's website, [www.lia.la.gov](http://www.lia.la.gov), or by contacting the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809.

**Retirement Benefits:**

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

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

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

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

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

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

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

**Survivor Benefits:**

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

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

**DROP Benefits:**

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

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

**Disability Benefits:**

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

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

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

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

**Cost of Living Increases:**

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

**Deferred Benefits:**

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

**Employer Contributions:**

Contributions for all plan members are established by statute. Member contributions are at 9.50% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating municipality. According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2019, the actual employer contribution rate was 26.00% for Plan A.

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

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

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

Plan members are required by state statute to contribute 9.50 percent of their annual covered salary to the System, and the City Court is required to make contributions at an actuarially determined rate. The rate paid by the City during the past fiscal period was 26.00% from January 1, 2019 through June 30, 2019 and 27.75% from July 1, 2019 through December 31, 2019 of annual covered payroll. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Court’s contributions to MERS for the years ended December 31, 2019, 2018, and 2017, were \$9,684, \$5,990, and \$7,360, and respectively.

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

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

In accordance with GASB Statement 24, on-behalf payments made by the City of Plaquemine, the Iberville Parish Council, and the State of Louisiana are recognized as revenues and expenditures in these financial statements. The on-behalf payments are shown as intergovernmental revenue in these financial statements. The details of the amount recognized as revenue are disclosed in Note H. A summary for the year ending December 31, 2019 is as follows:

	<b>2019</b>
General Fund	\$ 182,961
Marshal's Fund	39,703
Public Defender Fund	15,775
Probation Fund	75,198
Total	\$ 313,637

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

**NOTE L – CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS**

The following is a summary of changes in assets and liabilities of all agency funds for the year ending December 31, 2019:

	<u>Balance 1/1/2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2019</u>
<u>Fines, Fees, and Costs Fund</u>				
Assets	<u>\$ 4,617</u>	<u>\$ 48,497</u>	<u>\$ (52,056)</u>	<u>\$ 1,058</u>
Liabilities	<u>\$ 4,617</u>	<u>\$ 48,497</u>	<u>\$ (52,056)</u>	<u>\$ 1,058</u>
<u>Civil Fund</u>				
Assets	<u>\$ 48,388</u>	<u>\$ 105,281</u>	<u>\$ (102,973)</u>	<u>\$ 50,696</u>
Liabilities	<u>\$ 48,388</u>	<u>\$ 105,281</u>	<u>\$ (102,973)</u>	<u>\$ 50,696</u>
<u>Garnishment Fund</u>				
Assets	<u>\$ 39,532</u>	<u>\$ 274,535</u>	<u>\$ (277,308)</u>	<u>\$ 36,759</u>
Liabilities	<u>\$ 39,532</u>	<u>\$ 274,535</u>	<u>\$ (277,308)</u>	<u>\$ 36,759</u>

Amounts equal to the revenue recognized have been included as expenditures in the various funds in the personal services and related benefits category.

**NOTE M – PUBLIC DEFENDER REVENUES AND EXPENDITURES**

For the year ended December 31, 2019, the major sources of governmental fund revenues and expenditures for the Public Defender were as follows:

Local government		
On behalf payments		\$ 15,775
Miscellaneous - Transfer in from other funds		14,794
Total Revenues		<u>\$ 30,569</u>
Personnel Services & Benefits		
Salaries	\$ 14,400	
Miscellaneous	68	
On behalf payments - insurance	15,775	
Total Expenditures		<u>\$ 30,243</u>

**NOTE N – DEFICIT FUND BALANCES**

The Probation Special Revenue Fund had a deficit fund balance at December 31, 2019 of \$2,152. This deficit will be financed through future revenues of the fund.

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

**NOTE O – DEFICIT IN NET POSITION**

The City Court has a deficit in net position of \$46,972 caused by the net pension liability of \$145,768.

**NOTE P – NEW ACCOUNTING PRONOUNCEMENTS NOT YET IMPLEMENTED**

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

**NOTE Q – SUBSEQUENT EVENTS**

The City Court has evaluated subsequent events through the date that the financial statements were available to be issued, June 26, 2020. As a result of COVID-19 coronavirus, economic uncertainties have arisen which are likely to have a negative impact on operations and cause business disruption. However, the related financial impact and duration cannot be reasonably estimated at this time. The City Court is closely monitoring its financial statements for 2020 impacts.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	DECEMBER 31, 2019			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Intergovernmental	\$ 231,947	\$ 231,947	\$ 254,761	\$ 22,814
Miscellaneous	-	-	13	13
Interest	-	-	35	35
<b>TOTAL REVENUES</b>	<b>231,947</b>	<b>231,947</b>	<b>254,809</b>	<b>22,862</b>
<b>EXPENDITURES</b>				
Dues and subscriptions	5,300	5,300	4,020	1,280
Office supplies and expense	4,000	4,000	2,055	1,945
Professional fees	-	-	12,000	(12,000)
Personnel services and related benefits	24,000	24,000	198,035	(172,035)
Domestic Violence Grant expense	-	-	-	-
Repairs and maintenance	-	-	410	(410)
Telephone	6,000	6,000	2,948	3,052
Miscellaneous	-	-	6,777	(6,777)
<b>TOTAL EXPENDITURES</b>	<b>39,300</b>	<b>39,300</b>	<b>224,245</b>	<b>(184,945)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>192,647</b>	<b>192,647</b>	<b>30,564</b>	<b>(162,083)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	22,917	22,917
Operating transfers out	-	-	(52,300)	(52,300)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(29,383)</b>	<b>(29,383)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>192,647</b>	<b>192,647</b>	<b>1,181</b>	<b>(191,466)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>39,229</b>	<b>39,229</b>	<b>39,229</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 231,876</b>	<b>\$ 231,876</b>	<b>\$ 40,410</b>	<b>\$ (191,466)</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 MARSHAL'S FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	DECEMBER 31, 2019			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Court fees, fines and costs	\$ 4,000	\$ 4,000	\$ 810	\$ (3,190)
Intergovernmental	103,066	103,066	105,703	2,637
Miscellaneous	-	-	1,228	1,228
<b>TOTAL REVENUES</b>	<b>107,066</b>	<b>107,066</b>	<b>107,741</b>	<b>675</b>
<b>EXPENDITURES</b>				
Auto and travel	-	-	14,400	(14,400)
Dues and subscriptions	3,000	3,000	8,209	(5,209)
Office supplies and expense	1,000	1,000	3,207	(2,207)
Personnel services and related benefits	66,000	66,000	98,311	(32,311)
Telephone	-	-	-	-
Miscellaneous	-	-	2,005	(2,005)
<b>TOTAL EXPENDITURES</b>	<b>70,000</b>	<b>70,000</b>	<b>126,132</b>	<b>(56,132)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>37,066</b>	<b>37,066</b>	<b>(18,391)</b>	<b>(55,457)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	-	-	-	-
Operating transfers in	-	-	15,667	15,667
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>15,667</b>	<b>15,667</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>37,066</b>	<b>37,066</b>	<b>(2,724)</b>	<b>(39,790)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>18,462</b>	<b>18,462</b>	<b>18,462</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 55,528</b>	<b>\$ 55,528</b>	<b>\$ 15,738</b>	<b>\$ (39,790)</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL  
 PROBATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	DECEMBER 31, 2019			
	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Court fees, fines and costs	\$ -	\$ -	\$ -	\$ -
Intergovernmental	106,537	106,537	75,198	(31,339)
Miscellaneous	-	-	147	147
<b>TOTAL REVENUES</b>	<b>106,537</b>	<b>106,537</b>	<b>75,345</b>	<b>(31,192)</b>
<b>EXPENDITURES</b>				
Auto and travel	-	-	-	-
Bank charges	-	-	-	-
Drug testing	1,500	1,500	1,310	190
Personnel services and related benefits	22,000	22,000	75,198	(53,198)
Professional fees	-	-	22,000	(22,000)
Miscellaneous	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>23,500</b>	<b>23,500</b>	<b>98,508</b>	<b>(75,008)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>83,037</b>	<b>83,037</b>	<b>(23,163)</b>	<b>(106,200)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	22,526	22,526
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>22,526</b>	<b>22,526</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES</b>	<b>83,037</b>	<b>83,037</b>	<b>(637)</b>	<b>(83,674)</b>
<b>FUND BALANCES - BEGINNING</b>	<b>(1,515)</b>	<b>(1,515)</b>	<b>(1,515)</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 81,522</b>	<b>\$ 81,522</b>	<b>\$ (2,152)</b>	<b>\$ (83,674)</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 SCHEDULE OF CITY COURT OF PLAQUEMINE'S PROPORTIONATE  
 SHARE OF THE NET PENSION LIABILITY  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Retirement System	Year Ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System	2019	0.00201%	\$ 145,768	\$ 32,676	446.1011%	62.90%
	2018	0.00214%	\$ 146,151	\$ 42,887	340.7816%	64.30%
	2017	0.00018%	\$ 110,369	\$ 45,997	239.9483%	62.50%
	2016	0.000175%	\$ 137,498	\$ 44,027	312.3038%	57.70%
	2015	0.001970%	\$ 133,786	\$ 56,419	237.1293%	62.70%

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

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 SCHEDULE OF CITY OF PLAQUEMINE, LOUISIANA'S CONTRIBUTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

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

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

**OTHER SUPPLEMENTARY INFORMATION**

## NON MAJOR SPECIAL REVENUE FUNDS

### **Pre-Trial Diversion Fund**

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

### **Public Defender Fund**

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

### **City Prosecutor Fund**

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

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 NON MAJOR SPECIAL REVENUE FUNDS  
 BALANCE SHEET  
 DECEMBER 31, 2019

	Pre-Trial Diversion Fund	Public Defender Fund	Prosecutor Fund	Total
<b>ASSETS</b>				
Cash	\$ 7,398	\$ 161	\$ 1,127	\$ 8,686
Account receivable	-	775	155	930
Prepaid expense	-	1,200	-	1,200
Interfund receivables	-	1,320	-	1,320
<b>TOTAL ASSETS</b>	<b>\$ 7,398</b>	<b>\$ 3,456</b>	<b>\$ 1,282</b>	<b>\$ 12,136</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Interfund payables	\$ -	\$ 500	\$ -	\$ 500
Fund balances	7,398	2,956	1,282	11,636
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,398</b>	<b>\$ 3,456</b>	<b>\$ 1,282</b>	<b>\$ 12,136</b>

CITY COURT OF PLAQUEMINE  
 PLAQUEMINE, LOUISIANA  
 NON MAJOR SPECIAL REVENUE FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Pre-Trial Diversion Fund	Public Defender Fund	Prosecutor Fund	Total
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 15,775	\$ -	\$ 15,775
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>15,775</b>	<b>-</b>	<b>15,775</b>
<b>EXPENDITURES</b>				
Dues	-	-	80	80
Domestic Violence grant	-	-	-	-
Drug Testing	-	-	-	-
Professional fees	-	-	-	-
Personnel services and related benefits	22,000	30,175	-	52,175
Training	-	-	217	217
Office supplies and expense	-	69	1,131	1,200
Miscellaneous	36	-	-	36
<b>TOTAL EXPENDITURES</b>	<b>22,036</b>	<b>30,244</b>	<b>1,428</b>	<b>53,708</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(22,036)</b>	<b>(14,469)</b>	<b>(1,428)</b>	<b>(37,933)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	22,000	14,794	1,255	38,049
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>(36)</b>	<b>325</b>	<b>(173)</b>	<b>116</b>
<b>FUND BALANCE, BEGINNING</b>	<b>7,434</b>	<b>2,631</b>	<b>1,455</b>	<b>11,520</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 7,398</b>	<b>\$ 2,956</b>	<b>\$ 1,282</b>	<b>\$ 11,636</b>

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS  
PAID TO AGENCY HEAD  
DECEMBER 31, 2019

Agency Head Name: MICHAEL DISTEFANO

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 99,476
Benefits - insurance	15,040
Benefits- retirement	35,457
Benefits - other	-
Travel	-
Registration fees	1,100
Conference Travel	1,187
Conference Housing	2,420
<b>TOTAL</b>	<b>\$ 154,680</b>

**REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

# **BAXLEY AND ASSOCIATES, LLC**

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## **SCHEDULE 1**

The Honorable Judge Michael Distefano  
City Court of Plaquemine, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major funds of City Court of Plaquemine, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City Court of Plaquemine's basic financial statements and have issued our report thereon dated June 26, 2020.

#### Internal Control Over Financial Reporting

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2019-1 and 2019-4 to be material weaknesses.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2019-3 and 2019-5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court's financial statements are free 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 matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2019-2.

City Court of Plaquemine's Response to Findings

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

Purpose of this Report

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

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 26, 2020

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

A. SUMMARY OF AUDITOR'S RESULTS

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

B. FINDINGS

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

Condition:

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

Criteria:

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

Effect:

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

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

Recommendation:

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

Management's Response:

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

**2019-2 BUDGET**

Condition:

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

Criteria:

Budgets should be adopted timely for the General Fund and Special Revenue funds. The budgets should be made available for public inspections at least 15 days prior to the beginning of the budget year. Also, the following variances were noted: (1) The budgeted revenues for Probation were greater than the actual revenues for the same funds; the variances were greater than 5%. (2) In the General Fund, Marshal's Fund, and Probation Fund, actual expenses exceed budgeted expenditures by greater than 5%.

Effect:

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

Recommendation:

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

Management's Response:

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

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

**2019-3 LONG-TERM OUTSTANDING CHECKS**

Condition:

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

Criteria:

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

Effect:

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

Recommendation:

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

Management's Response:

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

**2019-4 LACK OF SEGREGATION OF DUTIES**

Condition:

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

Criteria:

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

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

Effect:

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

Recommendation:

The entity should have a proper segregation of duties.

Management's Response:

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

**2019-5 TRAVEL/1099 REPORTING**

Condition:

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

Criteria:

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

Effect:

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

Recommendation:

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

Management's Response:

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

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**2018-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

Condition:

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

Recommendation:

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

Current Status:

This condition still exists in the current year.

**2018-2 BUDGET**

Condition:

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

Recommendation:

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

Current Status:

This finding still exists in the current year.

**2018-3 LONG-TERM OUTSTANDING CHECKS**

Condition:

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

Recommendation:

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

CITY COURT OF PLAQUEMINE  
PLAQUEMINE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Current Status

The finding still exists in the current year.

**2018-4 LACK OF SEGREGATION OF DUTIES**

Condition:

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

Recommendation:

The entity should have a proper segregation of duties.

Current Status:

The finding still exists in the current year.

**CITY COURT OF PLAQUEMINE  
INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

# BAXLEY AND ASSOCIATES, LLC

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To The Honorable Judge Michael Distefano  
And the Louisiana Legislative Auditor's office  
City Court of Plaquemine  
Plaquemine, Louisiana

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

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

- 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).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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
- 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)
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category for items a through j.

We were provided with a copy of policies and procedures that addressed items 2, 4, and 5 of item k for Disaster Recovery/Business Continuity. The City Court's current procedures did not address items 1, 3, and 6 of item k.

**Board (or Finance Committee, if applicable)**

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

**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:
  - 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);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*Findings:*

We were provided with a listing of the client's bank accounts for the fiscal period along with management's representation that the listing is complete.

For the selected bank accounts, the bank reconciliations did not have evidence that they were timely prepared within 2 months of the related statement closing date. The bank reconciliations did not include evidence of management review or approval. However, the bank statements indicate management review/approval within 2 months of the related closing date. There was no documentation reflecting that management researched the reconciling items that have been outstanding for more than 12 months from the statement closing date.

## **Collections**

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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).

### *Findings:*

We were provided with a listing of deposit sites along with management's representation that the listing is complete.

No exceptions were noted as a result of applying the procedure.

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

### *Findings:*

The three employees responsible for cash collections do share a cash drawer. These employees also prepare and make the bank deposits. The employee responsible for posting the entries to the ledger and reconciling the accounts also collects cash. The employee responsible for reconciling cash also collects cash but the Judge reviews the bank statements behind that employee.

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

### *Findings:*

Per management, the employees who have access to cash are not covered by a bond or insurance policy for theft.

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.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

*Findings:*

All collection documentation agreed with the deposit slip information, and the deposit slip information agreed to the bank statement. The bank statement information in turn agreed with the posting on the general ledger.

Four of the ten deposits selected were not deposited within one day of collections and were over \$100 each.

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*Findings:*

We received a listing of the locations that process payments along with management's representation that the listing is complete.

No exceptions noted as a result of applying the procedure.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*Findings:*

At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. At least two employees are involved in processing and approving payments to vendors.

The employee responsible for processing payments is also responsible for adding/modifying vendor files. No one periodically reviews the changes to vendor files. Two employees can be responsible for mailing the checks once they are signed, and one of those employees is also responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*Findings:*

We received the non-payroll disbursement transaction population listing along with management's representation that the listing is complete.

For the five transactions selected, we were able to match the transactions to the related original invoice/billing statement. We observed that the disbursement documentation included evidence of segregation of duties tested under #9 as noted above.

No exceptions were noted in applying the above procedure.

***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in

this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

### **Travel and Expense Reimbursement**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Findings:*

A listing of all travel and travel-related expense reimbursements during the fiscal period was provided along with management's representation that the listing was complete. The selected transactions were properly supported by documentation and business purpose. For those reimbursements selected using per diem rates, the per diem rates used agreed with the City Court's policies and procedures. For those reimbursements selected using actual costs, the actual costs were supported by documentation.

None of the transactions were reviewed and approved in writing by someone other than the person receiving the reimbursement.

### **Contracts**

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed

during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

***Payroll and Personnel***

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

***Ethics (excluding nonprofits)***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Findings:*

We received a complete listing of the employees employed during the fiscal year along with management's representation that it was complete. We randomly selected five employees from this listing.

We observed documentation that each selected employee/official completed one hour of ethics training during the fiscal period.

City Court did not have documentation demonstrating signature verification that the selected employees/officials reviewed the City Court's ethics policy during the fiscal period.

***Debt Service (excluding nonprofits)***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that

procedures do not need to be performed in this category.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

**Other**

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Findings:*

Based on the terms of the Agreed Upon Procedures, we are allowed to rotate procedures in this category since there were no exceptions in Year 1. Management agrees that procedures do not need to be performed in this category.

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 control and compliance 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 control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control of 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.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 26, 2020

## CITY COURT OF PLAQUEMINE

### Management's Response to Statewide Agreed-Upon Procedures For the Year Ended December 31, 2019

#### Management's Response to Items:

1. City Court has already discussed this issue with AME (our IT) and will come up with a plan.
3. City Court was not aware the bank reconciliations needed approval, only the bank statements. We will approve the bank reconciliations along with the bank statements from now on.
5. City Court is a small office and many duties have to be shared by the employees.
6. City Court will check with the City of Plaquemine to see if we fall under a policy with them.
7. City Court will make every effort to make sure deposits are made on a daily basis.
9. City Court is a small office and many duties are shared by the employees.
14. City Court will have someone approve the reimbursements in the future.
20. City Court was not aware signature verification was needed but will obtain verification in the future.