

**CITY COURT OF MARKSVILLE
MARKSVILLE, LOUISIANA**

**FINANCIAL STATEMENTS
JUNE 30, 2022**

**DUCOTE & COMPANY
Certified Public Accountants
P. O. Box 309
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Marksville, LA71351**

**CITY COURT OF MARKSVILLE
MARKSVILLE, LOUISIANA
June 30, 2022**

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Honorable Angelo J. Piazza, III
Judge
City Court of Marksville
Marksville, Louisiana

We have reviewed the accompanying financial statements of the governmental and fiduciary activities of the City Court of Marksville, a component unit of the City of Marksville, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements. A review includes primarily applying analytical procedures to the management's financial data and making inquiries of the management of the City Court of Marksville. 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 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' 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 the *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.

Accountants' 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 conformity 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 required that schedules concerning net pension liability (asset) and pension contributions on pages 32-34 be presented to supplement the basic financial statements. Such information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the representation of management. We have not audited or reviewed such supplementary information, and accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

Other Supplementary Information

The accompanying schedule of payments of to the agency head and the justice system funding schedules on pages 36-37 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 the reporting framework prescribed by the Louisiana Legislative Auditor. We have not audited or reviewed such supplementary information, and accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

Management has omitted the management's discussion and analysis, information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The results of our review of the basic financial statements were not affected by this missing information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated December 14, 2022, on the results of our agreed-upon procedures.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 14, 2022

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

STATEMENT OF NET POSITION

June 30, 2022

| | GOVERNMENTAL ACTIVITY |
|---|----------------------------------|
| ASSETS | |
| Cash | \$42,590 |
| Property and equipment (net of accumulated depreciation) | <u>5,565</u> |
| Total Assets | <u>48,155</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| | <u>17,193</u> |
| LIABILITIES | |
| Accounts payable | 0 |
| Accrued liabilities | 5,136 |
| Net pension liability | <u>100,062</u> |
| Total Liabilities | <u>105,198</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| | <u>23,751</u> |
| NET POSITION | |
| Investment in capital assets, net of related debt | 5,565 |
| Unrestricted | <u>(69,166)</u> |
| | <u>(\$63,601)</u> |

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**STATEMENT OF ACTIVITIES
For the Twelve months Ended June 30, 2022**

| FUNCTIONS/PROGRAMS | <u>Expenses</u> | <u>Program Operating Grants</u> | <u>Net (Expenses) Revenues</u> |
|--------------------------------------|------------------|---|--|
| <i>Governmental Activities</i> | | | |
| General Government | | | |
| Insurance | \$3,971 | \$4,914 | \$943 |
| Professional fees | 11,200 | 13,858 | 2,658 |
| Operating services | 216,704 | 268,141 | 51,437 |
| Facilities maintenance | 1,716 | 2,123 | 407 |
| Depreciation | 1,719 | 2,127 | 408 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$235,310 | \$291,163 | 55,853 |
| General Revenues | | | |
| Sales of assets | | | 2,250 |
| Total general revenues | | | 2,250 |
| Changes in net position | | | 58,103 |
| Net position - beginning of year | | | (121,704) |
| Net position - end of year | | | (\$63,601) |

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**Balance Sheet
Governmental Funds
June 30, 2022**

| | <u>Civil Court Maintenance</u> | <u>Criminal Court Operating</u> | <u>City Court Marshall</u> | <u>Total Governmental Funds</u> |
|---|--|---|------------------------------------|---|
| ASSETS | | | | |
| Cash | \$3,553 | \$34,003 | \$5,034 | \$42,590 |
| Prepaid payroll taxes | 0 | 0 | 0 | 0 |
| Total Assets | \$3,553 | \$34,003 | \$5,034 | \$42,590 |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$0 | \$0 | \$0 | \$0 |
| Accrued liabilities | 0 | 4,705 | 431 | 5,136 |
| Total liabilities | 0 | 4,705 | 431 | 5,136 |
| EQUITY AND OTHER CREDITS | | | | |
| Fund balance, restricted | 3,553 | 29,298 | 4,603 | 37,454 |
| | <u>3,553</u> | <u>29,298</u> | <u>4,603</u> | <u>37,454</u> |
| Total Liabilities and Fund Balance | \$3,553 | \$34,003 | \$5,034 | \$42,590 |

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**Reconciliation of the Governmental Fund Balance Sheet
To the Statement of Net Position
June 30, 2022**

| | | |
|---|-----------|------------|
| Total fund balance for the governmental fund at June 30, 2022 | | \$37,454 |
| Total net assets reported for the governmental activities in the statement of net assets is different because: | | |
| Capital assets used in the governmental activities are not financial resources, and there are not reported in the funds. These assets consist of: | | |
| Cost of capital assets as of June 30, 2022 | \$25,734 | |
| Less: accumulated depreciation as of June 30, 2022 | (20,169) | 5,565 |
| Liabilities not due and payable in the current period and therefore not reported in the fund financial statements at June 30, 2022: | | |
| Deferred outflows of resources | 17,193 | |
| Deferred inflows of resources | (23,751) | |
| Net pension liability | (100,062) | (106,620) |
| Total net position at June 30, 2022 per Statement of Net Position | | (\$63,601) |

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance- Governmental Fund Type
For the Twelve months Ended June 30, 2022**

| | Civil Court Maintenance | Criminal Court Operating | City Court Marshal | Totals |
|--|----------------------------|-----------------------------|-----------------------|-----------|
| REVENUES | | | | |
| Bonds, fines & court costs | \$3,719 | \$182,160 | \$36,106 | \$221,985 |
| Total revenues | 3,719 | 182,160 | 36,106 | 221,985 |
| EXPENDITURES | | | | |
| General government | | | | |
| Insurance | 0 | 3,871 | 100 | 3,971 |
| Office and postage | 1,338 | 10,554 | 0 | 11,892 |
| Salaries and related benefits | 0 | 141,702 | 24,782 | 166,484 |
| Contract labor | 0 | 0 | 475 | 475 |
| Dues and subscriptions | 0 | 0 | 325 | 325 |
| Fuel and oil | 0 | 0 | 3,999 | 3,999 |
| Miscellaneous | 0 | 10,444 | 1,024 | 11,468 |
| Repairs and maintenance | 0 | 6 | 1,710 | 1,716 |
| Professional development | 4,461 | 5,562 | 4,114 | 14,137 |
| Professional fees | 0 | 11,200 | 0 | 11,200 |
| Utilities and telephone | 0 | 5,277 | 1,534 | 6,811 |
| Travel | 0 | 0 | 434 | 434 |
| Uniforms | 0 | 0 | 679 | 679 |
| Capital outlay | 0 | 0 | 0 | 0 |
| Total expenditures | 5,799 | 188,616 | 39,176 | 233,591 |
| Excess (deficiency) of revenues over exp | (2,080) | (6,456) | (3,070) | (11,606) |
| Other financing sources (uses) | | | | |
| Proceeds from sale of assets | 0 | 0 | 2,250 | 2,250 |
| Total other financing sources (uses) | 0 | 0 | 2,250 | 2,250 |
| Net changes in fund balances | (2,080) | (6,456) | (820) | (9,356) |
| Fund balance, beginning of year | 5,633 | 35,754 | 5,423 | 46,810 |
| Fund balance, end of year | \$3,553 | \$29,298 | \$4,603 | \$37,454 |

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**Reconciliation of Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
For the Twelve Months Ended June 30, 2022**

| | | |
|--|----------------|-----------------|
| Total net changes in fund balance at June 30, 2022, per the Statement of Revenues, Expenditures and Changes in Fund Balance | | (\$9,356) |
| The change in net assets reported for governmental activities in the statement of activities is different because | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Capital outlays during the year ended June 30, 2022 | 0 | |
| Depreciation expense for the year ended June 30, 2022 | <u>(1,719)</u> | (1,719) |
| Implementation of GASB 68 (revenue less expense) | | <u>69,178</u> |
| Total changes in net position at June 30, 2022 per Statement of Activities | | <u>\$58,103</u> |

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022**

| | <u>Custodial Funds</u> |
|--------------------------|----------------------------|
| ASSETS | |
| Cash | \$26,486 |
| Total Assets | <u>\$26,486</u> |
| LIABILITIES | |
| Advance deposits payable | \$26,486 |
| Total liabilities | <u>\$26,486</u> |
| NET POSITION | <u>\$0</u> |

The accompanying notes are an integral part of this financial statement.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2022**

| | <u>Custodial Funds</u> |
|---|----------------------------|
| ADDITIONS | |
| Court costs, fines and bonds posted | <u>\$27,459</u> |
| Total Additions | <u>27,459</u> |
| DEDUCTIONS | |
| Distribtuions to recipients or recipient agencies | <u>27,168</u> |
| Total Deductions | <u>27,168</u> |
| Net Increase (Decrease) in Fudiciary Net Position | 291 |
| Net Position - beginning of year | <u>26,195</u> |
| Net Position - end of year | <u>\$26,486</u> |

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

INTRODUCTION

The City Court of Marksville (the "City Court") was created under the authority of Chapter 24 of Title 13 of the Louisiana Revised Statutes (LRS). The statutes provide for the territorial jurisdiction, powers, authority, functions, election or appointment, tenure and compensation of the judge, clerk, and marshal or constable of the various city courts throughout the state. The City Court's criminal jurisdiction, as provided by LRS 13:1894, is limited to the trial of offenses committed within its territorial jurisdiction that are not punishable by imprisonment at hard labor, including the trial of cases involving the violation of any city or parochial ordinance. In addition, the judge may also require bonds to keep the peace; issue warrants or arrest; examine, commit, and admit to bail and discharge; and hold preliminary examinations in all cases not capital. The City Court's civil jurisdiction, as provided by LRS 13:1891, is provided in the applicable provision of the Louisiana Code of Civil Procedure.

The city judge, as provided by LRS 13:1872, is elected for a term of six years and, except as otherwise provided in LRS 13:1875, receives an annual salary payable monthly by the City of Marksville and the Avoyelles Parish Police Jury. As provided by LRS 13:1879, the city court clerk is appointed by the city judge and serves at the pleasure of the judge until a successor is appointed. The clerk is responsible for maintain the minute entries of the court, a docket of all proceedings in civil and criminal matters, and additional duties enumerated by law.

The city marshal, as provided by LRS 13:1879, is elected for a term of six years and receives an annual salary as enumerated in LRS 13:1883. The marshal is the executive officer of the court and executes the orders and mandates of the court, makes arrest and preserved the peace.

The City Court has special provisions that are enumerated under LRS 13:2488.51-59. These statutes govern the court's rules of conduct, salary and city judge's fees, salaries of the marshal and clerk, collection of fines, forfeitures, penalties and costs, and cost of criminal matters.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. FINANCIAL REPORTING ENTITY

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

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

A. FINANCIAL REPORTING ENTITY (continued)

This criteria includes:

- 1) Appointing a voting majority of an organization's governing body, and
 - a) The ability 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 municipality.
- 2) Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

The City Court of Marksville is a potential component unit of the City of Marksville, Louisiana. However, the City Court of Marksville is a separate reportable entity from the City of Marksville. The City Court is staffed by an independently elected city judge who appoints/hires City Court staff. Although the City of Marksville does provide facilities and some of the City Court financing, no control is exercised over its operations.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government wide fund financial statements report the information on all of the non-fiduciary activities of the City Court of Marksville. Governmental activities are normally supported by fees, fines, and assessments which are reported separately from the business-type activities, which relay to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fees, fines, and assessments authorized for collection by the City Court.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

CITY COURT OF MARKSVILLE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

C. FUND ACCOUNTING

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

A description of the courts funds is as follows:

Special Revenue Funds

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

Fiduciary Fund

This fund accounts for assets held by the City Court in a custodial capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the special revenue funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of City Court operations.

The amounts reflected in the special revenue funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become 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 they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

CITY COURT OF MARKSVILLE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)

The governmental funds use the following practices in recording revenues and expenditures:

Revenues - Revenues are recognized when they become measurable and available are net current assets.

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the fund as a whole. These statements include all the financial activities of the Indigent Defender Fund. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from persons subject to court fines and costs as users as a fee for services; program revenues reduce the cost of the function to be financed from the Court's general revenues.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

CITY COURT OF MARKSVILLE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

F. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated assets are valued at the fair market value at the time of the donation. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| | |
|-------------------------|-----------|
| Machinery and equipment | 5-7 years |
|-------------------------|-----------|

G. COMPENSATED ABSENCES

The City Court has no specific policy relating to compensated absences. Employees are granted ten (10) days of vacation annually, and any amounts not used lapse at year end. The compensated absences at June 30, 2022 are immaterial to the financial statements and are therefore not accrued at June 30, 2022.

H. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and the payment of principle and interest are reported as expenditures.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. EQUITY CLASSIFICATIONS

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

Investment in capital assets – consists of capital assets including restricted assets, net of accumulated depreciation

Restricted net assets- consists of net assets restricted for City Court activities.

Unrestricted – consists of net assets not restricted for any purpose.

CITY COURT OF MARKSVILLE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

K. GOVERNMENTAL FUND BALANCES

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

Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

Committed fund balance – amounts that can be used only for specific purposes determined as defined through ordinances or resolutions approved by the City of Marksville or changes in Louisiana law.

Assigned fund balance – amounts that are constrained by the City Court's intent that they will be used for specific purpose.

Unassigned fund balance - all other amounts not included in the other spendable classifications.

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 2022, the City Court has cash and cash equivalents (book balances) as follows:

| | |
|-----------------|-----------------|
| Demand Deposits | <u>\$69,076</u> |
| Total | <u>\$69,076</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) 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 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.

CITY COURT OF MARKSVILLE
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk – Deposits: At year end, the City Court had bank balances of \$86,217. These deposits were fully secured by federal depository insurance.

The City Court has not formally adopted a deposit or investment policy that limits the government's allowable deposits or investment and addresses custodial credit risk or interest rate risks.

NOTE 3. CAPITAL ASSETS

A summary of changes in general fixed assets for the twelve months ended June 30, 2022 is as follows:

| | <u>Balance</u> <u>6/30/2021</u> | <u>Additons</u> | <u>Deletions</u> | <u>Balance</u> <u>6/30/2022</u> |
|-----------------------------------|------------------------------------|------------------|------------------|------------------------------------|
| Capital assets being depreciated: | | | | |
| Equipment | \$35,887 | \$0 | (\$10,153) | \$25,734 |
| | <u>35,887</u> | <u>0</u> | <u>(10,153)</u> | <u>25,734</u> |
| Accumulated depreciation | <u>(28,603)</u> | <u>(\$1,719)</u> | <u>\$10,153</u> | <u>(20,169)</u> |
| | <u>\$7,284</u> | | | <u>\$5,565</u> |

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| | |
|-------------------------|-----------|
| Machinery and equipment | 5-7 years |
|-------------------------|-----------|

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The City Judge for the City Court of Marksville is eligible to participate in the Louisiana State Employees Retirement System. The system is a multiple-employer (cost sharing), public employee retirement systems (PERS), controlled and administered by a separate board of trustees.

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

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 the benefit terms. Investments are reported at fair value.

General Information about the LASERS Pension Plan

Plan Description

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

Benefits Provided

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

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

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

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

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

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

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

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 but generally is ten years of service.

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

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit 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.

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

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

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

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

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

Contributions: Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers.

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

The rates in effect during the year ended June 30, 2022 for the various plans follow:

| <u>Plan</u> | <u>Plan Status</u> | <u>Employer Contribution Rate</u> |
|--|--------------------|-----------------------------------|
| Regular Employees and Appellate Law Clerks | | |
| Pre Act 75 (hired before 7/1/2006) | Closed | 3.95% |
| Post Act 75 (hired after 6/30/2006) | Open | 39.5% |
| Optional Retirement Plan (ORP) | | |
| Pre Act 75 (hired before 7/1/2006) | Closed | 37.6% |
| Post Act 75 (hired after 6/30/2006) | Closed | 37.6% |
| Legislators | Closed | 35.8% |
| Special Legislative Employees | Closed | 37.8% |
| Judges hired before 1/1/2011 | Closed | 43.7% |
| Judges hired after 12/31/2010 | Closed | 43.0% |
| Judges hired after 6/30/2015 | Open | 43.0% |
| Corrections Primary | Closed | 39.0% |
| Corrections Secondary | Closed | 43.3% |
| Wildlife Agents | Closed | 51.2% |
| Peace Officers | Closed | 41.4% |
| Alcohol Tobacco Control | Closed | 42.6% |
| Bridge Police | Closed | 38.6% |
| Hazardous Duty | Open | 45.3% |

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

The agency's contractually required composite contribution rate for the year ended June 30, 2022 was 40.8% 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 Agency were \$16,721 for the year ended June 30, 2022.

Per information provided in the annual audit of LASERS for the year ended June 30, 2022, the deferred inflows or deferred outflows of resources resulting from changes in the employer's proportionate share of the total deferred outflows, total deferred inflows and net pension liability, since the prior measurement date and its resulting amortization is not reported in the pension schedules. As a result, the information presented, based on the audited LASERS pension schedules, does not reflect all activity to be reported in the total deferred outflows of resources and total deferred inflows of resources.

At June 30, 2022, the Employer reported a liability of \$100,062 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 Agency's proportion of the Net Pension Liability was based on a projection of the Agency'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 Agency's proportion was .00182%. For the year ended June 30, 2022, the Agency recognized pension expense of \$16,721 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

At June 30, 2022, the Agency 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 | \$99 | \$0 |
| Net difference between projected and actual earnings on pension plan investments | 0 | (23,335) |
| Changes of assumptions | 10,850 | (416) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | (10,477) | 0 |
| Employer contributions subsequent to the measurement date | 16,721 | 0 |
| Balances, June 30, 2022 | \$17,193 | (\$23,751) |

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:

| | |
|------|------------|
| 2023 | \$578 |
| 2024 | (\$1,518) |
| 2025 | (\$3,223) |
| 2026 | (\$10,388) |

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 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, net of investment expenses | | | | | | | | | | | | | | | | | | |
| Inflation Rate | 2.30% per annum. | | | | | | | | | | | | | | | | | | |
| Mortality | Non-disabled members - Mortality rates for 2019 were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applies on a fully generational basis. 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; border-bottom: 1px solid black;">Member Type</th> <th style="text-align: center; border-bottom: 1px solid black;">Lower Range</th> <th style="text-align: center; border-bottom: 1px solid black;">Upper Range</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> | Member Type | Lower Range | Upper Range | 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% |
| Member Type | Lower Range | Upper Range | | | | | | | | | | | | | | | | | |
| 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. | | | | | | | | | | | | | | | | | | |

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 long-term rate of return is 7.61% for 2021.

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020, are summarized in the following table:

| <u>Asset Class</u> | <u>Expected Long-Term Real Rates of Return</u> |
|----------------------------|--|
| 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 7.405%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System'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 active and inactive 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.

CITY COURT OF MARKSVILLE

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.40%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.40%) or one percentage-point higher (8.40%) than the current rate:

| | 1.0% Decrease (6.40%) | Current Discount Rate (7.40%) | 1.0% Increase (8.40%) |
|---|----------------------------------|--|----------------------------------|
| Employer's proportionate share of the net pension liability | \$135,577 | \$100,062 | \$69,884 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2018 Comprehensive Annual Financial Report at www.lasersonline.org

NOTE 5. LITIGATION AND CONTINGENCIES

As of June 30, 2022, the City Court of Marksville was not involved in any litigation that would materially affect the financial statements.

NOTE 6. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 14, 2022, which is the date the financial statements were available to be issued. There are no subsequent events to disclose.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF MARKSVILLE

**SCHEDULE OF EMPLOYER'S SHARE
OF NET PENSION LIABILITY**

FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

| <u>Year Ended June 30,</u> | <u>Employer Proportion Of the Net Pension Liability (Asset)</u> | <u>Employer 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 Position as a Percentage of the Total Pension Liability (Asset)</u> |
|--------------------------------|---|--|--|---|---|
| 2015 | .000319% | \$199,592 | \$57,420 | 366.3% | 62.7% |
| 2016 | .000319% | \$137,254 | \$51,041 | 426.2% | 57.7% |
| 2017 | .002880% | \$226,311 | \$46,363 | 388.3% | 62.5% |
| 2018 | .000197% | \$138,665 | \$42,855 | 365.9% | 64.3% |
| 2019 | .001380% | \$94,047 | \$54,305 | 173.2% | 57.3 % |
| 2020 | .002840% | \$206,045 | \$52,767 | 390.5% | 62.9 % |
| 2021 | .002670% | \$220,496 | \$36,067 | 611.4% | 58.0 % |
| 2022 | .001820% | \$100,062 | \$38,816 | 257.8% | 72.8 % |

*The amounts presented have a measurement date of June 30th of the previous year

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

See independent accountants' review report.

CITY COURT OF MARKSVILLE

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OF NET PENSION LIABILITY**

FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

| <u>Year Ended June 30,</u> | <u>Contractually Required Contribution</u> | <u>Contribution in Relation to Contractually Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employers Covered Employee Payroll</u> | <u>Contribution as a % of Covered Employee Payroll</u> |
|--------------------------------|--|--|---|---|--|
| 2015 | \$23,829 | \$23,829 | \$0 | \$57,420 | 41.5% |
| 2016 | \$19,446 | \$19,446 | \$0 | \$51,041 | 38.10% |
| 2017 | \$17,618 | \$17,618 | \$0 | \$46,363 | 38.00% |
| 2018 | \$17,185 | \$17,185 | \$0 | \$42,855 | 40.10% |
| 2019 | \$21,776 | \$21,776 | \$0 | \$54,305 | 40.10% |
| 2020 | \$21,160 | \$21,160 | \$0 | \$52,767 | 40.10% |
| 2021 | \$15,328 | \$15,328 | \$0 | \$36,067 | 42.50% |
| 2022 | \$16,721 | \$16,721 | \$0 | \$38,816 | 42.50% |

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

Contribution rates change on January 1st of each year.

See independent accountants' review report.

CITY COURT OF MARKSVILLE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

NOTE 1 - PENSION PLAN

Changes of Assumptions - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

OTHER SUPPLEMENTARY INFORMATION

CITY COURT OF MARKSVILLE
SCHEDULE OF COMPENSATION, REIMBURSEMENTS,
AND OTHER PAYMENTS TO THE AGENCY HEAD
FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

Under Act 706, the City Court of Marksville is required to disclose the compensation, reimbursements, benefits and other payments made to the agency head. The following is a schedule of payments made to Judge Angelo Piazza, III, for the year ended June 30, 2022:

Agency Head: Angelo Piazza III, Judge

| <u>Purpose</u> | <u>Amount</u> |
|--------------------------|-----------------|
| Salary | \$38,816 |
| Retirement benefits | 16,721 |
| Professional dues | 900 |
| Professional development | 956 |
| | <u>\$57,393</u> |

CITY COURT OF MARKSVILLE
JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY
FOR THE YEAR ENDED JUNE 30, 2022

| | First Six Month Period Ended 12/31/2021 | Second Six Month Period Ended 6/30/2022 |
|---|--|--|
| Beginning Balance of Amounts Collected | \$0 | \$0 |
| Add: Collections | | |
| Civil Fees | 38,656 | 32,573 |
| Criminal Court Costs/Fees | 25,939 | 25,132 |
| Restitution/Garnishments | 64,204 | 102,462 |
| Subtotal Collections | 128,799 | 160,167 |
| Less: Disbursements | | |
| LA Supreme Court - Criminal Court Costs & Fines | 223 | 266 |
| LA Supreme Court - Civil Court Costs & Fines | 100 | 86 |
| LA State Treasurer-Criminal Law Officer Training | 130 | 150 |
| LA State Treasurer-Criminal Crime Lab | 3,430 | 3,490 |
| LA State Treasurer-Criminal Crime Victim | 293 | 330 |
| LA State Treasurer-Criminal Drug Education | 300 | 300 |
| LA State Treasurer-Civil | 5,168 | 4,480 |
| DHH-Criminal Rec | 30 | 55 |
| DHH-Criminal Speeding | 100 | 95 |
| Avoyelles Parish Police Jury-Criminal Fines | 11,902 | 9,076 |
| City of Marksville-Criminal Off Duty Witness | 165 | 275 |
| City of Marksville-Criminal Police Dept | 128 | 249 |
| City of Marksville Criminal City Fines | 463 | 1,075 |
| City of Marksville-Breath Analysis | 225 | 225 |
| City Court of Marksville Marshall -Criminal and Civil | 12,721 | 14,669 |
| Indigent Defender Board-Criminal | 2,970 | 3,465 |
| Juvenile Detention-Criminal | 488 | 578 |
| Avoyelles Parish District Attorney-Criminal | 1,390 | 1,550 |
| Marksville City Judge-Civil Fines | 20,135 | 18,679 |
| Less: Amounts Retained by Collection Agency | | |
| City Court of Marksville-Civil Maintenance Fund | 6,109 | 2,708 |
| City Court of Marksville-Criminal Court Fund | 1,496 | 1,754 |
| Less: Disbursements to Individuals/3rd Party Processors | | |
| Other Payments to Individuals | 60,833 | 96,612 |
| Subtotal Disbursements/Retainage | 128,799 | 160,167 |
| Ending Balance of Amounts Collectbut Not Disbursed | \$0 | \$0 |

OTHER INFORMATION

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Angelo J. Piazza, III
Judge
City Court of Marksville
Marksville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the City Court of Marksville and the Legislative Auditor, State of Louisiana, (the specified parties), on the City Court's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2022, 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 sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested for any other purpose.

The procedures and associated findings are as follows:

PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (RS) 39:1551-39:1755 (the state procurement code) or RS 38:2211-2296 (the public bid laws), whichever is applicable, and report whether the expenditures were made in accordance with these laws

No expenditures were made during the twelve months ended June 30, 2022 for materials and supplies exceeding \$30,000, or public works exceeding \$250,000.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of management as defined by LSA-RS 42:1101-1124 (the ethics law), and a list of outside business interests of all Fund members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management per procedure (3) appeared on the list provided by management in procedures (2)

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

Management provided us with the required lists and no duplicate vendors were noted on both lists. None of the businesses of employee and employees' immediate families appeared as vendors on the list of disbursements.

BUDGETING

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

LRS-RS 39:1301 specifically states that only judicial expense funds (for judges) are to adopt budgets. Other funds of judges (city courts) are not required to adopt budgets.

7. Trace the budget adoption and amendments (if any) to the minutes.

Not applicable – See response to agreed-upon procedures (6) above.

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

Not applicable – See response to agreed-upon procedures (6) above.

ACCOUNTING AND REPORTING

9. Obtain a list of all disbursements made during the fiscal year. Randomly select 6 disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for five of the six selected disbursements and found that payment was for those five were for proper amount and made to the correct payee.

One expenditure for the City Court Marshall Fund was made by debit card and no receipt was kept for the expenditure. The disbursement was traced to the bank statement and was approved by the City Marshall.

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

All six were coded to the proper fund. All of the six payments were coded to the correct fund and five of the six payments were coded to the correct general ledger accounts. Correct coding of the general ledger account could not be determined on the one expenditure for the City Court Marshall Fund that did not have a receipt.

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

All six of the payments were properly approved and signed. The Clerk of Court and the Judge are responsible for approval and signatures on Court expenditures. The Ward Marshall is responsible for approval and signature on the Marshall expenditures

MEETINGS

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

Not applicable - The City Court of does not hold public meetings or maintain minute books.

DEBT

11. Obtain bank deposit slips for the fiscal year and scan bank deposit slips in order to identify and report whether any deposits 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 inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

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

An inspection of the payroll records for the year noted no instances which would indicate payments to employees which 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 agency provided for a timely report in accordance with R.S. 24:513

14. Inquire of management and report whether the agency (1) entered into any contracts that utilized the state funds as defined in R.S. 39:72.1A (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Court was in compliance with RS 24:513 (the audit law). Management further represented that the Court did not enter into any contract that utilized state funds as defined in RS 39:75.1A(2) while not in compliance with RS 24:513, the audit law.

PRIOR COMMENTS AND RECOMMENDATIONS

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

Our prior year report dated March 22, 2022, had no findings.

This agreed-upon procedures engagement was conducted 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 perform, and did not, perform an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City 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.

The purpose of this report is 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 results 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 Legislative Auditor, State of Louisiana as a public document.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 14, 2022

City Court of Marksville

P. O. Box 429

Marksville, Louisiana 71351

LOUISIANA ATTESTATION QUESTIONNAIRE

August 15, 2022

Ducote & Company
Certified Public Accountants
P. O. Box 309
Marksville, Louisiana 71351

In connection with your compilation of our financial statements as of June 30, 2022 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Government Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 14, 2022.

PUBLIC BID LAW

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes No

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

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

Yes No

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

Yes No

BUDGETING

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes No

ACCOUNTING AND REPORTING

All non-exempt government records are available as a public record and have been retained for at least three years, as requires by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92 as applicable.

Yes No

We have had our financial statements audited or compiled in accordance with LSA- RS 24:513.

Yes No

MEETINGS

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes No

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 LSA-RS 47:1410.60.

Yes No

ADVANCES AND BONUSES

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

Yes No

PRIOR YEAR COMMENTS

We have resolved all prior year recommendations and/or comments

Yes No

GENERAL

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Ducote & Company
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August 15, 2022

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any 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 or would require adjustment or modification to the results of our agreed-upon procedures.

Yes No

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

A large, stylized handwritten signature in black ink, appearing to read 'Angelo J. Piazza, III', is written over a horizontal line.

Honorable Angelo J. Piazza, III, Judge