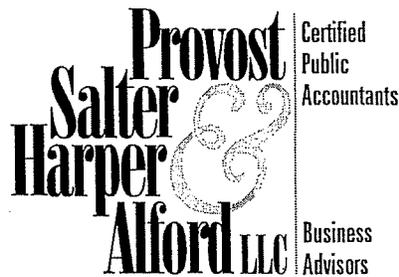


**CITY COURT OF PORT ALLEN,
LOUISIANA**

**A COMPONENT UNIT OF
THE CITY OF PORT ALLEN, LOUISIANA**

FINANCIAL REPORT

December 31, 2020



8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

CITY COURT OF PORT ALLEN, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable William T. Kleinpeter
City Court of Port Allen, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Port Allen, Louisiana, a component unit of the City of Port Allen as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City Court of Port Allen's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of employer's proportionate share of the net pension liability, and the schedule of employer's pension contributions on pages 4 through 8 and Schedules I through III, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Port Allen's basic financial statements. The schedule of compensation, benefits and other payments to agency head and justice system funding schedule – collecting/disbursing entity on Schedules IV-V are presented to comply with the requirements issued by the State of Louisiana, and are not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head and justice system funding schedule – collecting/disbursing entity are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head and justice system funding schedule – collecting/disbursing entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021 on our consideration of the City Court of Port Allen’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Port Allen’s internal control over financial reporting and compliance.

PROVOST, SALTER, HARPER & ALFORD, LLC



Baton Rouge, Louisiana
June 29, 2021

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2020

Our discussion and analysis of the City Court of Port Allen, Louisiana (Court) provides an overview of the Court's activities for the year ended December 31, 2020. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020 fiscal year include the following:

- The Court's net position decreased due to current period operations by \$126,208, or 26.3%.
- Program revenues of the Court decreased \$17,922, or 4.6%.
- The total expenditures/expenses of the Court decreased \$93,865, or 15.7%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Court's basic financial statements. The Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These components are described below:

BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of financial statements that present different views of the Court – the *Government-wide Financial Statements and Fund Financial Statements*. These financial statements also include the *Notes to Financial Statements* that explain some of the information in the financial statements and provide additional detail.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Court's financial position, which assists users in assessing the Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenditures connected with the year even if cash has not been received or paid. The Court's financial statements contain only governmental activities. The government-wide financial statements include two statements.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2020

- The **Statement of Net Position** presents all of the Court's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Court's net position may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.
- The **Statement of Activities** presents information showing how the Court's net position changed during the most recent 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

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 Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Court are divided into two categories: governmental funds and fiduciary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Court's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Court.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, users may better understand the long-term impact of the Court's near-term financing decisions.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2020

- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Court's other programs. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Court has one governmental fund and two fiduciary funds.

The funds financial statements can be found immediately following the government-wide financial statements.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the fund financial statements.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Position

Net position may serve over time as a useful indicator of the Court's financial position.

	Governmental Activities	
	2020	2019
Assets	\$ 550,895	\$ 610,768
Deferred outflows of resources	29,860	103,396
Liabilities and deferred inflows of resources	196,297	234,246
Deferred inflows of resources	31,160	412
Total Net Position	<u>\$ 353,298</u>	<u>\$ 479,506</u>

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2020

Change in Net Position

The Court's net position decreased by \$126,208 (26.3%) during the year ended December 31, 2020 compared to a decrease of \$193,981 (28.8%) during the prior year. The Court's total revenues derived from program revenue during the current year decreased by \$17,922 (4.6%). Expenses decreased \$93,865 (15.7%).

	Governmental Activities	
	2020	2019
Revenues		
Program Revenues:		
General government-Judiciary	\$ 375,814	\$ 393,736
General Revenues:		
Investment Income	3,008	11,178
Total Revenues	378,822	404,914
Total Expenses - Judiciary	505,030	598,895
Increase (Decrease) in Net Position	\$ (126,208)	\$ (193,981)

FINANCIAL ANALYSIS OF THE COURT'S INDIVIDUAL FUNDS

As noted earlier, the Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Court's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Court's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the Court's liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 124% of total fund expenditures.

The fund balance of the Court decreased by \$34,015 during the current year.

City Court of Port Allen, Louisiana

Management's Discussion and Analysis

December 31, 2020

BUDGETARY HIGHLIGHTS

The Court received \$63,313 less than budgeted revenues, with the decrease mainly contributable due to a decrease in court fees, fines, and cost generated for the 2020 year. Total expenditures were \$25,298 less than budgeted due to a decrease in judges fees and travel related expenditures.

CAPITAL ASSETS

The Court's investment in capital assets as of December 31, 2020 amounts to \$7,769 (net of accumulated depreciation of \$182,220). This investment in capital assets includes leasehold improvements and office furniture and equipment. The total decrease in the Court's investment in capital assets for 2020 was \$22,371 (74.2%).

**COURT'S CAPITAL ASSETS
(net of accumulated depreciation)**

	2020	2019
Equipment	\$ 1,599	\$ 23,302
Furniture & Fixtures	1,708	2,124
Leasehold Improvements	4,462	4,714
Total Net Assets	<u>\$ 7,769</u>	<u>\$ 30,140</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Management is unable to predict revenue as it is dependent on the level of tickets issued and the civil proceedings filed with the Court. Therefore, the budget for the year ending December 31, 2020 is set based on the actual revenue and expenditures of the previous year.

CONTACTING THE COURT'S MANAGEMENT

This financial report is designed to provide a general overview of the Court's finances and to demonstrate the Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to William Kleinpeter, Judge, City Court of Port Allen, Louisiana at 330 S. Alexander Avenue, Port Allen, LA 70767.

CITY COURT OF PORT ALLEN, LOUISIANA

Basic Financial Statements

December 31, 2020

CITY COURT OF PORT ALLEN, LOUISIANA

Government-Wide Financial Statements

December 31, 2020

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Net Position

December 31, 2020

Assets

Current Assets

Cash	\$ 480,295
Investments	44,439
Prepaid expenses	2,674
Due from other funds	<u>15,718</u>

Total current assets 543,126

Noncurrent Assets

Capital assets, net	<u>7,769</u>
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Total Assets 550,895

Deferred Outflows of Resources 29,860

Liabilities

Current Liabilities

Due to other governments	28,635
Accrued expenses	3,703
Deferred revenues	<u>200</u>

Total current liabilities 32,538

Noncurrent Liabilities

Net pension liability	<u>163,759</u>
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Total Liabilities 196,297

Deferred Inflows of Resources 31,160

Net Position

Investment in capital assets	7,769
Net position unrestricted, undesignated	<u>345,529</u>

Total Net Position \$ 353,298

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2020

	Expenses	Program Revenues Charges for Services, Fines, and Forfeitures	Governmental Activities Net Revenues and Changes in Net Position
Functions/programs			
General government-Judiciary	\$ 505,030	\$ 375,814	\$ (129,216)
General revenues:			
Investment income			3,008
Change in net position			(126,208)
Net position - beginning			479,506
Net position - ending			\$ 353,298

CITY COURT OF PORT ALLEN, LOUISIANA

Fund Financial Statements

December 31, 2020

CITY COURT OF PORT ALLEN, LOUISIANA

Balance Sheet-Governmental Fund - General Fund

December 31, 2020

ASSETS

Current Assets

Cash	\$ 480,295
Investments	44,439
Prepaid expenses	2,674
Due from other funds	<u>15,718</u>
Total Assets	<u><u>\$ 543,126</u></u>

LIABILITIES AND FUND BALANCE

Current Liabilities

Due to other governments	\$ 28,635
Accrued expenses	3,703
Deferred revenues	<u>200</u>
Total Liabilities	<u>32,538</u>

Fund Balance

Unassigned, reported in general fund	<u>510,588</u>
Total Liabilities and Fund Balance	<u><u>\$ 543,126</u></u>

CITY COURT OF PORT ALLEN, LOUISIANA

***Reconciliation of the Governmental Fund Balance
Sheet to the Statement of Net Position******December 31, 2020***

Total fund balance for the governmental fund at December 31, 2020	\$ 510,588
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of :	
Furniture, equipment and leasehold improvements, net of accumulated depreciation of \$182,220	7,769
Liability for net pension liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	(163,759)
Deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds	(31,160)
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds	<u>29,860</u>
Total net position of governmental activities at December 31, 2020	<u>\$ 353,298</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures, and

For the Year Ended December 31, 2020

*Changes in Fund Balance - Governmental Fund -
General Fund*

REVENUES

Court fees	\$	159,895
Intergovernmental		212,314
Other fees		3,605
Investment income		<u>3,008</u>
Total revenues		<u>378,822</u>

EXPENDITURES

Current		
General and administration		53,307
Travel		2,238
Dues and Subscriptions		750
Office expense and maintenance		13,242
Personnel expenses		<u>343,300</u>
Total expenditures		<u>412,837</u>

Net change in fund balance (34,015)

Fund balance, beginning 544,603

Fund balance, ending \$ 510,588

CITY COURT OF PORT ALLEN, LOUISIANA

*Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of
Governmental Fund to the Statement of Activities*

For the Year Ended December 31, 2020

Total net change in fund balance at December 31, 2020 per
statement of revenues, expenditures and changes in fund balance \$ (34,015)

The change in net position reported for the governmental activities in the
statement of activities is different because:

Depreciation expense (22,371)

Pension expenses are reported in the statement of activities and do not
require the use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Changes in pension expenses (69,822)

Total net change in net position of governmental activities at December 31, 2020 \$ (126,208)

CITY COURT OF PORT ALLEN, LOUISIANA

*Statement of Fiduciary Net Position**December 31, 2020*

	Fines, Fees and Court Cost	Civil	Total
Assets			
Cash	\$ 59,269	\$ 49,605	\$ 108,874
Liabilities			
Held for others pending court action	11,561	45,384	56,945
Due to other funds	12,786	2,932	15,718
Due to other governments	34,922	1,289	36,211
Total liabilities	59,269	49,605	108,874
Net Position	\$ -	\$ -	\$ -

CITY COURT OF PORT ALLEN, LOUISIANA

*Statement of Changes in
Fiduciary Net Position*

For the Year Ended December 31, 2020

	Fines, Fees and Court Cost	Civil	Total
Additions			
Deposits	\$ 726,389	\$ 55,712	\$ 782,101
Deductions			
Deposits settled to:			
Intergovernmental	567,308	2,431	569,739
Refunds of deposits	2,433	7,342	9,775
Personnel services	-	43,861	43,861
General and administration	-	1,260	1,260
Postage	-	818	818
Transfer to general fund	156,648	-	156,648
Total deductions	726,389	55,712	782,101
Change in net position	-	-	-
Net position at beginning of year	-	-	-
Net position at end of year	\$ -	\$ -	\$ -

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements

December 31, 2020

INTRODUCTION

The City Court of Port Allen, Louisiana (the “Court”) was established by the State of Louisiana. It has jurisdiction over all of Ward III in West Baton Rouge Parish. The Court is governed by one Judge. The Court maintains a courtroom and offices in Port Allen, Louisiana. Revenues for the Court include court costs assessed on civil and criminal cases handled by the Court and other revenues. Major expenditures of the Court include personnel services and other expenditures.

1. Summary of Significant Accounting Policies

Basis of Presentation. The accompanying basic financial statements of the City Court of Port Allen, 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 Codification Sec. 2600, *Reporting Entity and Component Unit Presentation and Disclosure*.

Reporting Entity. The Court Judge is an independently elected official. However, the Court is fiscally dependent on the City of Port Allen, Louisiana (City) for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the Court is fiscally dependent on the City, the Court was determined to be a component unit of the City of Port Allen, Louisiana, the financial reporting entity.

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

Fund Accounting. The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain court functions and activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

Equity Classifications.

Government-Wide Financial Statements.

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

- a. Invested in capital assets, net of related debt – 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 assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2020.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund Financial Statements.

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

The Court adopted the provisions of GASB Codification Sec. 1300, *Fund Accounting* in the year ended December 31, 2011. As such, fund balances of the governmental fund are classified as follows:

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

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge. The Judge, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Judge authorizes management to assign amounts for a specific purpose.

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

Unassigned – all other spendable amounts.

It is the Court's policy to spend unrestricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the Court's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Court does not have any policy regarding minimum fund balance amounts.

Governmental Funds. Governmental funds account for all or most of the Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Court. The following is the Court's governmental fund:

General Fund. The general fund is the primary operating fund of the court and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to court policy.

Fiduciary Fund. The only funds accounted for in this category by the Court are custodial funds. The funds account for assets held by the court as a custodian for litigants pending court action. These custodial are custodial in nature (assets equal liabilities) as they do not involve measurement of results of operations. Consequently, the custodial funds have no measurement focus, but use the modified accrual basis of accounting.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

Measurement Focus/Basis of Accounting.

Government-Wide Financial Statements (GWFS). The Statement of Net Position and Statement of Activities display information about the Court's office as a whole. These statements include all the financial activities of the Court's office. 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 Codification Sec. N50, *Nonexchange Transactions*.

Program Revenues. Program revenues included in the Statement of Activities are derived directly from users as a fee for services and other governments; program revenues reduce the cost of the function to be financed from the Court's office general revenues.

Fund Financial Statements (FFS). The amounts reflected in the Governmental Fund Statements 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 the Court's office operations.

The amounts reflected in the Governmental Fund Statements 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. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Revenues are generally recognized under the modified accrual basis of accounting when the related asset becomes both measurable and available.

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

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

Reconciliation. A reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position is provided on page 16. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities is provided on page 18.

Budgets. The proposed budget for the 2020 fiscal year was made available for public inspection at the Court's office on December 16, 2019. The budget is legally adopted and amended, as necessary, by the Court Judge. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments, if applicable.

The budget for the General Fund is prepared on a basis that is consistent with generally accepted accounting principles (GAAP). However, the Court does not budget on-behalf payments (see Note 8) and the Court budgets for installment payment of software as an office expense transaction; therefore, adjustments were made on Schedule I to remove on-behalf payments from the actual amounts for comparison purposes to the budgeted amounts.

Cash and Cash Equivalents. Cash includes amounts in demand deposits. Cash equivalents would include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and include Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at market value. Interest is accrued as earned.

Capital Assets. Capital assets are capitalized at historical cost or estimated cost. The Court maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

Description	Estimated Lives
Leasehold improvements	39
Furniture and fixtures	10
Equipment	5

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

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

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Pensions. For purposes of measuring 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.

Interfund Activities. The fiduciary funds of the Court collect and disburse funds on behalf of the general fund resulting from fees, charges, and other court costs incurred. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

Recently Adopted Accounting Pronouncements. In January 2017, GASB approved Statement No. 84, "Fiduciary Activities." GASB Statement No. 84 establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. GASB No. 84 replaces agency funds with custodial funds, which generally are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The provisions of GASB Statement No. 84 must be implemented by the Court for periods beginning after December 15, 2019, with earlier application encouraged. The standard did not have a material impact on our net position or change in net position.

Subsequent Events. Subsequent events have been evaluated through June 29, 2021, which is the date the financial statements were issued.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

2. Deposits

At December 31, 2020, the City Court of Port Allen has cash in demand deposit accounts with a book balance of \$598,169 including \$108,874 attributable to fiduciary funds, which is not presented in the statement of net position.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or 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 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.

At December 31, 2020, the Court has \$596,420 in deposits (collective bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$346,420 of pledged securities.

3. Investments

As of December 31, 2020, the change in the Court's investments is reported as follows:

	Change in Investments	
	Amortized Cost	Fair Value
Balance December 31, 2019	\$ 44,153	\$ 44,153
Add:		
Investment purchases	286	286
Balance December 31, 2020	\$ 44,439	\$ 44,439

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is an investment pool that, to an extent practical, invest in a manner consistent with GASB 79. The following facts are relevant for investments pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 88 days as of December 31, 2020.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. The LAMP administrative office can be reached at 800-249-5267 for any questions.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

Interfund Receivables/Payables

Summary of balances due from (to) other funds reported in the financial statements:

December 31,	2020
General Fund	
Due from Fines, Fees, and Court Costs Fund	\$ 12,786
Due from Civil Fund	2,932
Fines, Fees, and Court Costs Fund	
Due to General Fund	(12,786)
Civil Fund	
Due to General Fund	(2,932)

5. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2020 are as follows:

Governmental Activities	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Equipment	\$ 158,518	\$ -	\$ -	\$ 158,518
Furniture and fixtures	23,477	-	-	23,477
Leasehold improvements	7,994	-	-	7,994
Total	189,989	-	-	189,989
Less accumulated depreciation:				
Equipment	135,216	21,704	-	156,920
Furniture and fixtures	21,353	416	-	21,769
Leasehold improvements	3,280	251	-	3,531
Total	159,849	22,371	-	182,220
Capital assets, net	\$ 30,140	\$ (22,371)	\$ -	\$ 7,769

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

6. Retirement Commitments

Plan Description

The Court's Judge is provided with pension 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. 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 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retired 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 under

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

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.

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 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

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

Disability Benefits

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 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 of surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

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

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.

The Court's contractually required composite contribution rate was 42.5% for the period July 1, 2020 through December 31, 2020, and 42.4% for the period of January 1, 2020 through June 30, 2020 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. Employee contribution rate for the year 2020 was 11.5%. Contributions to the pension plan from the Court were \$11,938 for the year ended December 31, 2020.

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

At December 31, 2020, the Employer reported a liability of \$163,759 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Court's proportion of the Net Pension Liability was based on a projection of the 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, 2020, the Court's proportion was .0020%, which was a decrease of .0007% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Court recognized pension expense of \$19,953.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

At December 31, 2020, the 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	\$ 23,938	\$ (1,573)
Changes of assumptions	524	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Court contributions and proportionate share of contributions	-	(29,587)
Board contributions subsequent to the measurement date	5,398	-
Total	\$ 29,860	\$ (31,160)

\$5,398 reported as deferred outflows of resources related to pensions resulting from the Court's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and all amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30:	LASERS
2021	\$ (26,538)
2022	6,903
2023	7,398
2024	5,540

Actuarial Assumptions

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining	

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

Service Lives	2 years
Investment Rate of Return	7.55% per annum, net of investment expenses*
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 Improvement 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 for 2019.

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:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.0%	12.8%
Judge	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 PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

*The investment rate of return used in the actuarial valuation for funding purposes was 7.90%, recognizing an additional 35 basis points for gain-sharing. The net return available to fund regular plan benefits is 7.55%, which is the same as the discount rate. Therefore, we conclude that the 7.55% discount is reasonable.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return 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 8.25% for 2020. 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:

Asset Class	Long-Term Expected Real Rate of Return
Cash	-0.59%
Domestic Equity	4.79%
International Equity	5.83%
Domestic Fixed Income	0.18%
International Fixed Income	0.38%
Alternative Investments	0.67%
Risk Parity	0.42%
Total Fund	<u>5.81%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. 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 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.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

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 7.55%, 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 or one percentage-point higher than the current rate:

	<u>1% Decrease</u> <u>(6.55%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.55%)</u>	<u>1% Increase</u> <u>(8.55%)</u>
Court's proportionate share of the net pension liability	\$ 201,235	\$ 163,759	\$ 131,957

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.

7. Related Party Transactions

The City of Port Allen, Louisiana incurs expenditures on behalf of the Court. During the year ended December 31, 2020, the City paid the expenditures for other services and supplies in the amount of \$13,765 on behalf of the Court, which are not included in the accompanying financial statements.

The Court distributes a portion of all fines collected to the City. During the year ended December 31, 2020, the portion of fines collected by the Court, which were available for distribution to the City, totaled \$47,390.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, continued

December 31, 2020

8. On-Behalf Payments for Fringe Benefits and Salaries

In accordance with GASB Codification N50, *Non-exchange Transactions*, Sec. 129 on-behalf payments for fringe benefits and salaries are recognized as revenues and expenditures in these financial statements. The following on-behalf payments are shown as intergovernmental revenue in these financial statements. An equal amount has been included as expenditures in the personal services category.

	2020
City of Port Allen	\$ 115,314
State of Louisiana	69,793
West Baton Rouge Parish	<u>19,028</u>
	<u>\$ 204,135</u>

9. New Accounting Pronouncements Not Yet Implemented

In June 2017, GASB has issued Statement No. 87 “Leases”. This Statement is effective for fiscal years beginning subsequent of December 15, 2019. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. GASB issued Statement No. 95 “Postponement of the Effective Dates of Certain Authoritative Guidance” which has deferred the effective date of Statement No. 87 Implementation Guide No. 2019-03 by 18 months to fiscal years beginning after June 15, 2021. The Court plans to adopt this Update as applicable by the effective date.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -
Governmental Fund Type - General Fund

For the Year Ended December 31, 2020

	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Budget		Variance Favorable (Unfavorable)
				Original	Final	
Revenues						
Court fees, fines, and cost	\$ 159,895	\$ -	\$ 159,895	\$ 200,000	\$ 200,000	\$ (40,105)
Intergovernmental	212,314	(204,135) ⁽¹⁾	8,179	18,000	18,000	(9,821)
Other fees	3,605	-	3,605	10,000	10,000	(6,395)
Interest	3,008	-	3,008	10,000	10,000	(6,992)
Total revenues	378,822	(204,135)	174,687	238,000	238,000	(63,313)
Expenditures						
Current						
General and administration	53,307	-	53,307	75,000	75,000	21,693
Travel	2,238	-	2,238	18,000	18,000	15,762
Dues and subscriptions	750	-	750	1,000	1,000	250
Office expense and maintenance	13,242	-	13,242	35,000	35,000	21,758
Personnel expenses	343,300	(204,135) ⁽¹⁾	139,165	95,000	95,000	(44,165)
Total current expenditures	412,837	(204,135)	208,702	224,000	224,000	15,298
Capital outlays	-	-	-	10,000	10,000	10,000
Total expenditures	412,837	(204,135)	208,702	234,000	234,000	25,298
Revenues Over (Under) Expenditures	(34,015)	\$ -	\$ (34,015)	\$ 4,000	\$ 4,000	\$ (38,015)
Fund Balance						
Beginning	544,603					
Ending	\$ 510,588					

Explanation of differences:

(1) On-behalf payments are reflected as revenue and an expenditure in the Court's financial statement as required by GASB Codification Section N50, Section 129, Nonexchange Transactions. Actual amounts are reconciled on a non-GAAP basis for comparison to budget.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Employer's Proportionate Share of the Net Pension Liability

Year Ended December 31, 2020 *

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered-Employee Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
<u>LASERS:</u>					
2020	0.0020%	\$ 163,759	\$ 37,075	441.70%	58.0%
2019	0.0027%	\$ 198,221	\$ 26,120	758.89%	62.9%
2018	0.0000%	\$ -	\$ -	0.00%	64.3%
2017	0.0000%	\$ -	\$ -	0.00%	62.5%
2016	0.0000%	\$ -	\$ -	0.00%	57.7%
2015	0.0021%	\$ 141,403	\$ 35,655	396.59%	62.7%

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

* The amounts presented have a measurement date of June 30.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Employer's Pension Contributions

Year Ended December 31, 2020

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered-Employee Payroll	Contributions as a Percentage of Covered' Employee Payroll
<u>LASERS:</u>					
2020	\$ 11,938	\$ 11,938	\$ -	\$ 28,121	42.45%
2019	\$ 19,675	\$ 19,675	\$ -	\$ 47,819	41.14%
2018	\$ -	\$ -	\$ -	\$ -	0.00%
2017	\$ -	\$ -	\$ -	\$ -	0.00%
2016	\$ -	\$ -	\$ -	\$ -	0.00%
2015	\$ 12,354	\$ 12,354	\$ -	\$ 31,132	39.68%
2014	\$ 14,323	\$ 14,323	\$ -	\$ 36,975	38.74%
2013	\$ 13,294	\$ 13,294	\$ -	\$ 37,244	35.69%
2012	\$ 13,486	\$ 13,486	\$ -	\$ 44,094	30.58%
2011	\$ 11,265	\$ 11,265	\$ -	\$ 40,803	27.61%

CITY COURT OF PORT ALLEN, LOUISIANA

*Notes to Required Supplementary Schedules
Schedule of Employer's Proportionate Share of the
Net Pension Liability and Schedule of Employer's
Pension Contributions*

December 31, 2020

LASERS

Changes of Benefit Terms include:

There were no changes of benefit terms or assumptions for the year ended December 31, 2020.

Changes of Assumptions

There were changes in assumptions related to inflation, salary increases, discount rate, mortality and disability rates and other actuarial assumptions, however, none of those changes affected benefit terms or assumptions for the year ended December 31, 2020.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Compensation, Benefits and Other Payments to Agency Head *Year Ended December 31, 2020*

Agency Head Name: William T. Kleinpeter

Purpose	
Salary	\$ 113,865
Benefits-insurance	5,383
Benefits-retirement	38,380
Dues	450
Continuing professional education fees	823
	<u>\$ 158,901</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity

Year Ended December 31, 2020

	First Six Month Period Ended 6/30/2020	Second Six Month Period Ended 12/31/2020
Beginning Balance of Amounts Collected	\$ 102,298	\$ 157,555
Add: Collections		
Civil Fees	30,772	23,465
Criminal Court Costs/Fees	281,019	282,575
Criminal Fines - Other	76,389	79,270
Probation/Parole/Supervision Fees	2,755	781
Interest Earnings on Collected Balances	427	90
Subtotal Collections	391,361	386,181
Less: Disbursements to Governments and Non-Profits		
City of Port Allen, Criminal Court Costs/Fees	24,468	22,994
City of Port Allen Marshall, Criminal Court Costs/Fees	70,216	93,816
City of Port Allen Marshall - Probation/Parole/Supervision Fees	2,737	985
Judicial College, Criminal Court Costs/Fees	746	980
Indigent Defender Fund, Criminal Court Costs/Fees	67,744	89,894
Louisiana Commission On Law Enforcement, Criminal Court Costs/Fees	36	44
Crime Victims Reparations Fund, Criminal Court Costs/Fees	130	165
Louisiana Dept. of Health and Hospitals, Criminal Court Costs/Fees	855	3,495
Treasurer, State of Louisiana CMIS, Criminal Court Costs/Fees	4,551	5,962
Department of Public Safety Services, Criminal Court Costs/Fees	75	-
West Baton Rouge Parish Council, Criminal Court Costs/Fees	68,488	95,796
City of Port Allen Marshall, Civil Fees	5,683	5,269
Judicial College, Civil Fees	51	42
Treasurer, State of Louisiana, Civil Fees	2,627	2,149
West Baton Rouge Clerk of Court, Civil Fees	420	840
Ascension Parish Sheriffs Office, Civil Fees	144	54
Iberville Parish Sheriffs Office, Civil Fees	46	34
East Baton Rouge Parish Sheriffs Office; Civil Fees	524	326
West Feliciana Sheriffs Office; Civil Fees	60	-
St. John the Baptist Sheriffs Office; Civil Fees	-	5
Jefferson Parish Sheriffs Office; Civil Fees	-	20
St. Tammany Parish Sheriffs Office; Civil Fees	30	-
Caddo Parish Sheriffs Office; Civil Fees	25	24
East Baton Rouge City Constable; Civil Fees	689	360
Less: Amounts Retained by Collecting Agency		
City Court of Port Allen, Criminal Fines - Other	67,480	89,755
City Court of Port Allen, Civil Fees	14,787	14,306
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	1,463	6,266
Bond Fee Refunds	1,679	754
Other Disbursements to Individuals (additional detail is not required)	353	527
Subtotal Disbursements/Retainage	336,104	434,861
Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 157,555	\$ 108,874

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

To the Honorable William T. Kleinpeter
City Court of Port Allen, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City Court of Port Allen, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City Court of Port Allen's basic financial statements, and have issued our report thereon dated June 29, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant

deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as items (2020-001 and 2020-002) that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Port Allen's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses (2020-003).

City Court of Port Allen's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

PROVOST, SALTER, HARPER & ALFORD, LLC



Baton Rouge, Louisiana
June 29, 2021

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses

December 31, 2020

Section I - Internal Control Findings

Finding 2020-001

Material Weakness in Internal Control over Financial Reporting-Preparation of Financial Statements

Criteria: Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles (GAAP).

Condition: The City Court of Port Allen does not have controls in place to prepare financial statements in accordance with generally accounting principles.

Potential Effect: Audit adjustments or disclosures required for the financial statements to be in conformity with GAAP may not be made or included.

Cause: The City Court of Port Allen does not obtain the necessary continuing education required to be knowledgeable of new standards nor do they subscribe to any service to ensure a current library necessary to prepare financial statements in accordance with GAAP.

This is a repeat finding.

Recommendation: Management should continue to evaluate the cost and related benefit to obtain the necessary training and resources to prepare financial statements in accordance with GAAP.

View of Responsible Official: The size of the office's accounting and administrative staff does not warrant retaining personnel with such specialized expertise. The judge believes that his staff is fully competent to perform their assigned duties and has determined it is most cost effective to request that the auditor assist with preparing adjustments necessary for the financial statements to be presented in accordance with generally accepted accounting principles. We will continue to monitor this issue on an annual basis.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses, continued

December 31, 2020

Finding 2020-002

Material Weakness in Internal Control over Financial Reporting-Inadequate Segregation of Duties

Criteria: No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions:

- 1) Authorization of a transaction;
- 2) Recording of the transaction; and
- 3) Custody of assets involved in the transaction.

Condition: The entity does not employ enough personnel to achieve an optimum level of segregation of duties.

Potential Effect: Errors could occur which could affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Cause: The size of the entity and its limited accounting staff preclude an adequate segregation of duties and other features of an adequate system of internal control.

Recommendation: The resolution of this finding is not under the control of the Court as it may not be cost effective, however the management should monitor the assignment of duties to insure as much segregation of duties as possible.

View of Responsible Official: It is not cost effective to totally correct this weakness but we do segregate duties as much as possible.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Findings and Responses, continued

December 31, 2020

Section II – Compliance Findings

Finding 2020-003

Failure to Comply with Local Government Budget Act Regarding Requirement to Amend the Budget If Greater Than 5% Variance in Total Revenues and Expenditures

Criteria: R.S. 39:1311 requires that the budget of an entity be amended in the event that total revenue and other sources plus projected revenue and other sources for the remainder of the year, with a fund, are failing to meet budgeted revenues and other sources by 5% or more, and total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, with a fund, are exceeding the total budgeted expenditures and other uses by 5% or more.

Condition: Total revenues failed to meet total budgeted revenues by 5% or more.

Effect: The City Court of Port Allen failed to comply with the Local Government Budget Act and is non-compliant with its requirements.

Cause: Management did not amend budget to cover total actual revenues which failed to meet total budgeted revenues by 5% or more.

Recommendation: Management should review actual revenues and expenditures as compared to budget throughout the year to ensure compliance with applicable statutes and make budgetary adjustments when deemed necessary.

View of Responsible Official: Management will monitor actual revenues as compared to budget throughout the year to evaluate if any budgetary revisions are required.

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Prior Year Findings

December 31, 2020

RefNo.	Fiscal Year Finding Initially Occurred	Description of Finding	Status of the Finding	Current Year Finding RefNo.
2019-001	2014	Financial statements are required to be prepared in accordance with generally accepted accounting principals	Unresolved	2020-001
2019-002	2016	Inadequate segregation of duties	Unresolved	2020-002
2019-003	2019	Failure to comply with Local Government Budget Act requirement to amend the budget if greater than 5% variance in total revenues and expenditures	Unresolved	2020-003