

**CITY COURT OF
NATCHITOCHEs, LOUISIANA
ANNUAL FINANCIAL REPORT**

DECEMBER 31, 2021

City Court of Natchitoches, Louisiana
 Financial Report
 December 31, 2021

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management’s Discussion and Analysis	-	1-3
Independent Accountant’s Review Report	-	4-5
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements		
Statement of Net Position	A	8
Statement of Activities	B	9
Fund Financial Statements		
Balance Sheet-Governmental Funds	C	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	12
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds	E	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	F	14
Statement of Fiduciary Net Position	G	15
Statement of Changes in Fiduciary Net Position	H	16
Notes to Financial Statements	-	18-32
<u>Other Required Supplementary Information</u>		
Budgetary Comparison Schedule-General Fund	I-1	34
Budgetary Comparison Schedule-Building Fund	I-2	35
Schedule of Employer’s Share of Net Pension Liability	J	36
Schedule of Employer Contributions	K	37
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	L	38
Justice System Funding Schedule – Collecting/Disbursing Entity, as Required by Act 87 of the 2021 Regular Legislative Session	M	39

City Court of Natchitoches, Louisiana
Financial Report
December 31, 2021

TABLE OF CONTENTS

<u>Supplementary Information</u>	<u>Exhibit</u>	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	N	40-43
Louisiana Attestation Questionnaire	O	44-46

CITY COURT OF NATCHITOCHEs, LOUISIANA

P. O. Box 70

Natchitoches, LA 71458-0070

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City Court of Natchitoches, Louisiana's (hereafter referred to as the City Court) annual financial report presents an overview and analysis of the City Court's financial activities for the year ended December 31, 2021. The intent of the MD&A is to look at the City Court's financial performance as a whole. It should, therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the City Court's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City Court as a whole and presents a longer-term view of the City Court's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the City Court's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as "net position". Over time, increases or decreases in the City Court's net position may serve as a useful indicator of whether the financial position of the City Court is improving or deteriorating.
- The Statement of Activities presents information showing how the City Court's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the City Court are financed through governmental funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City Court conducts its day-to-day operations through governmental funds, the General Fund, and the Building Fund. These statements provide a short-term view of the City Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the City Court. The City Court also maintains a Fiduciary Fund, in which the funds are simply held for other parties and cannot be used for any of the City Court's activities, it is not included in the government-wide statement, but is separately reported in the statement of the Fiduciary Fund.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2021</u>	<u>2020</u>
ASSETS:		
Assets	\$ <u>127,293</u>	\$ <u>94,184</u>
DEFERRED OUTFLOWS OF RESOURCES	\$ <u>13,452</u>	\$ <u>48,777</u>
LIABILITIES:		
Accounts Payable	\$ 4,797	\$ 7,228
Payroll Liabilities	967	654
Net Pension Liability	<u>133,857</u>	<u>237,451</u>
Total Liabilities	<u>\$139,621</u>	<u>\$245,333</u>
DEFERRED INFLOWS OF RESOURCES	\$ <u>72,890</u>	\$ <u>44,318</u>
NET POSITION:		
Investment in Capital Assets	\$ 4,464	\$ 0
Unrestricted	<u>(76,230)</u>	<u>(146,686)</u>
Total Net Position	<u>\$ (71,766)</u>	<u>\$ (146,686)</u>

Summary of Statement of Activities

	<u>2021</u>	<u>2020</u>
REVENUES:		
Fees, Fines & Charges for Services	\$182,150	\$132,034
Other	<u>10,471</u>	<u>101,011</u>
Total Revenues	\$192,621	\$233,145
EXPENSES:		
Judicial Expense	<u>117,701</u>	<u>174,236</u>
Change in Net Position	\$ <u>74,920</u>	\$ <u>58,909</u>

General Fund Budgetary Highlights

The operations of the City Court of Natchitoches are not affected by most economic conditions. The City Court derives its revenue solely from fees levied by the City Court.

Economic Factors and Next Year's Budget

The City Court's management considered many factors when setting the operating budget for the next fiscal year. As there are very minimal changes expected in the next fiscal year, the budget for FY 2022 should not change significantly from the FY 2021 budget. However, the City Court is closely monitoring its budget for future impacts relating to the COVID-19 virus.

Contacting the City Court

This financial report is designed to provide our citizens and creditors with a general overview of the City Court's finances and to show the City Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to City Court of Natchitoches at P.O. Box 70, Natchitoches, LA 71458-0070.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(319) 352-3652
Fax (319) 352-4447
www.tcbtcpa.com

INDEPENDENT ACCOUNTANT’S REVIEW REPORT

Honorable Robert Owsley
City Court of Natchitoches
P. O. Box 70
Natchitoches, Louisiana 71458-0070

We have reviewed the accompanying financial statements of the governmental activities, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City Court of Natchitoches (City Court), a component unit of the City of Natchitoches, Louisiana, as of and for the year ended December 31, 2021, and the related notes 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the City Court of Natchitoches and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer Contributions, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Supplementary Information

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

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated April 30, 2021, on the results of our agreed-upon procedures on page 40 through 43 and pages 44 through 46 present the Louisiana Attestation Questionnaire.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier CPA's
Natchitoches, Louisiana

May 12, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

City Court of Natchitoches, Louisiana
Statement of Net Position
December 31, 2021

	Governmental <u>Activities</u>
ASSETS:	
Cash & Cash Equivalents	\$119,372
Revenue Receivable	3,457
Capital Assets, net	<u>4,464</u>
Total Assets	<u>\$127,293</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pensions	<u>\$ 13,452</u>
LIABILITIES:	
Accounts Payable	\$ 4,797
Payroll Liabilities	967
Net Pension Liability	<u>133,857</u>
Total Liabilities	<u>\$139,621</u>
DEFERRED INFLOWS OF RESOURCES:	
Pensions	<u>\$ 72,890</u>
NET POSITION:	
Investment in Capital Assets	\$ 4,464
Unrestricted	<u>(76,230)</u>
Total Net Position	<u>\$ (71,766)</u>

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Statement of Activities
December 31, 2021

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Judicial	<u>\$107,297</u>	<u>\$182,150</u>	<u>\$0</u>	\$ 74,853
	General Revenues:			
	Miscellaneous			<u>67</u>
	Change in Net Position			\$ 74,920
	Net Position January 1, 2021			<u>(146,686)</u>
	Net Position December 31, 2021			<u>\$ (71,766)</u>

See independent accountant's review report and notes to financial statements.

FUND FINANCIAL STATEMENTS

City Court of Natchitoches, Louisiana
Balance Sheet-Governmental Funds
December 31, 2021

	<u>Major Funds</u>		Non-Major <u>Funds</u>	Total Governmental <u>Funds</u>
	<u>General Fund</u>	<u>Building Fund</u>		
Assets:				
Cash & Cash Equivalents	\$52,200	\$ 395	\$66,777	\$119,372
Revenue Receivable	<u>3,257</u>	<u>200</u>	<u>0</u>	<u>3,457</u>
Total Assets	<u>\$55,457</u>	<u>\$ 595</u>	<u>\$66,777</u>	<u>\$122,829</u>
Liabilities:				
Accounts Payable	\$ 4,096	\$ 701	\$ 0	\$ 4,797
Payroll Liabilities	<u>967</u>	<u>0</u>	<u>0</u>	<u>967</u>
Total Liabilities	<u>\$ 5,063</u>	<u>\$ 701</u>	<u>\$ 0</u>	<u>\$ 5,764</u>
Fund Balance:				
Restricted	\$ 0	\$ 0	\$66,777	\$ 66,777
Unassigned	<u>50,394</u>	<u>(106)</u>	<u>0</u>	<u>50,288</u>
Total Fund Balance	<u>\$50,394</u>	<u>\$(106)</u>	<u>\$66,777</u>	<u>\$117,065</u>
Total Liabilities and Fund Balance	<u>\$55,457</u>	<u>\$ 595</u>	<u>\$66,777</u>	<u>\$122,829</u>

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2021

Total Fund Balance of the Governmental Funds \$ 117,065

Amounts reported for Governmental Activities
in the Statement of Net Position are different because:

The following used in Governmental Activities are not financial
resources; and, therefore, are not reported in the Governmental
Funds Balance Sheet -

Capital Assets, net	4,464
Deferred Outflows of Resources	13,452

The following are not due and payable in the current period and,
therefore, are not reported in the Governmental Fund Balance
sheet-

Net Pension Liability	(133,857)
Deferred Inflows of Resources	<u>(72,890)</u>

Net Position of Governmental Activities \$ (71,766)

City Court of Natchitoches, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Funds
Year Ended December 31, 2021

	<u>Major Funds</u>		Non-Major <u>Funds</u>	Total Governmental <u>Funds</u>
	<u>General Fund</u>	<u>Building Fund</u>		
REVENUES:				
Fees, Fines & Charges for Services	\$168,891	\$13,259	\$ 0	\$182,150
Miscellaneous	<u>0</u>	<u>0</u>	<u>67</u>	<u>67</u>
Total Revenues	<u>\$168,891</u>	<u>\$13,259</u>	<u>\$ 0</u>	<u>\$182,217</u>
EXPENDITURES:				
Current-				
Judicial-				
Salaries & Benefits	\$ 67,441	\$ 0	\$ 0	\$ 67,441
Operating	<u>70,613</u>	<u>13,400</u>	<u>0</u>	<u>84,013</u>
Total Expenditures	<u>\$138,054</u>	<u>\$13,400</u>	<u>\$ 0</u>	<u>\$151,454</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 30,837	\$ (141)	\$ 67	\$ 30,763
Fund Balance-Beginning of Year	<u>19,557</u>	<u>35</u>	<u>66,710</u>	<u>86,302</u>
Fund Balance-End of Year	<u>\$ 50,394</u>	<u>\$ (106)</u>	<u>\$66,777</u>	<u>\$117,065</u>

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Funds
to the Statement of Activities
for the Year Ended December 31, 2021

Total Net Change in Fund Balance at December 31, 2021, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$30,763
---	----------

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

Governmental Funds report Capital Outlay as an expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as a depreciation expense. The cost of capital assets recorded in the current period is	5,208
---	-------

Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation is	(744)
---	-------

Some revenues reported in the Statement of Activities do not
provide current financial resources and these are not reported
as revenues in governmental funds. 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 governmental funds. The timing differences
are summarized below:

Pension Expense	<u>39,693</u>
-----------------	---------------

Change in Net Position, per Statement of Activities	<u>\$74,920</u>
---	-----------------

City Court of Natchitoches, Louisiana
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Agency Funds</u>
Assets:	
Cash	<u>\$169,426</u>
Liabilities:	
Due to Others	<u>\$169,426</u>

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
December 31, 2021

	<u>Agency Funds</u>
ADDITIONS:	
Court Costs/Fines	\$152,257
DEDUCTIONS:	
Disbursements	<u>149,395</u>
Changes in Liabilities	\$ 2,862
Liabilities-Beginning	<u>166,564</u>
Liabilities-Ending	<u>\$169,426</u>

See independent accountant's review report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

Introduction:

As provided by Louisiana Revised Statute 13:1952, the City Court administers the City Court system of the City of Natchitoches, Louisiana. The City Court is directed by the City Judge, who is elected to a term of six years.

The accounting and reporting policies of the City Court of Natchitoches conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:518.

1. Summary of Significant Accounting Policies:

The accompanying basic financial statements of the City Court of Natchitoches, Louisiana, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Pronouncements.

A. Reporting Entity-

As the governing authority of the City, for reporting purposes, the City of Natchitoches is the financial reporting entity. The financial reporting entity consists of (a) the primary government (City of Natchitoches), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

Because of item 2 above, the City Court of Natchitoches, was determined to be a component unit of the City of Natchitoches, 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, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the government-type activities on a consolidated basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

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. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, 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 are presented as general revenues.

C. Fund Accounting-

The financial statements of the City Court are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Funds are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the City Court or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

The funds of the City Court are described below:

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 for those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund-

Agency Funds

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

The City Court considers the following funds to be major:

Governmental Funds-

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

Building Fund-The Building Fund is used to account for the collection of fees as authorized by Louisiana Statute R.S. 13:1910. These funds are dedicated exclusively to the acquisition, leasing, construction, equipping, and maintenance of a new or existing City Court building and for the maintenance and payment of any bond indebtedness on any such existing facilities.

D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses 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.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the City Court as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues “available” if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities, 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 deposit of the City Court.

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 estimated fair market 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 that asset or materially extend the life of that asset 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 Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers, office equipment	5 years
--	---------

Compensated Absences-

Employees of the City Court do not accrue or “carry forward” vacation or sick leave, therefore no entry is made to record compensated absences.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

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 resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

The General Fund has an unassigned fund balance of \$50,394. If applicable, the City Court would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the City Court of Natchitoches, Louisiana adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates-

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

H. Pensions-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See Note 4, for more information on the retirement system.

I. Deferred Outflows/Inflows of Resources-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

2. Cash and Cash Equivalents:

The cash and cash equivalents of the City Court of Natchitoches, Louisiana were subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City Court will not be able to recover its deposits. 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City Court's name.

Bank account balances at December 31, 2021, totaled \$288,797, and were fully secured by FDIC insurance.

3. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2021, is as follows:

Governmental Activities	Balance <u>01-01-21</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12-31-21</u>
Capital Assets:				
Furniture, computers, equipment	\$0	\$5,208	\$0	\$5,208
Less: Accumulated Depreciation:				
Furniture, computers, equipment	<u>0</u>	<u>744</u>	<u>0</u>	<u>744</u>
Net Capital Assets	<u>\$0</u>	<u>\$4,464</u>	<u>\$0</u>	<u>\$4,464</u>

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

4. Pension Plan:

Pensions

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

Plan Description

Employees of the City Court are provided with pensions through cost-sharing multiple-employer defined benefit plan administered by LASERS. Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 1, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

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

Deferred Retirement Benefits

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

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

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

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

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

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

Permanent Benefit Increases/Cost-of-Living Adjustments

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

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially-determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2021 are as follows:

<u>Plan</u>	<u>Plan Status</u>	<u>Employer Contribution Rate</u>
Appellate Law Clerks	Closed	40.10%
Appellate Law Clerks hired on or after 7/1/06	Closed	40.10%
Alcohol Tobacco Control	Closed	38.10%
Bridge Police	Closed	38.50%
Bridge Police hired on or after 7/1/06	Closed	38.50%
Corrections Primary	Closed	38.70%
Corrections Secondary	Closed	43.00%
Harbor Police	Closed	12.10%
Hazardous Duty	Open	45.00%
Judges hired before 1/1/2011	Closed	42.50%
Judges hired after 12/31/2010	Closed	43.60%
Judges hired on or after 7/1/15	Open	43.60%
Legislators	Closed	36.50%
Optional Retirement Plan (ORP)		
Hired before 7/1/06	Closed	40.10%
Hired on or after 7/1/06	Closed	40.10%
Peace Officers	Closed	40.90%
Regular Employees		
Hired before 7/1/06	Closed	40.10%
Hired on or after 7/1/06	Closed	40.10%
Hired on or after 1/1/2011	Closed	40.10%
Hired on or after 7/1/15	Open	40.10%
Special Legislative Employees	Closed	38.50%
Wildlife Agents	Closed	50.50%
Aggregate Rate		40.60%

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

The City Court's contractually required composite contribution rate for the year ended June 30, 2021 was 43.3% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the City Court were \$20,228 for the year ended December 31, 2021.

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

At December 31, 2021, the City Court reported a liability of \$133,857 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 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, 2021, the City Court's proportion was .00243%, which was an increase of .00044% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City Court recognized pension expense of \$9,384 minus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$39,037.

At December 31, 2021, 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 experience	\$ 132	\$ 0
Changes in assumption	3,279	0
Net difference between projected and actual earnings on pension plan investments	0	31,216
Changes in employer's proportion of beginning net pension liability	0	33,224
Differences between employer contributions and proportionate share of employer contributions	0	8,450
Subsequent Measurement Contributions	10,041	0
Total	\$13,452	\$72,890

\$13,452 reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2021. 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:	
2022	\$(30,788)
2023	(17,702)
2024	(7,092)
2025	(13,897)
Total	\$(69,479)

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 are as follows:

Valuation Date	June 30, 2021																		
Actuarial Cost Method	Entry Age Normal																		
Actuarial Assumptions:																			
Expected Remaining																			
Service Lives	2 years.																		
Investment Rate of Return	7.40% per annum.																		
Inflation Rate	2.3% per annum.																		
Mortality	Non-disabled members – The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvements Scale MP-2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.																		
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.																		
Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:																		
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">12.8%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.6%</td> <td style="text-align: center;">5.1%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.6%</td> <td style="text-align: center;">13.8%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.0%	12.8%	Judges	2.6%	5.1%	Corrections	3.6%	13.8%	Hazardous Duty	3.6%	13.8%	Wildlife	3.6%	13.8%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																	
Regular	3.0%	12.8%																	
Judges	2.6%	5.1%																	
Corrections	3.6%	13.8%																	
Hazardous Duty	3.6%	13.8%																	
Wildlife	3.6%	13.8%																	
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 Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

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 of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021. 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, 2021 are summarized in the following table:

Expected Long Term Real Rates of Return	
Asset Class	2021
Cash	-0.29%
Domestic Equity	4.09%
International Equity	5.12%
Domestic Fixed Income	0.49%
International Fixed Income	3.94%
Alternative Investments	6.93%
Total Fund	5.81%

Discount Rate

The discount rate used to measure the total pension liability was 7.40%. 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 pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City Court's proportionate share of the Net Pension Liability using the discount rate of 7.55%, as well as what the City Court's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (6.4%)	Current Discount Rate (7.4%)	1.0% Increase (8.4%)
Employer's proportionate share of net pension liability	\$181,366	\$133,857	\$93,433

City Court of Natchitoches, Louisiana
Notes to Financial Statements
December 31, 2021

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2020 Comprehensive Annual Financial Report at www.lasersonline.org.

5. Expenses Paid by Other Governmental Units:

The Clerk of City Court is paid by the City of Natchitoches, and the Natchitoches Parish Government. All other employees of the City Court, with the exception of the Judge, are paid by the City Court and the City of Natchitoches.

6. Subsequent Events:

Management has evaluated events through May 12, 2022, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

City Court of Natchitoches, Louisiana
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Fines, Fees & Charges for Services	\$ <u>165,000</u>	\$ <u>167,900</u>	\$ <u>168,891</u>	\$ <u>991</u>
EXPENDITURES:				
Current-				
Judicial-				
Salaries & Benefits	\$ <u>95,000</u>	\$ <u>91,719</u>	\$ <u>67,441</u>	\$ <u>24,278</u>
Operating	<u>47,000</u>	<u>54,896</u>	<u>70,613</u>	<u>(15,717)</u>
Total Expenditures	\$ <u>142,000</u>	\$ <u>146,615</u>	\$ <u>138,054</u>	\$ <u>8,561</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>23,000</u>	\$ <u>21,285</u>	\$ <u>30,837</u>	\$ <u>9,552</u>
Fund Balance-Beginning of Year	<u>19,557</u>	<u>19,557</u>	<u>19,557</u>	<u>0</u>
Fund Balance-End of Year	\$ <u>42,557</u>	\$ <u>40,842</u>	\$ <u>50,394</u>	\$ <u>9,552</u>

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Building Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2021

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for Services	\$15,500	\$14,217	\$13,259	\$(958)
EXPENDITURES:				
Current-				
Judicial-				
Operating	<u>15,000</u>	<u>14,217</u>	<u>13,400</u>	<u>817</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 500	\$ 0	\$ (141)	\$(141)
Fund Balance-Beginning of Year	<u>35</u>	<u>35</u>	<u>35</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 535</u>	<u>\$ 35</u>	<u>\$ (106)</u>	<u>\$(141)</u>

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Schedule of Employer's Share of Net Pension Liability
For the Year Ended December 31, 2021

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
<i>Louisiana State Employees' Retirement System</i>					
2015	.00319%	\$216,968	\$67,718	320%	62.7%
2016	.00397%	\$311,825	\$66,926	466%	57.7%
2017	.00386%	\$271,980	\$69,113	394%	62.5%
2018	.00368%	\$250,905	\$69,649	360%	62.5%
2019	.00341%	\$247,052	\$66,555	371%	62.9%
2020	.00054%	\$237,451	\$46,391	512%	58.0%
2021	.00243%	\$133,857	\$46,715	287%	72.8%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2021.

See independent accountant's review report and notes to financial statements.

City Court of Natchitoches, Louisiana
Schedule of Employer Contributions
For the Year Ended December 31, 2021

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
<i>Louisiana State Employees' Retirement System</i>					
2015	\$26,909	\$26,909	\$0	\$67,718	39.7%
2016	\$25,499	\$25,499	\$0	\$66,926	38.1%
2017	\$26,942	\$26,942	\$0	\$69,113	39.0%
2018	\$27,929	\$27,929	\$0	\$69,649	40.1%
2019	\$26,689	\$26,689	\$0	\$66,555	40.1%
2020	\$11,726	\$11,726	\$0	\$46,391	25.3%
2021	\$20,228	\$20,228	\$0	\$46,715	43.3%

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

Changes of Assumptions:

- There were no changes of benefit assumptions for the year ended December 31, 2021.

City Court of Natchitoches, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended December 31, 2021

Agency Head Name: Robert Owsley, Judge

<u>Purpose</u>	<u>Amount</u>
Salaries	\$46,862
Benefits-Retirement	26,315
Cell Phone	1,199
Dues	150
Conference Travel	<u>8,758</u>
Total	<u>\$83,284</u>

See independent accountant's review report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	City Court of Natchitoches	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2124.00	
Date that reporting period ended (mm/dd/yyyy)	Friday, December 31, 2021	
	First Six Month Period Ended 6/30/2021	Second Six Month Period Ended 12/31/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	166,564	179,226
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	84,062	68,195
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	84,062	68,195
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Louisiana Supreme Court - Criminal Court Costs/Fees	107	83
Louisiana State Treasury - Criminal Court Costs/Fees	4,914	5,076
Louisiana State Treasury - Criminal Court Costs/Fees	-	-
Agency name/collection type	-	-
Agency name/collection type	-	-
Agency name/collection type	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Self-Disbursed - Criminal Court Fees	23,144	31,662
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	17,054	36,597
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	26,181	4,577
Subtotal Disbursements/Retainage	71,400	77,995
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	179,226	169,426
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – A Professional Corporation
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(319) 352-3652
Fax (319) 352-4447
www.tcbtcpa.com

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

Honorable Robert Owsley
City Court of Natchitoches
P. O. Box 70
Natchitoches, Louisiana 71458-0070

We have performed the procedures enumerated below on the City Court’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. City Court’s management is responsible for its financial records and compliance with applicable laws and regulations.

The City Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the City Court’s compliance with laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2021. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code); R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

We scanned the general ledgers noting that there were no expenditures for materials and supplies exceeding \$30,000, or public works exceeding \$250,000.

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 provided by management for agreed-upon procedure 2 or 3 appeared on the list provided by management.

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 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 original budgets. There was one amendment to the budget during the year.

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.

Not applicable.

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

Actual revenues and expenditures for the year were within the 5% variance allowed in the General Fund and Building Fund.

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 the payee in the supporting documentation

Each of the six selected disbursements agreed to the amount and payee in the supporting documentation.

- (a) Report whether the six disbursements were coded to the correct fund and general ledger account.

Each of the six selected disbursements were coded to the correct fund and general ledger account.

- (b) Report whether the six disbursements were approved in accordance with management's policies and procedures.

Each of the six selected disbursements were approved in accordance with the management 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.

Not applicable.

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 deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness.

ADVANCES AND BONUSES

12. Obtain the 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 constitute bonuses, advances, or gifts.

We scanned payroll disbursements for the fiscal year. We found no 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 June 30, 2021, and was submitted prior to this date.

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 they were in compliance with R.S. 24:513 during the fiscal year.

PRIOR-YEAR COMMENTS

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

Our prior year report, dated April 30, 2021, did not include any comments or unresolved matters.

We were engaged by the City Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General.

We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District Court'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.

We are required to be independent of the District Court and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on the City Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway + Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

May 12, 2022

NATCHITOCHEs CITY COURT
LOUISIANA ATTESTATION QUESTIONNAIRE

Thomas, Cunningham, Broadway & Todtenbier CPA's
321 Bienville Street
Natchitoches, LA 71457

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2021 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 state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No [] N/A []

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 [] N/A []

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 [] N/A []

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 [] N/A []

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 [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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 [] N/A []

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 [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No [] N/A []

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 No [] N/A []

Advances and Bonuses

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

Yes No [] N/A []

Prior-Year Comments

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

Yes No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No N/A

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No N/A

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

Yes No N/A

We have provided you with all relevant information and access under the terms of our agreement.

Yes No N/A

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

Yes No N/A

We are not aware of any material misstatements in the information we have provided to you.

Yes No N/A

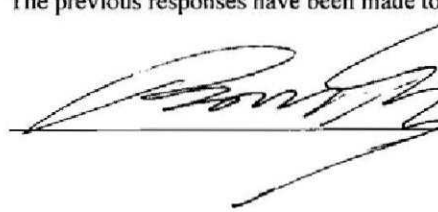
We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes No N/A

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No N/A

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

 Judge 5/12/22 Date