

**City of Shreveport City Court
Shreveport, Louisiana**

Financial Statements With Auditors' Report

As of and For the Year Ended December 31, 2020

City of Shreveport City Court
Shreveport, Louisiana

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Shreveport, Louisiana
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Independent Auditors' Report

City of Shreveport City Court
Shreveport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shreveport City Court, a component unit of the City of Shreveport, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Shreveport City Court'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shreveport City Court as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 8 and on pages 24 - 27 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 of Shreveport City Court's basic financial statements. The other supplementary information Schedule of Compensation, Benefits, and Other Payments to Agency Heads shown on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Heads is the responsibility of management. Section I of that schedule was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section I of the schedule 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, Section I of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads shown on page 28 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Shreveport City Court's basic financial statements. As disclosed in Note 1 to the financial statements, the City of Shreveport City Court prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedules, Justice System Funding Schedules, shown on pages 29 - 33, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Justice System Funding Schedules, shown on pages 29 – 33, are fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, on our consideration of City of Shreveport City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Shreveport City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Shreveport City Court's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 25, 2021

CITY OF SHREVEPORT CITY COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of City of Shreveport City Court's financial performance provides an overview of the City Court's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the City's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

The City Court's net position decreased by \$214,772 or 5%.

The City Court's total program revenues were \$386,291 in 2020 compared to \$564,709 in 2019.

During the year ended December 31, 2020, the City Court had total expenses, excluding depreciation, of \$586,942, compared to \$849,331 in 2019.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the City Court as a whole. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City Court's operations in more detail than the government-wide statements by providing information about the City Court's most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as a trustee or agent for the benefit of those outside of the City Court. The City Court judges are independently elected officials. However, the City Court is fiscally dependent on the City of Shreveport for office space, courtrooms, and related utility costs, as well as substantially all funding of salary and related employee benefit costs. Because the City Court is fiscally dependent on the City of Shreveport, the City Court was determined to be a component unit of the City of Shreveport. The accompanying financial statements present information only on the funds maintained by the City Court.

Reporting the Funds Maintained by the City Court as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the funds maintained by the City Court as a whole begins on page 9. One of the most important questions asked about the City Court's finances is "Is the City Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the City Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are

taken into account regardless of when cash is received or paid.

These two statements report the City Court's *net position* and changes in them. You can think of the City Court's net position – the difference between assets and liabilities – as one way to measure the City Court's financial health, or *financial position*. Over time, *increases* or *decreases* in the City Court's net position are one indicator of whether its *financial health* is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the City Court as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the City Court are reported here which consists primarily of certain materials and supplies, travel, repairs and maintenance and other program services. These represent expenses not paid out of the City of Shreveport's budget for judicial expenses. Fines, fees for services and interest income finance most of these activities.

Reporting the Most Significant Funds Maintained by the City Court

Our analysis of the major funds maintained by the City Court begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the most significant funds maintained by the City Court – not the City Court as a whole. However, the City Court establishes other funds to help it control and manage money for particular purposes (like the probation fund) to show that it is meeting legal responsibilities for using certain fees. The City Court's *governmental funds* use the following accounting approaches.

Governmental funds – All of the City Court's expenses are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City Court's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain City Court expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

The City Court as Trustee

The City Court is the trustee, or *fiduciary*, for its civil division, traffic violation bureau, and a portion of the small claims fund. All of the City Court's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 13 and Statement of Changes in Fiduciary Net Position on page 14. We exclude these activities from the City Court's other financial statements because the City Court cannot use these assets to finance its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE FUNDS MAINTAINED BY THE CITY COURT AS A WHOLE

The City Court’s total net position changed from a year ago, decreasing from \$4,726,561 to \$4,511,789. Our analysis below will focus on key elements of the total governmental funds for the 2020 and 2019 years.

**Table 1
Net Position**

	Governmental Activities 2020	Governmental Activities 2019
	<u>2020</u>	<u>2019</u>
Current assets	\$ 3,556,255	\$ 4,334,596
Capital assets	<u>1,162,108</u>	<u>572,947</u>
Total assets	<u>4,718,363</u>	<u>4,907,543</u>
 Current liabilities	 <u>206,574</u>	 <u>180,982</u>
 Net Position		
Investment in capital assets	1,162,108	572,947
Restricted	40,796	153,165
Unrestricted	<u>3,308,885</u>	<u>4,000,449</u>
Total net position	<u>\$ 4,511,789</u>	<u>\$ 4,726,561</u>

Net position of the funds maintained by the City Court’s governmental activities decreased by \$214,772 or 5%. Unrestricted net position, the part of net position that can be used to finance City Court expenses without constraints or other legal requirements decreased by \$691,564 from \$4,000,449 at December 31, 2019 to \$3,308,885 at December 31, 2020.

Table 2
Change in Net
Position

	Governmental Activities 2020	Governmental Activities 2019
Revenues		
Programs Revenues:		
Charges for Service, Fines and Fees	\$ 386,291	\$ 564,709
Miscellaneous Income	9,693	12,595
Interest income	8,189	22,424
Total revenues	404,173	599,728
Expenses		
General governmental - judicial	618,945	849,331
Increase (decrease) in net position	(214,772)	(249,603)
Net position - beginning of year	4,726,561	4,976,164
Net position - end of year	\$ 4,511,789	\$ 4,726,561

For the funds maintained by the City Court, total revenues decreased \$195,555, or 33%, from total revenues in 2019 of \$599,728 to total revenues of \$404,173 in 2020. For the funds maintained by the City Court, program revenues decreased \$178,418, or 32%, from program revenue in 2019 of \$564,709 to program revenue of \$386,291 in 2020.

For the funds maintained by the City Court, total expenses decreased \$230,386, or 27%, from total expenses in 2019 of \$849,331 to total expenses of \$618,945 in 2020.

The main reason for the decrease in revenues and expenses in 2020 is due to reduced Court operations during the year as a result of the COVID-19 pandemic.

FUNDS MAINTAINED BY THE CITY COURT

For the funds maintained by the City Court, the governmental funds (as presented on pages 11–12) reported a combined fund balance of \$3,298,700 which is a decrease of \$804,614 from last year.

Budgetary Highlights

The City Court adopted a budget for its General Fund and special revenue funds for the year ended December 31, 2020. There were three amendments to the budget during the year. The City Court’s budgetary comparison is presented as required supplementary information and shown on pages 24 through 27. Highlights for the General Fund for the year are as follows:

- Revenues were higher than budgeted amounts due to more collections of fees and fines than anticipated.
- Expenses were lower than budgeted amounts due mainly to operating services and materials and supplies being under budget.

CAPITAL ASSETS

At the end of 2020, the City Court had invested \$1,107,389 in capital assets from those funds maintained by the City Court. (see table 3 below)

Table 3
Capital Assets At Year End

	Activities 2020	Activities 2019
Computer equipment	\$ 63,831	\$ 52,642
Software	1,033,702	449,685
Office furniture and improvements	64,575	70,620
Total	<u>\$ 1,162,108</u>	<u>\$ 572,947</u>
This year's major additions included:		
Computer equipment	\$ 31,089	\$ 6,120
Software	584,017	449,685
Office equipment	6,058	5,349
Total	<u>\$ 621,164</u>	<u>\$ 461,154</u>

More detail information about the capital assets are presented in Note 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City Court's elected judges and appointed officials considered many factors when setting a fiscal year 2021 budget. Amounts available for appropriation in the governmental funds are expected to increase compared to 2020 due to Courts being closed for a portion of 2020 as a result of COVID-19 pandemic.

It is anticipated that the governmental funds' fund balance will increase modestly by the close of 2021. For those funds maintained by the City Court, the City Court will use those revenues for program costs which are not budgeted by the City of Shreveport for the City Court. The City Court is in the process of purchasing new Court software. The software is expected to become operational in 2021, and is being funded by the Building Fund and the Criminal Fund.

It is anticipated that management will consider and monitor the economic uncertainties of COVID-19 and the impact on available financial resources.

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the City Court and to show the City Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Shreveport City Court, Clerk of Court, Judicial Administrators' office at 1244 Texas Avenue, Shreveport, Louisiana 71101.

City of Shreveport City Court
 Shreveport, Louisiana
 Statement of Net Position
 December 31, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,488,446
Accounts receivable	16,828
Prepaid expenses	50,981
Capital assets	
Depreciable (net)	128,406
Non-depreciable	1,033,702
Total assets	4,718,363
 LIABILITIES	
Accounts payable	206,574
Total liabilities	206,574
 NET POSITION	
Investment in capital assets	1,162,108
Restricted for:	
Probation	18,852
Pro Bono	21,944
Unrestricted	3,308,885
Total net position	\$ 4,511,789

See accompanying notes to the basic financial statements.

City of Shreveport City Court
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2020

	Functions / Programs				
	Total	Judicial	Building	Probation	Pro Bono
<u>Governmental Activities</u>					
Expenses:					
Materials and supplies	\$ 7,252	\$ 1,353	\$	\$ 5,899	\$
Travel	11,066	11,066			
Depreciation	32,003	31,543	148	312	
Other program services	568,624	246,045	179,338	143,241	
Total expenses	<u>618,945</u>	<u>290,007</u>	<u>179,486</u>	<u>149,452</u>	
Program revenues:					
Charges for services - fines and fees	<u>386,291</u>	<u>244,096</u>	<u>83,000</u>	<u>58,461</u>	<u>734</u>
Total program revenues	<u>386,291</u>	<u>244,096</u>	<u>83,000</u>	<u>58,461</u>	<u>734</u>
Net program revenue (expenses)	<u>(232,654)</u>	<u>(45,911)</u>	<u>(96,486)</u>	<u>(90,991)</u>	<u>734</u>
General revenues:					
Interest income	8,189				
Miscellaneous	<u>9,693</u>				
Total general revenues	<u>17,882</u>				
Change in net position	(214,772)				
Net position - beginning	<u>4,726,561</u>				
Net position - ending	<u>\$ 4,511,789</u>				

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Balance Sheet
Governmental Funds
December 31, 2020

	Major Funds			Non-Major Fund	Total Governmental Funds
	General	Building	Probation	Other Governmental - Pro Bono	
Assets					
Cash and cash equivalents	\$ 3,341,594	\$ 69,577	\$ 55,331	\$ 21,944	\$ 3,488,446
Accounts receivable	7,204	3,603	6,021		16,828
Total assets	<u>\$ 3,348,798</u>	<u>\$ 73,180</u>	<u>\$ 61,352</u>	<u>\$ 21,944</u>	<u>\$ 3,505,274</u>
Liabilities					
Accounts payable	\$	\$ 164,074	\$ 42,500	\$	\$ 206,574
Total liabilities	<u></u>	<u>164,074</u>	<u>42,500</u>	<u></u>	<u>206,574</u>
Fund balances (deficit)					
Restricted					
Probation			18,852		18,852
Pro Bono				21,944	21,944
Unassigned	3,348,798	(90,894)			3,257,904
Total fund balances (deficit)	<u>3,348,798</u>	<u>(90,894)</u>	<u>18,852</u>	<u>21,944</u>	<u>3,298,700</u>
Total liabilities and fund balances (deficit)	<u>\$ 3,348,798</u>	<u>\$ 73,180</u>	<u>\$ 61,352</u>	<u>\$ 21,944</u>	

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

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.

50,981

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

1,162,108

Net position of governmental activities

\$ 4,511,789

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	Major Funds			Non-Major Fund	Total Governmental Funds
	General	Building	Probation	Other Governmental - Pro Bono	
Revenues:					
Charges for services - fees and fines	\$ 244,096	\$ 83,000	\$ 58,461	\$ 734	\$ 386,291
Interest income	7,493	282	368	46	8,189
Miscellaneous income	5,270		4,423		9,693
Total revenues	256,859	83,282	63,252	780	404,173
Expenditures:					
Current:					
Judicial					
Operating services	246,727	179,337	143,241		569,305
Materials and supplies	1,353		5,899		7,252
Travel and other charges	11,066				11,066
Capital outlay	32,698	588,466			621,164
Total expenditures	291,844	767,803	149,140		1,208,787
Excess (deficiency) of revenues over (under) expenditures	(34,985)	(684,521)	(85,888)	780	(804,614)
Other financing sources (uses):					
Transfers in		608,525			608,525
Transfers out	(608,525)				(608,525)
Total other financing sources (uses)	(608,525)	608,525			(608,525)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(643,510)	(75,996)	(85,888)	780	(804,614)
Fund balances at beginning of year	3,992,308	(14,898)	104,740	21,164	4,103,314
Fund balances (deficit) at end of year	\$ 3,348,798	\$ (90,894)	\$ 18,852	\$ 21,944	\$ 3,298,700

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

Net change in fund balances - total governmental funds \$ (804,614)

The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources. 681

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$621,164) exceeded depreciation expense (\$32,003) in the current period. 589,161

Change in net position of governmental activities \$ (214,772)

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 3,168,649
Total assets	<u>3,168,649</u>
Liabilities	
Due to others	3,168,649
Total liabilities	<u>3,168,649</u>
Net Position	
Total net position	<u>\$</u>

See accompanying notes to the basic financial statements.

City of Shreveport City Court
 Shreveport, Louisiana
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended December 31, 2020

	Custodial Funds
Additions:	
Investment income - interest	\$ 2,868
Fines and other fees collected	2,399,147
Miscellaneous	29,624
Total Additions	2,431,639
Deductions:	
Payments of fines and other fees	1,283,667
Payments of court and other costs	1,147,972
Total Deductions	2,431,639
Change in net position	
Net position - beginning	
Net position - ending	\$

See accompanying notes to the basic financial statements.

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020

INTRODUCTION

The City of Shreveport City Court represents the court system for the City of Shreveport. It is governed by the four independently elected judges from the four divisions of the City of Shreveport. The City Court maintains certain funds comprised of fines and fees collected which are authorized by various state statutes.

(1) Summary of Significant Accounting Policies

The City of Shreveport City Court's financial statements are prepared in conformity with governmental accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the City Court are discussed below.

A. Reporting Entity

The City Court judges are independently elected officials. However, the City Court is fiscally dependent on the City of Shreveport for office space, courtrooms, related utility costs, insurance, and substantially all salary and related employee benefit costs. Because the City Court is fiscally dependent on the city, the City Court was determined to be a component unit of the City of Shreveport, the financial reporting entity.

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

B. Basic Financial Statements – Government-Wide Statements

The City Court's basic financial statements include both government-wide (reporting the funds maintained by the City Court as a whole) and fund financial statements (reporting the City Court's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City Court's cost fund, criminal fund, building fund, probation fund, and pro bono fund are classified as governmental activities. The City Court does not have any business-type activities. The government-wide statements include all funds of the City Court except for fiduciary funds.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The City Court's net position is reported in three parts – investment in capital assets, restricted, and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the City Court's functions. The functions are also supported by general government revenues (interest income). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which must be directly associated with the function. Program revenues included in the Statement of Activities are derived directly from Court users as a fee

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

for services. The net costs (by function) are normally covered by general revenue (interest and miscellaneous income). This government-wide focus is more on the sustainability of the City Court as an entity and the change in the City Court's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City Court are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the City Court:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City Court:
 - a. General funds are the general operating funds of the City Court. They are used to account for all financial resources except those required to be accounted for in another fund. Included in the City Court's general funds are the Cost fund and Criminal fund.
 - b. The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds of the City Court are the Building fund, Probation fund and Pro Bono fund.
2. Fiduciary funds – Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City Court programs. The reporting focus is on net position and changes in net position and is reported using the accrual basis of accounting.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City Court's general funds (cost and criminal funds), the probation fund, and the building fund are reported as major funds in the fund financial statements. The probation fund is used to account for funds collected from defendant's to defray the costs of operation of the court. The building fund is used to account for the proceeds of a \$5 per case fee assessed on all civil and small claims cases, to be used for the acquisition, maintenance, and support of an electronic case management and file system.

The fiduciary funds of the City Court are custodial funds, consisting of the Civil Division fund, Traffic Violations Bureau fund, and the Small Claims fund. Custodial funds account for assets held by the City Court as an agent for others pending Court action and, therefore, are not incorporated into the government-wide statements.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

The governmental funds in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues of the City Court consist principally of interest income and fines and fees for services relating to court filings. Interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Depreciation is not recognized in the governmental fund financial statements.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, and interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less when purchased. 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 or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the City's investment policy. If the original maturities of investments exceed ninety (90) days, they are classified as investments; however, if the original maturities are ninety (90) days or less, they are classified as cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

Computer equipment	5 years
Office equipment	5–15 years
Office furniture and improvements	7–20 years

G. Net Position

Government-wide net position is divided into three components: Net investment in capital assets consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets. Restricted net position consists of assets that are restricted by the Court's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (less related liabilities and deferred inflows of resources). All other net position is reported as unrestricted net position. When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Court's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

H. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted – amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the City Court judges (the City Court's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the judges remove those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the Court's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications.

The Court's policy is to apply expenditures against restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

I. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

J. 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Court has no transactions that meet the definition of deferred outflows of resources.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Court has no transactions that meet the definition of deferred inflows of resources.

K. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Prepaid Items

Prepaid items reported in the government wide financial statements represent payments for maintenance agreements and insurance that will benefit periods beyond December 31, 2020.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

(2) Budgets

The City Court uses the following budget practices:

1. The Judicial Administrator prepares an operating budget for the general funds and each special revenue fund.
2. The budget is adopted by the four independently elected judges.
3. The budget may be revised during the year.
4. Appropriations lapse at the end of each fiscal year.
5. The budget is available for public inspection prior to adoption.

(3) Cash and Cash Equivalents

At December 31, 2020, the City Court has cash and cash equivalents (book balances) totaling \$6,657,095, as detailed below.

A. Cash and Cash Equivalents – Reconciliation to government-wide Statement of Net Assets:

Cash and cash equivalents	\$ 3,488,446
Custodial funds (not on government-wide statements)	<u>3,168,649</u>
	<u>\$ 6,657,095</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank.

B. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2020, \$6,175,542 of the government's bank balance of \$6,675,542 was exposed to custodial credit risk as uninsured and collateral held by the pledging bank's trust department not in the City Court's name.

Even though the pledged securities are considered uncollateralized (Category 3) 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 clerk that the fiscal agent has failed to pay deposited funds upon demand.

(4) Transfers

Transfers at December 31, 2020, consisted of \$608,525 transferred to the Building Fund from the General Fund for the purchase of new Court software.

(Continued)

City of Shreveport City Court
 Shreveport, Louisiana
 Notes to Financial Statements
 December 31, 2020
 (Continued)

(5) Leases

The City Court leases certain equipment and a vehicle under operating leases. Rental costs on those leases for the year ended December 31, 2020, were \$33,713. Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending December 31,	
2021	\$ 33,571
2022	30,423
2023	17,100
2024	13,355
2025	<u>265</u>
Total minimum future rentals	<u>\$ 94,714</u>

(6) Risk Management

The City of Shreveport purchases commercial insurance to provide workers compensation and general liability and property insurance for the City Court. There were no significant reductions in insurance coverage from the previous year.

(7) Accounts Payable

Accounts payable at December 31, 2020, was \$206,574, which consisted of amounts due under contracts for the City Court's new case management software of \$164,074 and public defender expenditures of \$42,500.

(8) Litigation and Claims

At December 31, 2020, the City Court is the defendant in an EEOC claim. The potential loss or outcome related to this matter is not presently determinable.

(9) Expenditures of the City Court Paid by the City of Shreveport

The City of Shreveport provides office space, courtrooms, related utility costs, insurance, and substantially all salary and related employee benefit costs. No amounts have been recognized in the accompanying financial statements for expenditures paid by the City of Shreveport.

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to the Financial Statements
December 31, 2020
(Continued)

(10) Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	<u>Balance</u> <u>Jan. 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>Dec. 31, 2020</u>
<u>Governmental Activities:</u>				
Capital asset, not being depreciated				
Software in process	\$ 449,685	\$ 584,017	\$	\$ 1,033,702
Total capital assets, not being depreciated at historical costs	<u>449,685</u>	<u>584,017</u>	<u></u>	<u>1,033,702</u>
Capital assets, being depreciated:				
Computer equipment	213,782	31,089	(2,029)	242,842
Office equipment	348,985	6,058	(21,820)	333,223
Office furniture and improvements	510,135			510,135
Vehicles	38,160		(38,160)	
Total capital assets, being depreciated at historical cost	<u>1,111,062</u>	<u>37,147</u>	<u>(62,009)</u>	<u>1,086,200</u>
Less accumulated depreciation:				
Computer equipment	(161,140)	(19,900)	2,029	(179,011)
Office equipment	(288,964)	(7,822)	21,820	(274,966)
Office furniture and improvements	(499,536)	(4,281)		(503,817)
Vehicles	(38,160)		38,160	
Total accumulated depreciation	<u>(987,800)</u>	<u>(32,003)</u>	<u>62,009</u>	<u>(957,794)</u>
Total capital assets, being depreciated, net	<u>123,262</u>	<u>5,144</u>	<u></u>	<u>128,406</u>
Governmental activities capital assets, net	<u>\$ 572,947</u>	<u>\$ 589,161</u>	<u>\$</u>	<u>\$ 1,162,108</u>

Depreciation expense was charged to Governmental Activities as follows:

Judicial expenses	\$ 31,691
Probation	312
	<u>\$ 32,003</u>

(Continued)

City of Shreveport City Court
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2020
(Continued)

(11) Commitments

The City Court has entered into contracts for the purchase of new case management software totaling approximately \$1,380,749. Amounts incurred as of December 31, 2020 totaled \$1,218,880, with the remaining amount of \$161,869 to be incurred during the year ended December 31, 2021.

(12) Subsequent Events

Subsequent events have been evaluated through June 25, 2021, the date the financial statements were available to be issued.

(13) Uncertainty

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

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Charges for services - fees and fines	\$ 351,500	\$ 260,000	\$ 265,563	\$ 5,563
Interest income	20,300	6,095	7,493	1,398
Miscellaneous income	4,000	15,000	20,563	5,563
Total revenues	<u>375,800</u>	<u>281,095</u>	<u>293,619</u>	<u>12,524</u>
Expenditures:				
Current:				
General government:				
Operating services	196,300	237,500	249,785	(12,285)
Materials and supplies	16,000	26,000	1,353	24,647
Travel and other charges	75,000	15,000	12,479	2,521
Capital outlay		47,300	32,698	14,602
	<u>287,300</u>	<u>325,800</u>	<u>296,315</u>	<u>29,485</u>
Excess (deficiency) of revenues over expenditures	88,500	(44,705)	(2,696)	42,009
Other financing sources (uses):				
Operating transfers in		239,000	239,000	
Operating transfers out	(450,000)	(854,300)	(847,525)	6,775
Total other financing sources (uses)	<u>(450,000)</u>	<u>(615,300)</u>	<u>(608,525)</u>	<u>6,775</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(361,500)	(660,005)	(611,221)	48,784
Fund balances at beginning of year	<u>3,353,659</u>	<u>3,353,659</u>	<u>3,956,154</u>	<u>602,495</u>
Fund balances at end of year	<u>\$ 2,992,159</u>	<u>\$ 2,693,654</u>	<u>\$ 3,344,933</u>	<u>\$ 651,279</u>

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Building Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Charges for services - fees and fines	\$ 91,000	\$ 68,000	\$ 82,970	\$ 14,970
Interest income	500	250	282	32
Miscellaneous income	85			
Total revenues	<u>91,585</u>	<u>68,250</u>	<u>83,252</u>	<u>15,002</u>
Expenditures:				
Current:				
General government:				
Operating services			170,543	(170,543)
Miscellaneous	235			
Capital outlay	500,000	800,000	614,168	185,832
	<u>500,235</u>	<u>800,000</u>	<u>784,711</u>	<u>15,289</u>
Excess of revenues over expenditures	(408,650)	(731,750)	(701,459)	30,291
Other financing sources:				
Operating transfers in	440,000	535,000	608,525	73,525
Operating transfers out		(11,000)	(10,820)	180
Total other financing sources	<u>440,000</u>	<u>524,000</u>	<u>597,705</u>	<u>73,705</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	31,350	(207,750)	(103,754)	103,996
Fund balances at beginning of year	<u>166,266</u>	<u>166,266</u>	<u>166,266</u>	
Fund balances at end of year	<u>\$ 197,616</u>	<u>\$ (41,484)</u>	<u>\$ 62,512</u>	<u>\$ 103,996</u>

City of Shreveport City Court
Shreveport, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Probation Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance- Favorable
	Original	Final		(Unfavorable)
Revenues:				
Charges for services - fees and fines	\$ 70,000	\$ 60,000	\$ 65,219	\$ 5,219
Interest income	1,200	100	368	268
Miscellaneous income	2,500	2,500	4,424	1,924
Total revenues	<u>73,700</u>	<u>62,600</u>	<u>70,011</u>	<u>7,411</u>
Expenditures:				
Current:				
General government:				
Operating services	204,100	158,300	100,743	57,557
Materials and supplies	5,000	6,000	5,899	101
Travel and other charges	1,500			
Total expenditures	<u>210,600</u>	<u>164,300</u>	<u>106,642</u>	<u>57,658</u>
Excess of revenues over expenditures	(136,900)	(101,700)	(36,631)	65,069
Other financing sources:				
Operating transfers in		239,000		(239,000)
Operating transfers out	(238,000)	(239,000)		239,000
Total other financing sources	<u>(238,000)</u>	<u>(239,000)</u>	<u></u>	<u></u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(374,900)	(101,700)	(36,631)	65,069
Fund balances at beginning of year	<u>91,961</u>	<u>91,961</u>	<u>91,961</u>	<u></u>
Fund balances at end of year	<u>\$ (282,939)</u>	<u>\$ (9,739)</u>	<u>\$ 55,330</u>	<u>\$ 65,069</u>

City of Shreveport City Court
 Shreveport, Louisiana
 Notes to Required Supplementary Information
 December 31, 2020

The City Court's budget is adopted on the cash basis for all funds. There were three amendments to the 2020 budget. Budget comparison statements included in the accompanying financial statements include the original and final amended budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>	<u>Probation Fund</u>	<u>Building Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ (611,221)	\$ (36,631)	\$ (103,754)
Adjustments:			
Revenue accruals - net	(36,761)	(6,757)	30
Expenditure accruals - net	<u>4,472</u>	<u>(42,500)</u>	<u>27,728</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (643,510)</u>	<u>\$ (85,888)</u>	<u>\$ (75,996)</u>

City of Shreveport City Court
A Component Unit of the City of Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits and Other Payments to Agency Heads
For the Year Ended December 31, 2020

	Agency Heads			
	Judge R. Lee Irvin	Judge Pammela Lattier	Judge Sheva M. Sims	Judge Brian H. Barber
	SECTION I			
Paid by the City of Shreveport City Court				
Purpose				
Per diem	\$	\$ 295	\$ 1,530	\$ 354
Travel		2,455	4,627	2,247
Registration fees			935	
 SECTION II				
Paid by the City of Shreveport				
Purpose				
Salary	53,400	91,500	91,500	91,500
Benefits-insurance	4,600	400	12,900	1,400
Benefits-retirement	22,100	37,900	37,600	37,600
Car allowance	350	600		600
Registration fees		675	1,225	375

City of Shreveport City Court
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - General Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2020

Cash Basis Presentation	<u>January 2020 - June 2020</u>	<u>July 2020 - December 2020</u>		
Receipts From:				
City of Shreveport City Marshal - Criminal Court Costs/Fees	\$ 43,886	\$ 35,729		
City of Shreveport - Bond Fees	4,363	1,347		
Interest earnings on collections	4,281	3,212		
Subtotal Receipts	<u>52,530</u>	<u>40,288</u>		
Ending Balance of Amounts Assessed but Not Received	<table border="1" style="display: inline-table; width: 100px; height: 20px; vertical-align: middle;"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1" style="display: inline-table; width: 100px; height: 20px; vertical-align: middle;"><tr><td style="text-align: center;">-</td></tr></table>	-
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City of Shreveport City Court
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - Probation Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2020

Cash Basis Presentation	<u>January 2020 - June 2020</u>	<u>July 2020 - December 2020</u>
Receipts From:		
City of Shreveport City Marshal - Probation Fees	\$ 31,914	\$ 33,305
Interest earnings on collections	104	264
	<u>32,018</u>	<u>33,569</u>
Subtotal Receipts		
	<u>32,018</u>	<u>33,569</u>
Ending Balance of Amounts Assessed but Not Received	-	-

City of Shreveport City Court
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - Building Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2020

Cash Basis Presentation	<u>January 2020 - June 2020</u>	<u>July 2020 - December 2020</u>
Receipts From:		
City of Shreveport City Marshal - Criminal Court Costs/Fees	\$ 12,636	\$ 11,579
Interest earnings on collections	177	105
Subtotal Receipts	<u>12,813</u>	<u>11,684</u>
Ending Balance of Amounts Assessed but Not Received	<table border="1" style="display: inline-table; width: 100px; height: 20px; text-align: center;">-</table>	<table border="1" style="display: inline-table; width: 100px; height: 20px; text-align: center;">-</table>

City of Shreveport City Court
 Other Supplementary Information
 Justice System Funding Schedule
 Collecting/Disbursing Schedule
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2020

Cash Basis Presentation	January 2020 - June 2020	July 2020 - December 2020
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 3,152,948	\$ 3,062,896
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	504,501	620,769
Bond Fees		
Criminal Court Costs/Fees	353,631	266,217
Criminal Fines - Other	321,752	236,129
Probation/Parole/Supervision Fees	1,400	1,900
Service/Collection Fees	3,160	3,578
Interest Earnings on Collected Balances	1,649	1,219
Other	772	1,345
Subtotal Collections	<u>1,186,865</u>	<u>1,131,157</u>
Less: Disbursements to Governments and Nonprofits:		
Ascension Parish Sheriff - Civil Fees		56
Avoyelles Parish Sheriff - Civil Fees	103	
Beauregard Parish Sheriff - Civil Fees		31
Bienville Parish Sheriff - Civil Fees	337	79
Bossier City Marshal - Civil Fees	2,880	2,870
Bossier Parish Sheriff - Civil Fees	2,785	1,930
Caddo Parish Sheriff - Civil Fees	9,751	8,480
Calcasieu Parish Sheriff - Civil Fees	132	54
City of Shreveport - Civil Fees	178,895	210,440
City of Shreveport City Marshal - Criminal Courts Costs/Fees	299,728	180,079
City of Shreveport - Criminal Court Costs/Fees	1,172	1,866
City of Shreveport - Criminal Fines - Other	373,763	225,513
City of Shreveport City Marshal - Civil Fees	110,723	117,581
Claiborne Parish Sheriff - Civil Fees	61	217
Concordia Parish Sheriff - Civil Fees	34	
Desoto Parish Sheriff - Civil Fees	2,543	2,035
East Baton Rouge Parish Sheriff - Civil Fees	12,953	10,134
Grant Parish Sheriff - Civil Fees	24	72
Iberville Parish Sheriff - Civil Fees		100
Jackson Parish Sheriff - Civil Fees	61	
Jefferson Parish Sheriff - Civil Fees	240	150
Louisiana Supreme Court Judicial College - Criminal Court Costs/Fees	1,326	993
Lafayette Parish Sheriff	336	286
Lincoln Parish Sheriff - Civil Fees	244	69
Livingston Parish Sheriff - Civil Fees	86	
Louisiana Secretary of State- Civil Fees	1,950	1,455
Louisiana State Treasurer - Civil Fees	73,906	78,516
Louisiana Supreme Court JCC LA Judicial College Collections - Civil Fees	1,443	1,516
Morehouse Parish Sheriff - Civil Fees	135	
Natchitoches Parish Sheriff -Civil Fees	357	182
Orleans Parish Sheriff - Civil Fees	60	90
Ouachita Parish Sheriff - Civil Fees	246	566

(Continued)

City of Shreveport City Court
Other Supplementary Information
Justice System Funding Schedule
Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended December 31, 2020
(Continued)

	January 2020 - June 2020	July 2020 - December 2020
Rapides Parish Sheriff - Civil Fees	177	222
Red River Parish Sheriff - Civil Fees	217	146
Richland Parish Sheriff - Civil Fees		30
Sabine Parish Sheriff - Civil Fees	347	59
Shreveport Bar Foundation Pro Bono Project - Civil Fees	6,661	7,598
St. Tammany Parish Sheriff -Civil Fees	109	349
State of Louisiana Department of Public Safety - Criminal Court Costs/Fees	3,450	3,750
Tangipahoa Parish Sheriff - Civil Fees	114	31
Terrebonne Parish Sheriff - Civil Fees		106
Union Parish Sheriff - Civil Fees	135	
Vernon Parish Sheriff - Civil Fees		14
Washington Parish Sheriff - Civil Fees	46	47
Webster Parish Sheriff - Civil Fees	1,310	645
Winn Parish Sheriff - Civil Fees	170	68
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection Pro Bono Fees	350	400
Amounts "Self-Disbursed" to Collecting Agency		
DWI Act 894 fees		
Civil fees	46,314	31,769
Criminal court costs/fees	65,084	37,206
Probation/Parole/Supervision Fees	1,400	1,900
Building Fund - Civil Fees	14,425	18,880
Building Fund - Criminal Court Costs/Fees	14,940	10,505
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	35,542	40,612
Other disbursements to individuals	640	509
Payments to 3rd Party Collection/Processing Agencies	9,212	8,678
Subtotal Disbursements/Retainage	<u>1,276,917</u>	<u>1,008,884</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 3,062,896	\$ 3,185,169
Ending Balance of "Partial Payments" Collected but not Disbursed	<u>N/A</u>	<u>N/A</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	<u>N/A</u>	<u>N/A</u>
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	<u>N/A</u>	<u>N/A</u>

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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*

Independent Auditors' Report

City of Shreveport City Court
Shreveport, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shreveport City Court as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Shreveport City Court's basic financial statements, and have issued our report thereon dated June 25, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Shreveport City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Summary Schedule of Current Year Audit Findings as item 2020-001.

The City of Shreveport City Court's Response to Findings

The City of Shreveport City Court's response to the finding identified in our audit is described in the accompanying Summary Schedule of Current Year Audit Findings. City of Shreveport City Court'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.



Cook & Morehart
Certified Public Accountants
June 25, 2021

City of Shreveport City Court
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
December 31, 2020

There was one finding in the prior audit for the year ended December 31, 2019.

2019-001 - Budget

Finding: The Court did not advertise the availability of the budget for the year ended December 31, 2019 for a minimum of 10 days prior to the public hearing. The budget was advertised eight days prior to the public hearing. In addition, the Court's amended budget was not published in the Court's official journal, as required by the Local Government Budget Act.

Recommendation: We recommend that the Court appropriately advertise its budgets in accordance with the provisions of the Local Government Budget Act.

Current Status: No finding reported in the current year audit for the year ended December 31, 2020.

Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
December 31, 2020

There is one finding in the current audit for the year ended December 31, 2020, as noted below:

2020-001 – Lease Agreement

Criteria: Per Louisiana Revised Statute 39:1410.60, State Bond Commission approval is required for lease agreements of movable property, unless such lease agreements contain a non-appropriation clause.

Finding: The Court entered into a lease agreement for a vehicle. The lease agreement did not contain a non-appropriation clause, nor was State Bond Commission Approval obtained.

Cause: The Court inadvertently failed to ensure that the non-appropriation clause was included in the lease agreement.

Effect: The Court was not in compliance with state laws regarding leasing of a movable.

Recommendation: We recommend that the Court ensure that all lease agreements contain the appropriate non-appropriation clause or are otherwise approved by the State Bond Commission.

Management's Response: The Court will ensure that the non-appropriation clause is included in all lease agreements of movables in the future.