

**CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana**

Financial Report

Year Ended June 30, 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Elvin Fontenot, City Judge
City Court of Leesville, Louisiana
(Vernon Parish Ward One Court)
Leesville, Louisiana

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Leesville, Louisiana (City Court) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, the schedule of employer's share of net pension liability, and the schedule of employer contributions on pages 32 through 35 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. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
March 29, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Statement of Net Position
June 30, 2020

ASSETS

Cash	\$ 1,750
Capital assets, net	<u>281</u>
Total assets	<u>2,031</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	<u>8,203</u>
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LIABILITIES

Accounts and other payables	26,951
Net pension liability	<u>58,104</u>
Total liabilities	<u>85,055</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions	<u>8,607</u>
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NET POSITION

Net investment in capital assets	281
Unrestricted	<u>(83,709)</u>
Total net position	<u>\$ (83,428)</u>

See accompanying notes and independent accountant's review report.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Statement of Activities
For the Year Ended June 30, 2020

Judiciary:	
Professional fees	\$ 17,025
Depreciation	50
Dues and seminars	875
Miscellaneous	1,810
Office supplies	5,302
Payroll taxes	12,779
Postage	1,540
Retirement	12,288
Salaries	162,786
Telephone	4,410
Uniforms	<u>1,700</u>
Total expenses	220,565
Program revenues:	
Court costs and fees	<u>194,326</u>
Net program revenue (expense)	(26,239)
Net position - July 1, 2019	<u>(57,189)</u>
Net position - June 30, 2020	<u>\$ (83,428)</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTION

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Balance Sheet - Governmental Fund
General Fund
June 30, 2020

ASSETS

Cash	<u>\$ 1,750</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Accounts and other payables	\$ 26,951
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Fund balance:

Unassigned	<u>(25,201)</u>
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Total liabilities and fund balance	<u>\$ 1,750</u>
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See accompanying notes and independent accountant's review report.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balance for the governmental fund at June 30, 2020	\$ (25,201)
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Equipment, net of \$120,617 accumulated depreciation	281
The deferred outflows of contributions to the retirement system are not a use of current resources, and therefore, are not reported in the fund.	
	8,203
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:	
Net pension liability	(58,104)
The deferred inflows of contributions to the retirement system are not payable from available resources and, therefore are not reported in the fund.	
	<u>(8,607)</u>
Total net position of governmental activities at June 30, 2020	<u>\$ (83,428)</u>

See accompanying notes and independent accountant's review report.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
General Fund
For the Year Ended June 30, 2020

Revenues:	
Court costs and fees	<u>\$ 194,326</u>
Expenditures:	
Current -	
Professional fees	17,025
Dues and seminars	875
Miscellaneous	1,810
Office supplies	5,302
Payroll taxes	12,779
Postage	1,540
Retirement	7,392
Salaries	162,786
Telephone	4,410
Uniforms	<u>1,700</u>
Total expenditures	<u>215,619</u>
Net change in fund balance	(21,293)
Fund balance (deficit), beginning	<u>(3,908)</u>
Fund balance (deficit), ending	<u>\$ (25,201)</u>

See accompanying notes and independent accountant's review report.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2020

Net change in fund balance for the year ended June 30, 2020 per the statement of revenues, expenditures and changes in fund balance	\$ (21,293)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense for the year ended June 30, 2020	(50)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental fund.	
Net pension liability	<u>(4,896)</u>
Total change in net position for the year ended June 30, 2020 per the statement of activities	<u>\$ (26,239)</u>

See accompanying notes and independent accountant's review report.

FUND DESCRIPTIONS

FIDUCIARY FUNDS - AGENCY FUNDS

An agency fund is used to account for assets held by the City Court in a trustee capacity or as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Civil Fund -

The Civil Fund is used to account for advanced court costs on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

Traffic Fund -

The Traffic Fund is used to account for funds received from traffic violations and distributes the funds to various government agencies which receive a designated portion of each traffic ticket.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2020

ASSETS

Cash	<u>\$ 31,857</u>
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LIABILITIES

Due to others	<u>\$ 31,857</u>
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See accompanying notes and independent accountant's review report.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the City Court of Leesville, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The City Court of Leesville, Louisiana (City Court) was created under Louisiana Revised Statute 13:2485 as a political subdivision of the State of Louisiana. The City Court's territorial jurisdiction extends throughout Ward one of Vernon Parish in which the City of Leesville is located. The Court operates under the control of the City Judge, an elected official serving a term of six years.

This report includes all funds which are controlled by, or dependent on the City Court Judge. Control by or dependence on the City Court of Leesville, Louisiana was determined on the basis of general oversight responsibility. The City Court of Leesville, Louisiana (City Court) is fiscally dependent on the City of Leesville since the City Court offices and Courtroom are located in City Hall, the upkeep and maintenance of City Hall is paid by the City of Leesville, and certain operating expenditures of the City Court are paid by the City of Leesville.

As an independently elected official, the City Court Judge is solely responsible for the operations of his office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the City Court as an economic unit. The government-wide financial statements report the City Court's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and business-type activities of the City Court. The City Court does not have any business-type activities. Fiduciary funds are omitted from the government-wide financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods and services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

The accounts of the City Court are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the City Court are classified as governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the City Court. A fund is also considered major if it is the primary operating fund of the City Court. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The City Court uses the following funds, grouped by fund type.

Governmental Fund –

Governmental Funds are those through which most governmental functions of the City Court are financed. The acquisition, use, and balances of the City Court's expendable financial resources and the related liabilities are accounted for through governmental funds.

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 the Fiduciary Funds and appropriations by other governmental bodies on behalf of the City Court.

The Parish of Vernon and the City of Leesville maintain individual accounting records for City Court expenditures financed by their individual appropriations and report such expenditures in their respective financial statements.

Fiduciary Funds –

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the City Court. The funds accounted for in this category by the City Court are agency funds. The agency funds of the City Court are as follows:

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

Civil Fund – accounts for advanced court costs on suits filed by litigants.

Traffic Fund – accounts for funds received from traffic violations.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows

Governmental fund financial statements use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the City Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City Court accrues intergovernmental revenue based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. However, debt service expenditures are recorded only when payment is due.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City Court, which are stated at cost.

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Furniture, fixtures and equipment	5-10 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City Court has only one item that qualifies for reporting in this category, the deferred outflow of resources attributable to its pension plan.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City Court has only one item that qualifies for reporting in this category, the deferred inflow of resources attributable to its pension plan.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

Equity Classifications

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

- a. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the City Court's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the City Court is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed through a formal decision of the Judge. The Judge is the highest level of decision-making authority for the City Court's office.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

- d. Assigned includes fund balance amounts that are constrained by the Judge's intent to be used for specific purposes that are neither restricted nor committed. The assignment of fund balance is authorized by a directive of the Court Clerk and approved by the Judge.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

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

E. Revenues, Expenditures, and Expenses

Revenues

The City Court considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The City Court generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The City Court's major revenue source that meets this criterion is intergovernmental revenue.

There is one classification of programmatic revenues for the City Court - program revenue. Program revenues are derived directly from the program itself or from parties outside the City Court's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the City Court's general revenues. The primary sources of program revenue are court costs received, intergovernmental revenues, and probation income.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

Operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

CITY COURT OF LEESVILLE, LOUISIANA
 (VERNON PARISH WARD ONE COURT)
 Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, governmental fund expenditures are classified by character.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the City Court may deposit funds within a bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the City Court had cash (book balances) totaling \$33,607 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 1,750	\$ 31,857	\$ 33,607

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, Leesville City Court's deposits may not be recovered or the collateral securities that are in the possession of an outside party will not be recovered. These deposits are stated at cost, which approximates fair value. 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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) of \$35,241 at June 30, 2020 are fully secured by federal deposit insurance. The City Court does not have a policy for custodial credit risk.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

(3) Capital Assets

Capital asset balances and activity for the year ended June 30, 2020 is as follows:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Equipment	\$ 120,898	\$ -	\$ -	\$ 120,898
Less: Accumulated depreciation	(120,567)	(50)	-	(120,617)
Net capital assets	\$ 331	\$ (50)	\$ -	\$ 281

(4) Expenditures of the Leesville City Court paid by the City of Leesville

The City Court is located in the City of Leesville Public Safety Building. The City of Leesville, as required by statute, pays the cost of maintaining and operating the City Court facilities as well as certain other costs for the operation of the City Court. The expenditures related to the maintaining and operating of the City Court facilities are not included in the accompanying financial statements.

(5) On-behalf Payments

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, requires the City Court to report in the financial statements on-behalf salary and fringe benefit payments made by the City of Leesville to the Judge and City Court employees. Supplementary salary payments are made by the City of Leesville to the Judge and City Court employees. The City Court is not legally responsible for these salary and benefit supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the City of Leesville. For the fiscal year ended June 30, 2020, the City of Leesville paid \$24,545 in salary and benefit payments to the City Court Judge and City Court employees. These are reported in General Fund expenditures.

(6) Pension Plans

The City Court participates in one cost-sharing defined benefit plan, which is administered by a separate public employee retirement system. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by public employee retirement systems to the State Legislature.

Plan Description: Louisiana State Employees' Retirement System (LASERS) provides retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in the Louisiana Revised Statutes. The age and years of creditable service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

LASERS' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Benefits Provided: The following provides a brief summary of eligibility and benefits of the plan and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement: The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS' rank and file members may either retire with full benefits at any age upon completing 30 years of credible service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

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

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

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

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

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

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

Disability Benefits: All members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

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

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

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

Contributions: Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee. Contribution rates of employees and employers for the year ended June 30, 2020 were as follows:

Plan	Plan Status ORP	Employee Contribution Rate	Employer Contribution Rate
LASERS - Judges hired before 1/1/2011	Closed	11.5%	42.40%

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the City Court reported a liability of \$58,104 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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 was 0.00080%, which was a decrease of 0.00017% from its proportion measured as of June 30, 2018. Since the measurement date of the net pension liability was June 30, 2019, the net pension liability is based upon fiduciary net position as of that date. Detailed information about the plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the City Court’s net pension liability is available in the separately issued plan financial reports for that fiscal year on the LASERS website as the following address: <http://www.lasersonline.org/>.

For the year ended June 30, 2020, the City Court recognized pension expense of \$9,458 which includes employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

Contributions – Proportionate Share: Differences between contributions remitted to the System and the employer’s proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payment to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past period of service, less the amount of the pension plan's fiduciary net position.

A summary of actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2019																				
Actuarial Cost Method	Entry Age Normal																				
Actuarial Assumptions:																					
Expected Remaining Service Lives	2 years																				
Investment Rate of Return	7.60% per annum																				
Inflation Rate	2.5% per annum																				
Mortality Rates	<p>Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.</p> <p>Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>																				
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the System's members.																				
Salary Increases	<p>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:</p> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Member Type</th> <th style="text-align: center;">Lower Range</th> <th style="text-align: center;">Upper Range</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>			Member Type	Lower Range	Upper Range	Regular	3.2%	13.0%	Judges	2.8%	5.3%	Corrections	3.8%	14.0%	Hazardous Duty	3.8%	14.0%	Wildlife	3.8%	14.0%
Member Type	Lower Range	Upper Range																			
Regular	3.2%	13.0%																			
Judges	2.8%	5.3%																			
Corrections	3.8%	14.0%																			
Hazardous Duty	3.8%	14.0%																			
Wildlife	3.8%	14.0%																			
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																				

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

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

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

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 period of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.60%, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.60%) or one percentage-point higher (8.60%) than the current rate:

	1.0% Decrease 6.60%	Current Discount Rate 7.60%	1.0% Increase 8.60%
Employer's proportionate share of the net pension liability	\$ 73,335	\$ 58,104	\$ 45,239

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

At June 30, 2020, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 357	\$ 121
Changes of assumptions	498	-
Net difference between projected and actual earnings on pension plan investments	2,007	-
Change in proportion and differences between Employer contributions and proportionate share of contributions Employer contributions subsequent to the measurement date	779	8,486
	4,562	-
Total	\$ 8,203	\$ 8,607

Deferred outflows of resources related to pensions of \$4,562 resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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 Ended June 30	
2020	\$ (5,686)
2021	(584)
2022	552
2023	752
	\$ (4,966)

Payables to Pension Plan: At June 30, 2020 the City Court has no payable due to LASERS.

(7) Employee Retirement

The City Court also has a Simple IRA Plan available to full-time employees through American Funds. Eligible employees may direct the City Court to contribute a percentage of the employee's compensation on a pre-tax basis to his or her Simple IRA. The employer must match pre-tax deferrals on a dollar-for-dollar basis up to 3% of compensation. There were no contributions made to this plan in the previous three fiscal years.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

(8) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2020 follows:

	Civil Court Fund	Traffic Fund	Total
Balance, July 1, 2019	\$ 1,092	\$ 15,806	\$ 16,898
Additions	18,281	179,420	197,701
Reductions	(13,636)	(169,106)	(182,742)
Balance, June 30, 2020	\$ 5,737	\$ 26,120	\$ 31,857

(9) Risk Management

The City Court is exposed to risks of loss in the areas of general liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. The City Court is covered under the City of Leesville, Louisiana's insurance policies. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded insurance coverage for the current or prior three fiscal years.

(10) Compensation, Benefits and Other Payments to Judge

A detail of compensation, benefits, and other payments made to Judge Elvin Fontenot for the year ended June 30, 2020 follows:

Purpose	Amount
Salary	\$ 7,397
Benefits - retirement	4,562
Reimbursements	1,224
Registration fees	1,400
On-behalf payments:	
City of Leesville - Salary	19,200
Total	\$ 33,783

(11) Deficit Fund Balance

The General Fund had a deficit fund balance at June 30, 2020 of \$25,201. This deficit will be eliminated by increasing revenues and/or reducing expenditures in future years.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Basic Financial Statements (Continued)

(12) Risks and Uncertainties

Subsequent to February 28, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and many government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the City Court as of June 30, 2020, management does not believe that a material impact on the City Court's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Court costs and fees	<u>\$ 326,600</u>	<u>\$ 205,000</u>	<u>\$ 194,326</u>	<u>\$ (10,674)</u>
Total revenues	<u>326,600</u>	<u>205,000</u>	<u>194,326</u>	<u>(10,674)</u>
Expenditures:				
Current -				
Professional fees	18,300	16,500	17,025	(525)
Dues and seminars	1,600	900	875	25
Miscellaneous	8,615	5,300	1,810	3,490
Office supplies	7,900	4,600	5,302	(702)
Payroll taxes	17,548	11,200	12,779	(1,579)
Postage	1,575	1,550	1,540	10
Retirement	17,500	8,500	7,392	1,108
Salaries	226,852	144,000	162,786	(18,786)
Telephone	4,700	4,500	4,410	90
Uniforms	-	1,700	1,700	-
Total expenditures	<u>304,590</u>	<u>198,750</u>	<u>215,619</u>	<u>(16,869)</u>
Net change in fund balance	22,010	6,250	(21,293)	(27,543)
Fund balance (deficit), beginning	<u>(3,908)</u>	<u>(3,908)</u>	<u>(3,908)</u>	<u>-</u>
Fund balance (deficit), ending	<u>\$ 18,102</u>	<u>\$ 2,342</u>	<u>\$ (25,201)</u>	<u>\$ (27,543)</u>

See accompanying notes.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Schedule of Employer's Share of Net Pension Liability
Louisiana State Employees' Retirement System
For the Year Ended June 30, 2020 *

Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.00080%	\$ 58,104	\$ 15,320	379.3%	62.90%
2019	0.00097%	66,017	23,436	281.7%	64.30%
2018	0.00109%	76,934	19,462	395.3%	62.50%
2017	0.00068%	53,005	21,167	250.4%	57.70%
2016	0.00083%	56,657	20,626	274.7%	62.70%
2015	0.00101%	62,904	18,099	347.6%	65.00%

* The amounts presented have a measurement date of the previous fiscal year end.

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

See accompanying notes.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Schedule of Employer Contributions
Louisiana State Employees' Retirement System
For the Year Ended June 30, 2020

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	\$ 4,592	\$ 4,562	\$ 30	\$ 10,831	42.12%
2019	6,143	6,146	(3)	15,320	40.12%
2018	9,398	9,398	(0)	23,436	40.10%
2017	7,396	7,381	15	19,462	37.93%
2016	8,065	8,072	(7)	21,167	38.13%
2015	8,560	8,560	(0)	20,626	41.50%

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

See accompanying notes.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)
Leesville, Louisiana

Notes to the Required Supplementary Information

(1) Retirement System

The Louisiana State Employees' Retirement System reported no changes of benefits terms for the year ended June 30, 2020.

Changes in Assumptions – Changes in assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. These assumptions include the rate of investment return, mortality of plan members, rate of salary increases, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

Amounts reported for the fiscal year ended June 30, 2020 for the pension plan reflect the following changes used to measure the total pension liability.

* Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase
Louisiana State Employees' Retirement System:					
2020	7.60%	7.60%	2.50%	2	2.8-14.0%
2019	7.65%	7.65%	2.75%	3	3.8-12.8%
2018	7.70%	7.70%	2.75%	3	3.8-12.8%
2017	7.75%	7.75%	3.00%	3	4.0-13.0%
2016	7.75%	7.75%	3.00%	3	4.0-13.0%
2015	7.75%	7.75%	3.00%	3	4.0-13.0%

(2) Budget Practices

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or as amended by the City Court. All budgetary appropriations lapse at the end of each fiscal year.

(3) Excess of Expenditures Over Appropriations

The General Fund incurred expenditures in excess of appropriations totaling \$16,869 for the year ended June 30, 2020.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)

Schedule of Current Year Compliance Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020

Part I: Current Year Findings and Management's Corrective Action Plan

A. Compliance

2020-001 Budget Noncompliance

Fiscal year finding initially occurred: 2020

CONDITION: Total revenues in the General Fund were less than budgeted revenues by 5.2% or \$10,674. Total expenditures in the General Fund exceeded budgeted expenditures by 8.5% or \$16,869.

CRITERIA: LA R.S. 39:1311 (A)(1)&(2) states that when total actual revenues and other sources or expenditures and other uses plus projected revenues and other sources or expenditures and other uses for the remainder of the year are failing to meet or exceeding the total budgeted amounts by five percent or more, the budget must be amended.

CAUSE: The City Court failed to properly monitor the revenues and expenditures of the General Fund.

EFFECT: The City Court may not prevent and/or detect compliance violations due to revenue shortfalls or over expenditure of the appropriated budget, and/or errors or irregularities in a timely basis.

RECOMMENDATION: The City Court should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City Court will amend the General Fund budget in accordance with LA R.S. 39:1311(A)(1)&(2).

2020-002 Delinquent Filing/Payment of Payroll Taxes

Fiscal year finding initially occurred: 2020

CONDITION: During the year, the City Court was assessed penalties and interest totaling \$623 for the late payment of payroll taxes applicable to tax periods September 30, 2019 and December 31, 2019.

CRITERIA: Reporting and remittance of payroll taxes must be made timely to avoid the incurrance of penalties and interest.

CAUSE: The cause of the condition is the result of an oversight.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)

Schedule of Current Year Compliance Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020

EFFECT: The City Court failed to remit payroll taxes by the prescribed due dates.

RECOMMENDATION: The City Court should develop policies and procedures and monitor its reporting requirements to ensure all payroll tax reports and payroll tax deposits are remitted by the prescribed due dates.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The City Court will evaluate and establish procedures to ensure all payroll tax reports and payroll tax deposits are remitted by the prescribed due dates.

**ATTESTATION REPORT AND
QUESTIONNAIRE**

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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The Honorable Elvin Fontenot, City Judge and
The Louisiana Legislative Auditor
City Court of Leesville, Louisiana
(Vernon Parish Ward One Court)
Leesville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the City Court of Leesville, Louisiana (City Court) and the Louisiana Legislative Auditor (the specified parties), on the City Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The City Court's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the year which exceeded \$30,000 for materials and supplies, or \$250,000 for public works.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the requested information.

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

Management provided us with the requested information.

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

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

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

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

Budgeting

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

Management provided us with a copy of the budget and all amendments.

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

Management was unable to provide a copy of the adoption instrument.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures of the General Fund. Actual revenues failed to meet budgeted revenues by 5.2%. Actual expenditures exceeded budgeted expenditures by 8.5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements agreed with the amount and payee in the supporting documentation, were properly coded to the correct fund and general ledger account and were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

The Judge, as an independently elected official, does not have public meetings nor is he subject to the open meetings law.

Debt

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

We scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

We scanned payroll disbursements for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

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

The City Court's report was due on December 31, 2020. An emergency extension was granted by the Louisiana Legislative Auditor extending the due date to March 31, 2021. The City Court's report was submitted March 30, 2021.

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

Management represented that the City Court was not on the noncompliance list at any time during the fiscal year. Management further represented that the City Court did not enter into any contracts during the fiscal year that were subject to the public bid law.

Prior Comments and Recommendations

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

See the schedule of prior audit findings for any comments or unresolved matters.

This agreed-upon procedures engagement was conducted in accordance with attention standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's compliance with the foregoing matters. 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 the District's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Oberlin, Louisiana
March 29, 2021

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

3/10/2021

Kolder, Slaven, & Co. LLC

332 West Sixth Avenue

Oberlin, LA 70655

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 6/30/2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Meetings

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

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [X] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [X] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [X] No []

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

Stephan J. Windsor City Court Clerk 3/9/2021 Date
[Signature] Judge 3/9/2021 Date

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)

Schedule of Prior Year Audit Findings
Year Ended June 30, 2020

Part I: Prior Year Findings

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2010

CONDITION: The City Court does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved.

2019-002 Inadequate Segregation of Duties

Fiscal year finding initially occurred: 2010

CONDITION: The City Court did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved.

2019-003 Timekeeping System

Fiscal year finding initially occurred: 2019

CONDITION: During the year, employees were paid for overtime; however, the City Court did not have timesheets to support overtime worked.

RECOMMENDATION: Management should implement a timekeeping system to support amounts paid to employees and ensure payments made to employees are for actual time worked.

CURRENT STATUS: Resolved.

CITY COURT OF LEESVILLE, LOUISIANA
(VERNON PARISH WARD ONE COURT)

Schedule of Prior Year Audit Findings
Year Ended June 30, 2020

2019-004 Distributions

Fiscal year finding initially occurred: 2019

CONDITION: Distributions of fines and costs to other agencies are not being made consistently.

RECOMMENDATION: Management should implement procedures to ensure that all distributions of fines and costs collected from offenders are made consistently and in accordance with state statute.

CURRENT STATUS: Unresolved.

B. Compliance

2019-005 Budget Noncompliance

Fiscal year finding initially occurred: 2019

CONDITION: The City Court did not prepare a budget for the General Fund in the format prescribed by LA R.S. 39:1305.

RECOMMENDATION: The City should implement control procedures to ensure that the General Fund Budget be prepared in accordance with the provisions of LA R.S. 39:1305.

CURRENT STATUS: Resolved.