

**CITY COURT OF MARKSVILLE
MARKSVILLE, LOUISIANA**

**FINANCIAL STATEMENTS
JUNE 30, 2023**

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

**CITY COURT OF MARKSVILLE
MARKSVILLE, LOUISIANA
June 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the City Court of Marksville (hereinafter "City Court"), a component unit of the City of Marksville, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 *Governments Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City Court, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America required that certain information be presented to supplement the basic financial statements as listed in the table of contents. Such information is the responsibility of management and, 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 and 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 schedule of employer's share of net pension liability, schedule of employer pension contributions, or notes to required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose for forming opinions on the financial statements that collectively comprise the City Court's basic financial statements. The accompanying schedule of payments of to the agency head and the justice system funding schedules on pages 37-38 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules are the responsibility of the City Court's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules have been subjected to the auditing procedures, including comparing and reconciling such information 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, other supplemental information is 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 December 13, 2023, on our consideration of the City Court's internal control over financial reporting and on our tests of its compliance with certain provisions, 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 the City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court's internal control over financial reporting and compliance.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 13, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

STATEMENT OF NET POSITION

June 30, 2023

	GOVERNMENTAL ACTIVITY
ASSETS	
Cash	\$ 22,104
Due from other governments	678
Capital Assets, net of accumulated depreciation	4,746
Total Assets	<u>27,528</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to net pension liability	<u>35,370</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	2,071
Accrued liabilities	7,638
Noncurrent liabilities:	
Net pension liability	130,254
Total Liabilities	<u>139,963</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to net pension liability	<u>-</u>
NET POSITION	
Investment in capital assets, net of related debt	4,746
Unrestricted	(81,811)
	<u>\$ (77,065)</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, 2023**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Operating Grants</u>	<u>Net (Expenses) Revenues</u>
<i>Governmental Activities:</i>			
General Government			
Insurance	\$ 5,425	\$ 5,145	\$ (280)
Professional fees	12,350	11,712	(638)
Operating services	237,341	225,082	(12,259)
Facilities maintenance	3,832	3,634	(198)
Depreciation	1,718	1,629	(89)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 260,666</u>	<u>\$ 247,202</u>	<u>(13,464)</u>
Changes in net position			(13,464)
Net position - beginning of year			<u>(63,601)</u>
Net position - end of year			<u>\$ (77,065)</u>

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, 2023**

	<u>Civil Court Maintenance</u>	<u>Criminal Court Operating</u>	<u>City Court Marshall</u>	<u>Total Governmental Funds</u>
ASSETS				
Assets:				
Cash	\$ 5,590	\$ 11,627	\$ 4,888	\$ 22,105
Due from other governments	-	677	-	677
	<u>5,590</u>	<u>12,304</u>	<u>4,888</u>	<u>22,782</u>
Total Assets	<u>\$ 5,590</u>	<u>\$ 12,304</u>	<u>\$ 4,888</u>	<u>\$ 22,782</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,257	\$ 814	\$ -	\$ 2,071
Accrued liabilities	-	6,177	1,461	7,638
Total liabilities	<u>1,257</u>	<u>6,991</u>	<u>1,461</u>	<u>9,709</u>
Fund balances:				
Restricted	<u>4,333</u>	<u>5,313</u>	<u>3,427</u>	<u>13,073</u>
Total Liabilities and Fund Balances	<u>\$ 4,333</u>	<u>\$ 11,490</u>	<u>\$ 4,888</u>	<u>\$ 20,711</u>

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, 2023**

Total fund balance for the governmental fund at June 30, 2023		\$ 13,073
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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, 2023	\$ 26,633		
Less: accumulated depreciation as of June 30, 2023	<u>(21,887)</u>		4,746

Liabilities not due and payable in the current period and therefore not reported in the fund financial statements at June 30, 2023:

Deferred outflows of resources	35,370		
Deferred inflows of resources	-		
Net pension liability	<u>(130,254)</u>		<u>(94,884)</u>

Net position of governmental activities at June 30, 2023		<u>\$ (77,065)</u>
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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, 2023**

	<u>Civil Court Maintenance</u>	<u>Criminal Court Operating</u>	<u>City Court Marshal</u>	<u>Totals</u>
REVENUES				
Fees, charges and commissions -				
Bonds, fines & court costs	\$ 4,610	\$ 173,165	\$ 57,690	\$ 235,465
EXPENDITURES				
Current -				
General government				
Insurance	-	5,316	109	5,425
Office and postage	2,314	13,963	-	16,277
Salaries and related benefits	-	144,640	43,541	188,181
Dues and subscriptions	-	-	650	650
Fuel and Oil	-	-	4,111	4,111
Miscellaneous	305	17,213	27	17,545
Repairs and maintenance	50	-	3,782	3,832
Professional development	661	515	350	1,526
Professional fees	500	11,300	550	12,350
Utilities and Telephone	-	3,304	1,500	4,804
Travel	-	-	3,250	3,250
Uniforms	-	-	996	996
Capital Outlay	-	899	-	899
Total expenditures	<u>3,830</u>	<u>197,150</u>	<u>58,866</u>	<u>259,846</u>
Net changes in fund balances	780	(23,985)	(1,176)	(24,381)
Fund balance, beginning of year	<u>3,553</u>	<u>29,298</u>	<u>4,603</u>	<u>37,454</u>
Fund balance, end of year	<u>\$ 4,333</u>	<u>\$ 5,313</u>	<u>\$ 3,427</u>	<u>\$ 13,073</u>

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, 2023**

Total net changes in fund balance at June 30, 2023, per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ (24,381)
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, 2023	\$ 899	
Depreciation expense for the year ended June 30, 2023	<u>(1,718)</u>	(819)
Implementation of GASB 68 (revenue less expense)		<u>11,736</u>
Total changes in net position at June 30, 2023 per Statement of Activities		<u>\$ (13,464)</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, 2023**

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 19,791
Due from others	468
Total Assets	<u>\$ 20,259</u>
LIABILITIES	
Advance deposits payable	<u>\$ 20,259</u>
NET POSITION	<u>\$ -</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, 2023**

	<u>Custodial Funds</u>
ADDITIONS	
Court costs, fines and bonds posted	\$ 384,856
Total Additions	<u>384,856</u>
 DEDUCTIONS	
Distribtuions to recipients or recipient agencies	<u>384,856</u>
Total Deductions	<u>384,856</u>
Change in net position	-
Net Position - beginning of year	<u>-</u>
Net Position - end of year	<u>\$ -</u>

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWELVE MONTHS ENDED JUNE 30, 2023**

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
Marksville, Louisiana**

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. BASIS OF PRESENTATION – GOVERNMENT-WIDE STATEMENTS

The accompanying basic financial statements of the City Court 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 established governmental accounting and financial reporting principles.

The Statement of Net Position and the Statement of Activities display information about the City Court as a whole. These statements include all the financial activities of the City Court. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues for the City Court's governmental activities. Direct expenses are those that are clearly identifiable to a particular function. Program revenues include court costs, fees, fines, and assessments paid by the recipients of services offered by the City Court.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

C. FUND FINANCIAL STATEMENTS

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. The various funds of the City Court are classified into two categories: governmental and fiduciary. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets and deferred outflows or resources, liabilities and deferred inflows of resources, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The Criminal Court Fund, Civil Maintenance Fund, and Ward Marshall Fund are considered to be major funds.

The funds of the City Court are described below:

Governmental Funds –

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. The special revenue funds of the City Court are as follows:

Criminal Court Operating Fund – The principal operating fund of the City Court and accounts for its operations. The various fees and fines due to the City Court are accounted for in this fund. Operating expenditures are paid from this fund.

Civil Court Maintenance Fund – Fees are collected from each suit that comes through the court. These are used at the Judge's discretion to pay for building and equipment upkeep.

City Court Marshall Fund – The City Court Marshall Fund accounts for proceeds from costs assessed in criminal matters pursuant to Louisiana Revised Statute 13:1899.

Fiduciary Funds –

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore not available to support the City Court's program. The City Court has adopted GASB No. 84 for the reporting and classification of its fiduciary activities. Fiduciary reporting focus is on net position and changes in net position and are reported using the accrual basis of accounting.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

The City Court's fiduciary funds (custodial) are presented in the fiduciary fund financial statements. Because by definition these assets are being held for the benefit of a third party (other governments, private parties, etc.) and cannot be used to address activities or obligations of the City Court, these funds are not incorporated into the government-wide activities. The custodial funds of the City Court are as follows:

Civil Fee Fund— accounts for deposits on civil and small claim matters held pending adjudication to be distributed to others.

Bonds and Fines Fund – accounts for bonds collected prior to arraignment and assignment to the Court docket and for funds held pending adjudication to be distributed to others.

Garnishment Fund – accounts for garnishments collected by garnishment order of the City Court to be distributed to the party to whom the debt is owed.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded with the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

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

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

obligations are expected to be liquidated with expendable available financial resources.

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 City Court. 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
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

F. Capital Assets

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed. All capital 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
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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, 2023 are immaterial to the financial statements and are therefore not accrued at June 30, 2023.

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
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City Court considers restricted funds to have been spent first.

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, 2023, the City Court has cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$22,105</u>
Total	<u>\$22,105</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.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

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.

Custodial Credit Risk – Deposits: At year end, the City Court had bank balances of \$21,328. 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 capital assets for the twelve months ended June 30, 2023 is as follows:

	<u>Balance 07/01/2022</u>	<u>Additons</u>	<u>Deletions</u>	<u>Balance 06/30/203</u>
Capital assets being depreciated:				
Machinery and Equipment	\$ 25,734	899	-	\$ 26,633
Accumulated depreciation	(20,169)	(1,718)	-	(21,887)
	<u>\$ 5,565</u>			<u>\$ 4,746</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
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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.

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

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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)**

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 Court 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.

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

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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)

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.

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.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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)

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.

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.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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 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
Marksville, Louisiana**

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, 2023, 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	40.40%
Post Act 75 (hired after 6/30/2006)	Open	40.40%
Optional Retirement Plan (ORP)		
Pre Act 75 (hired before 7/1/2006)	Closed	37.10%
Post Act 75 (hired after 6/30/2006)	Closed	37.10%
Legislators	Closed	36.60%
Special Legislative Employees	Closed	38.60%
Judges hired before 1/1/2011	Closed	44.80%
Judges hired after 12/31/2010	Closed	43.80%
Judges hired after 6/30/2015	Open	43.80%
Corrections Primary	Closed	39.20%
Corrections Secondary	Closed	43.40%
Wildlife Agents	Closed	52.20%
Peace Officers	Closed	41.80%
Alcohol Tobacco Control	Closed	33.90%
Bridge Police	Closed	39.30%
Hazardous Duty	Open	46.10%

The agency's contractually required composite contribution rate for the year ended June 30, 2023 was 43.8% 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 \$22,193 for the year ended June 30, 2023.

Per information provided in the annual audit of LASERS for the year ended June 30, 2023, 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

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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, 2023, the Employer reported a liability of \$130,254 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, 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, 2022, the Agency's proportion was .00172%. For the year ended June 30, 2023, the Agency recognized pension expense of \$22,193 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

At June 30, 2023, 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	355	-
Net difference between projected and actual earnings on pension plan investments	10,492	-
Changes of assumptions	2,368	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Employer contributions subsequent to the measurement date	22,155	-
Balances, June 30, 2023	\$ 35,370	\$ -

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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)

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:		
2024	\$	6,508
2025		2,168
2026		(2,653)
2027		7,192
		\$ 13,215

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years.
Investment Rate of Return	7.25% per annum, net of investment expenses
Inflation Rate	2.30% 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.
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:

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.
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**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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 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 8.34% for 2022.

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, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Expected Long-Term Real Rates of Return</u>
Cash	0.39%
Domestic equity	4.57%
International equity	5.76%
Domestic Fixed Income	1.48%
International Fixed Income	5.04%
Alternative Investments	8.30%
Total Fund	5.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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
Marksville, Louisiana**

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 7.25%, 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 (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.55%)	Current Discount Rate (7.55%)	1.0% Increase (8.55%)
Employer's proportionate share of the net pension liability	\$163,898	\$130,254	\$99,576

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2022 Comprehensive Annual Financial Report at www.lasersonline.org

NOTE 5. LITIGATION AND CONTINGENCIES

As of June 30, 2023, 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 13, 2023, 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
Marksville, Louisiana**

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

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

<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	0.00%	\$ 199,592	\$ 57,420	366.30%	62.70%
2016	0.00%	\$ 137,254	\$ 51,041	426.20%	57.70%
2017	0.00%	\$ 226,311	\$ 46,363	388.30%	62.50%
2018	0.00%	\$ 138,665	\$ 42,855	365.90%	64.30%
2019	0.00%	\$ 94,047	\$ 54,305	173.20%	57.30%
2020	0.00%	\$ 206,045	\$ 52,767	390.50%	62.90%
2021	0.00%	\$ 220,496	\$ 36,067	611.40%	58.00%
2022	0.00%	\$ 100,062	\$ 38,816	257.80%	72.80%
2023	0.00%	\$ 130,254	\$ 50,019	260.40%	63.70%

*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' audit report.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

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

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

<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>Employer's Covered Employee Payroll</u>	<u>Contribution as a % of Covered Employee Payroll</u>
2015	\$ 23,829	\$ 23,829	\$ -	\$ 57,420	41.50%
2016	\$ 19,446	\$ 19,446	\$ -	\$ 51,041	38.10%
2017	\$ 17,618	\$ 17,618	\$ -	\$ 46,363	38.00%
2018	\$ 17,185	\$ 17,185	\$ -	\$ 42,855	40.10%
2019	\$ 21,776	\$ 21,776	\$ -	\$ 54,305	40.10%
2020	\$ 21,160	\$ 21,160	\$ -	\$ 52,767	40.10%
2021	\$ 15,328	\$ 15,328	\$ -	\$ 36,067	42.50%
2022	\$ 16,721	\$ 16,721	\$ -	\$ 38,816	42.50%
2023	\$ 22,193	\$ 22,193	\$ -	\$ 50,019	43.80%

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

See independent accountants' audit report.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

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
Marksville, Louisiana**

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS,
AND OTHER PAYMENTS TO THE AGENCY HEAD**

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

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, 2023:

Agency Head: Angelo Piazza III, Judge

<u>Purpose</u>	<u>Amount</u>
Salary	\$50,186
Retirement benefits	22,155
Professional dues	<u>345</u>
	<u>\$72,686</u>

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY

FOR THE YEAR ENDED JUNE 30, 2023

	First Six Month Period Ended 12/31/2022	Second Six Month Period Ended 06/30/2023
Beginning Balance of Amounts Collected		
Add: Collections		
Civil Fees	\$ 44,295	\$ 52,240
Criminal Court Costs/Fees	22,583	28,271
Restitution/Garnishments	108,313	129,154
Subtotal Collections	175,191	209,665
Less: Disbursements to Governments & Nonprofits		
LA Supreme Court - Criminal Court Costs and Fees	247	358
LA Supreme Court - Civil Court Costs and Fees	224	95
LA State Treasurer - Criminal Law Office Training	130	202
LA State Treasurer - Criminal Crime Lab	3,390	4,040
LA State Treasurer - Criminal Crime Victim	247	270
LA State Treasurer - Criminal Drug Education	100	-
LA State Treasurer - Civil	6,362	7,427
DHH Criminal Rec	20	60
DHH Criminal Speeding	60	55
Avoyelles Parish Police Jury - Criminal Fines	10,787	10,455
City of Marksville - Criminal Off Duty Witness	45	35
City of Marksville - Criminal Police Dept	30	39
City of Marksville - Criminal City Fines	150	550
City of Marksville - Breath Analysis	75	-
City Court of Marksville Marshall - Criminal and Civil	12,168	17,446
Indigent Defender Board - Criminal	2,925	4,590
Juvenile Detention - Criminal	443	765
Avoyelles Parish District Attorney - Criminal	1,300	2,050
Marksville City Judge - Civil Fines	22,344	26,997
Less: Amounts Retained by Collecting Agency		
City Court of Marksville - Civil Maintenance Fund	4,397	2,445
City Court of Marksville - Criminal Court	1,532	2,632
Less: Disbursements to Individuals/3rd Party Processors		
Other Disbursements to Individuals	108,215	129,154
Subtotal Disbursement/Retainage	175,191	209,665
	\$ -	\$ -

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

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

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

We have audited in accordance in accordance with the 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, major funds, and aggregate remaining fund information of the City Court of Marksville (hereinafter "City Court"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements and have issued our report thereon dated December 13, 2023.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of audit results and findings as items 2023-001 and 2023-002, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City Court's response to the finding identified in our audit and described in the accompanying schedule of current findings and prior year findings and management's corrective action plan. The City Court's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 13, 2023

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

SCHEDULE OF AUDIT RESULTS AND FINDINGS

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

SECTION I – SUMMARY OF AUDITOR’S REPORT

1. The auditor’s report expresses an unqualified opinion on the financial statements of the City Court of Marksville.
2. Two material weaknesses disclosure during the audit of the basic financial statements are reported in the 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

SECTION II – FINANCIAL STATEMENT FINDINGS

A. Internal Control –

2023-001 – Segregation of Duties

Year Initially Occurring: Unknown

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: *Internal Control* is a process – effected by those charged with governance, management and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The City Court’s internal control over financial reporting include those policies and procedures that pertain to the City Court’s ability to record, process, summarize and report financial data consistent with the assertions embodied in financial statements.

CAUSE: The cause of the conditions is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

**CITY COURT OF MARKSVILLE
Marksville, Louisiana**

SCHEDULE OF AUDIT RESULTS AND FINDINGS (CONTINUED)

FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

2023-002 – Application of Generally Accepted Accounting Principles (GAAP)

Year Initially Occurring: Unknown

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The City Court's internal control over financial reporting includes policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of establishing enhanced internal control over financial statement preparation, it may not be feasible to enhance these controls. Currently our financial staff receive training related to their job duties and we carefully review the financial statements, related notes, and proposed adjustments. All questions are adequately addressed by our auditors which allows us to appropriately supervise these functions. We feel the appropriate steps have been taken to reduce the financial statement risk related to this finding

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Angelo J. Piazza, III
Judge
City Court of Marksville
Marksville, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The City Court of Marksville's management is responsible for those C/C areas identified in the SAUPs.

The City Court of Marksville has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility

billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for

each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made

from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
 - i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those

required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of applying procedures listed above except:

Written Policies:

Ethics Policy

The Ethics policy for the City Court of Marksville did not contain the component that each employee complete one hour of ethics training during the calendar year as required by R.S. 42:1170.

Prevention of Sexual Harassment

The Prevention of Sexual Harassment policy for the City Court of Marksville did not contain the component that each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343

The City Court of Marksville does not have written policies for the following:

- Budgeting
- Purchasing
- Disbursements

- Receipt/Collections
- Contracting
- Credit Cards
- Debt service
- Information Technology Disaster Recovery/Business Continuity

Bank Reconciliations:

- There is no evidence that the bank reconciliations were prepared within two months of the related statement closing date
- There is no written evidence that a member of management who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Collections:

- Employees with the City Court of Marksville are not bonded or insured
- Deposits are not made daily as required by Louisiana Revised Statute 39:1212

Non-Payroll Disbursements

- Job duties are not properly segregated.

Cards

- For meal charges, there is no documentation of the individual(s) participating in the meal.
- There is no compensating control to address missing receipts.

Payroll and Personnel

- Leave accrued or taken during pay period was not reflected in the City Court's cumulative leave record

Fraud Notice

- No fraud notice required by Louisiana Revises Statute 24:523.1 is posted on the premise of the City Court of Marksville.

Management's Response:

The management of the City Court of Marksville concurs with the exceptions and is currently working to address the matters identified.

We were engaged by the City Court of Marksville to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
December 13, 2023