

**CITY COURT OF HAMMOND
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

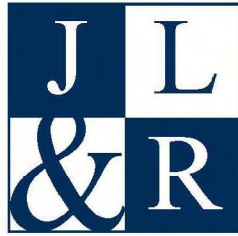
City Court of Hammond
Hammond, Louisiana
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For the Year Ended June 30, 2023

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Hammond, Louisiana
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Independent Auditor's Report

The Honorable C. Britain Sledge, III
City Court of Hammond
Hammond, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City Court of Hammond'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 of Hammond 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of Hammond, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023, the City Court of Hammond adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 of Hammond'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 Responsibility 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 for 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 of Hammond'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City Court of Hammond'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 require that the management's discussion and analysis; the budgetary comparison information; the schedule of the City Court of Hammond's proportionate share of the net pension liability; and the schedule of the City Court of Hammond's contributions on pages 5 through 10 and 39 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

City Court of Hammond
December 7, 2023

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

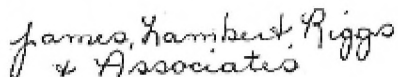
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Hammond's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Justice System Funding Schedule – Receiving Entity; and the Justice System Funding Schedule – Collecting / Disbursing Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Justice System Funding Schedule – Receiving Entity; and the Justice System Funding Schedule – Collecting / Disbursing Entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Justice System Funding Schedule – Receiving Entity; and the Justice System Funding Schedule – Collecting / Disbursing Entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of the City Court of Hammond's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court of Hammond'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 of Hammond's internal control over financial reporting and compliance.



James Lambert Riggs and Associates, Inc.

Hammond, Louisiana
December 7, 2023

Required Supplementary Information (Part I):

Management's Discussion and Analysis

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Introduction

As management of the City Court of Hammond ("City Court"), we offer readers of the City Court's financial statements this narrative overview and analysis of the financial activities of the City Court, for the fiscal year ended June 30, 2023. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the City Court's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of City Court finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the City Court based on information presented in the financial report and fiscal policies that have been adopted by the City Court. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City Court's financial activity, identify changes in the City Court's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information ("RSI") that is provided in addition to this MD&A.

Financial Highlights

- At June 30, 2023, the City Court's assets exceeded its liabilities by \$1,025,280 (net position). Of this amount, \$924,450 (unrestricted net position) may be used to meet the City Court's ongoing obligations. This amount decreased by \$99,523, or 9.72% from the prior year.
- For the year ended June 30, 2023, the City Court's total net position decreased by \$123,820, or 164.76% from the prior year.
- For the year ended June 30, 2023, the City Court's total revenues increased by \$302,781, or 19.63% from the prior year.
- For the year ended June 30, 2023, the City Court's total expenses increased by \$617,802, or 45.73% from the prior year.
- For the year ended June 30, 2023, the City Court's total liabilities increased by \$369,558, or 358.93% from the prior year.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Position and Statement of Activities, seeking to give the user of the financial statements a broad overview of the City Court's financial position and results of operations in a manner similar to a private-sector business.

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

- A. The *statement of net position* presents information on all the City Court's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the assets and liabilities are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City Court is improving or weakening.
- B. The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the City Court's net position for the current year as compared to the prior year. For a more detailed analysis, see the Statement of Net Position on Exhibit A of this report.

	Governmental Activities			
	2023	2022	\$ Change	% Change
Assets:				
Current and Other Assets	\$ 1,072,174	\$ 962,232	\$ 109,942	11.43%
Capital Assets	65,865	87,869	(22,004)	-25.04%
Restricted Assets	28,350	32,119	(3,769)	-11.73%
Net Pension Asset	-	418,524	(418,524)	-100.00%
Total Assets	<u>\$ 1,166,389</u>	<u>\$ 1,500,744</u>	<u>\$ (334,355)</u>	-22.28%
Deferred Outflows of Resources	<u>\$ 368,907</u>	<u>\$ 69,258</u>	<u>\$ 299,649</u>	432.66%
Liabilities:				
Current Liabilities	\$ 35,697	\$ 37,350	\$ (1,653)	-4.43%
Non-Current Liabilities	74,756	65,612	9,144	13.94%
Net Pension Liability	362,067	-	362,067	-
Total Liabilities	<u>\$ 472,520</u>	<u>\$ 102,962</u>	<u>\$ 369,558</u>	358.93%
Deferred Inflows of Resources	<u>\$ 37,496</u>	<u>\$ 317,940</u>	<u>\$ (280,444)</u>	-88.21%
Net Position:				
Net Investment in Capital Assets	\$ 65,865	\$ 87,869	\$ (22,004)	-25.04%
Restricted	34,965	37,258	(2,293)	-6.15%
Unrestricted	924,450	1,023,973	(99,523)	-9.72%
Total Net Position	<u>\$ 1,025,280</u>	<u>\$ 1,149,100</u>	<u>\$ (123,820)</u>	-10.78%

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

The City Court's assets exceeded its liabilities at the close of the most recent fiscal year by \$1,025,280 (net position). Of this amount, \$924,450 is unrestricted net position. The net position decreased by \$99,523, or 9.72% from the prior year. This decrease was attributable to a change in pension expenses.

A portion of the City Court's net positions (6.42%) reflects its investment in capital assets (e.g., office equipment, office furniture and fixtures, etc.), less any outstanding debt used to acquire those assets. The City Court uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City Court's net position (3.41%) represents resources that are designated for particular purposes. The remaining balance of unrestricted net position (90.17%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City Court is able to report positive net position balances in both the government-wide and governmental activities. The same situation held true for the prior fiscal year.

To further understand what makes up the changes in net position, the following table provides a summary of the results of the City Court's operating activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For a more detailed analysis, see Statement of Activities on Exhibit B of this report.

	Governmental Activities			
	2023	2022	\$ Change	% Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 855,861	\$ 712,477	\$ 143,384	20.12%
Operating Grants	36,800	30,000	6,800	22.67%
General Revenues:				
Contribution - City of Hammond	515,000	515,000	-	0.00%
Other	437,395	284,798	152,597	53.58%
Total Revenues	<u>1,845,056</u>	<u>1,542,275</u>	<u>302,781</u>	19.63%
Expenses:				
City Court	1,935,785	1,314,208	621,577	47.30%
Depreciation Expense	33,091	36,866	(3,775)	-10.24%
Total Expenses	<u>1,968,876</u>	<u>1,351,074</u>	<u>617,802</u>	45.73%
Change in Net Position	(123,820)	191,201	(315,021)	-164.76%
Net Position, Beginning of the Year	<u>1,149,100</u>	<u>957,899</u>	<u>191,201</u>	19.96%
Net Position, End of the Year	<u>\$ 1,025,280</u>	<u>\$ 1,149,100</u>	<u>\$ (123,820)</u>	-10.78%

Total revenues for the City Court increased by \$302,781, or 19.63%. This is attributable to an increase in the monies collected from assessed court costs. General expenses for the City Court of Hammond increased by \$617,802, or 45.73%. This is primarily attributable to an increase in net pension expense for the City Court.

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City Court can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for most of the City Court's basic services reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City Court's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City Court's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on Exhibits D & F of this report.

The City Court maintains two governmental funds – the General Fund and the Judicial Building Fund. Information is presented on the governmental funds on Exhibits C, D, E, & F of this report.

As of the end of the current fiscal year, the City Court's General Fund reported an ending fund balance of \$1,029,862. The Judicial Building Fund reported an ending fund balance of \$34,965.

The City Court has followed the recommendation of its auditors to retain a reasonable surplus in the General Fund for unforeseen future emergencies such as natural disasters, decreases in economic conditions, emergency capital outlay requirements, and other similar conditions.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City Court's other programs. The basis of accounting used for fiduciary funds is the modified accrual basis of accounting. The City Court has two fiduciary funds: the Civil Agency Fund and the Criminal Agency Fund. The basic fiduciary fund financial statements can be found on Exhibit G of this report.

**City Court of Hammond
Hammond, Louisiana**
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

Notes to the Financial Statements

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

Other Supplementary Information (Budgetary Highlights)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on Schedule I of this report.

A. Budgetary Comparison Schedule – The City Court adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget, beginning on Schedule I of this report.

B. Analysis of Significant Budget Variances in the General Fund:

1. Revenues:

a. Criminal Docket revenues were over the amounts budgeted by \$ 23,396. This was attributable to an increase in collections.

2. Expenditures:

There were no significant budget variances in expenditures.

Capital Assets

The City Court's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$65,865 (net of accumulated depreciation). This investment in capital assets includes computer software, and office equipment and furniture. The total decrease in the City Court's investment in capital assets for the current fiscal year is primarily due to depreciation expense taken on capital assets. Capital asset additions during the current fiscal year included computer software and equipment purchases of \$11,296.

Additional information on the City Court's capital assets can be found in Note 6 of this report.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the City Court's budget for the 2022 – 2023 fiscal year:

For fiscal year ending June 30, 2023, there is no budgeted revenue increase in contributions from the City of Hammond or Court Costs.

There is no surplus or deficit budgeted for the fiscal year ending June 30, 2023.

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2023

Requests for Information

This financial report is designed to provide a general overview of the City Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Guy Recotta, Jr., Clerk of Court, 303 East Thomas Street, Hammond, Louisiana 70401.

Basic Financial Statements

**City Court of Hammond
Hammond, Louisiana**
Statement of Net Position
June 30, 2023

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash & Cash Equivalents	\$ 199,720
Investments	757,040
Due from Other Governments	42,118
Due from Agency Funds	73,296
Capital Assets, Net of Accumulated Depreciation	65,865
Restricted Assets:	
Cash & Cash Equivalents	28,350
Total Assets	<u>\$ 1,166,389</u>
Deferred Outflows of Resources	
Differences Between Expected and Actual Experience	\$ 4,251
Change in Assumptions	11,812
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	298,600
Contributions Subsequent to the Measurement Date	54,244
Total Deferred Outflows of Resources	<u>\$ 368,907</u>
Liabilities	
Accounts Payable	\$ 9,241
Salaries and Benefits Payable	26,456
Net Pension Liability	362,067
Accrued Compensated Absences	74,756
Total Liabilities	<u>\$ 472,520</u>
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 36,222
Changes in Proportion and Differences Between City Court Contributions and Proportionate Share of Contributions	1,274
Total Deferred Inflows of Resources	<u>\$ 37,496</u>
Net Position	
Net Investment in Capital Assets	\$ 65,865
Restricted for Judicial Building Fund	34,965
Unrestricted	924,450
Total Net Position	<u>\$ 1,025,280</u>

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Statement of Activities
For the Year Ended June 30, 2023

Exhibit B

	<u>Governmental Activities</u>
Governmental Activities:	
City Court Operations:	
Salaries	\$ 942,627
Judges Salary and Fees	160,692
Payroll Tax & Employee Benefits	523,515
Computer Software & Programming	101,592
Educational Conferences & Seminars	23,933
Equipment Repairs & Maintenance	10,361
Insurance	14,992
Juvenile Service Programs	4,033
Legal and Professional Fees	23,712
Miscellaneous	53,013
Credit Card Service Charges	10,788
Office Supplies	32,792
Telephone	31,197
Depreciation Expense	33,091
Total Expenses	<u>1,968,876</u>
Program Revenues:	
Charges for Services	855,861
Operating Grants	36,800
Total Program Revenues	<u>892,661</u>
Net Program (Expense) / Revenue	(1,076,215)
General Revenues:	
Contributions from Other Governments	657,439
On-Behalf Payments	98,451
Interest Income	13,561
Other Income	64,251
Transfers from Civil Reserve	106,816
Contributions from Non-Employer Contributing Entities	12,086
Loss on Disposal of Capital Assets	(209)
Total General Revenues	<u>952,395</u>
Change in Net Position	(123,820)
Net Position - Beginning of the Year	<u>1,149,100</u>
Net Position - End of the Year	<u>\$ 1,025,280</u>

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Governmental Funds Balance Sheet
June 30, 2023

Exhibit C

	General Fund	Judicial Building Fund	Total
Assets			
Cash & Cash Equivalents	\$ 199,720	\$ -	\$ 199,720
Investments	757,040	-	757,040
Due from Other Governments	35,050	7,068	42,118
Due from Agency Funds	73,296	-	73,296
Restricted Assets:			
Cash & Cash Equivalents	-	28,350	28,350
Total Assets	\$ 1,065,106	\$ 35,418	\$ 1,100,524
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 8,788	\$ 453	\$ 9,241
Salaries and Benefits Payable	26,456	-	26,456
Total Liabilities	35,244	453	35,697
Fund Balance:			
Restricted for:			
Judicial Building Fund	-	34,965	34,965
Unassigned	1,029,862	-	1,029,862
Total Fund Balance	1,029,862	34,965	1,064,827
Total Liabilities and Fund Balance	\$ 1,065,106	\$ 35,418	\$ 1,100,524

The accompanying notes are an integral part of this statement.

**City Court of Hammond
Hammond, Louisiana**

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended June 30, 2023

Total Fund Balances, Governmental Funds (Exhibit C) \$ 1,064,827

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

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

Governmental Capital Assets, Net of Depreciation 65,865

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Accrued Compensated Absences (74,756)

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related to pension plans, deferred outflows of resources, and deferred inflows of resources are not recorded in the governmental funds.

Net Pension Liability (PERS) (180,558)

Net Pension Liability (LASERS) (181,509)

Deferred Outflows of Resources 368,907

Deferred Inflows of Resources (37,496)

Net Position of Governmental Activities (Exhibit A) \$ 1,025,280

The accompanying notes are an integral part of this statement.

**City Court of Hammond
Hammond, Louisiana**

Exhibit E

Statement of Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2023

	General Fund	Judicial Building Fund	Total
Revenues:			
Contributions:			
Criminal Docket	\$ 564,051	\$ -	\$ 564,051
Civil Fees	75,917	-	75,917
Judicial Building Fund	-	86,100	86,100
City of Hammond	565,800	-	565,800
City of Ponchatoula	24,000	-	24,000
Tangipahoa Parish Government	67,639	-	67,639
Grant Revenue	36,800	-	36,800
On-Behalf Payments	98,451	-	98,451
Civil Docket - Judges Fees	128,406	-	128,406
Ad Hoc Judge Fees	1,387	-	1,387
Interest Income	13,492	69	13,561
Other Fees	64,251	-	64,251
Total Revenues	1,640,194	86,169	1,726,363
Expenditures:			
Salaries	933,483	-	933,483
Judges Salary and Fees	160,692	-	160,692
Payroll Tax & Employee Benefits	310,931	-	310,931
Ad Hoc Judge Fees	2,538	-	2,538
Computer Software & Programming	25,640	75,952	101,592
Educational Conferences & Seminars	23,933	-	23,933
Equipment Repairs & Maintenance	7,297	3,064	10,361
Insurance	14,992	-	14,992
Juvenile Service Programs	4,033	-	4,033
Legal and Professional Fees	23,712	-	23,712
Miscellaneous	53,013	-	53,013
Office Supplies	32,792	-	32,792
Telephone	31,197	-	31,197
Credit Card Service Charges	10,788	-	10,788
Capital Outlay	1,850	9,446	11,296
Total Expenditures	1,636,891	88,462	1,725,353
Excess (Deficiency) of Revenues over Expenditures	3,303	(2,293)	1,010

(Continued)

**City Court of Hammond
Hammond, Louisiana**
Statement of Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2023

Exhibit E
(Continued)

	General Fund	Judicial Building Fund	Total
Other Financing Sources:			
Transfers from Civil Reserve	106,816	-	106,816
Total Other Financing Sources	106,816	-	106,816
 Excess (Deficiency) Revenues and Other Sources over Expenditures	110,119	(2,293)	107,826
 Fund Balance - Beginning of the Year	 919,743	 37,258	 957,001
Fund Balance - End of the Year	\$ 1,029,862	\$ 34,965	\$ 1,064,827

The accompanying notes are an integral part of this statement.

**City Court of Hammond
Hammond, Louisiana**

Exhibit F

Reconciliation of the Governmental Funds Statement of Revenue, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances, Governmental Funds (Exhibit E) \$ 107,826

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. These differences consist of:

Capital Outlay	11,296
Depreciation Expense	(33,091)
Disposal of Capital Assets	(209)

Annual changes in accrued compensated absences are not recorded in the governmental funds. In the statement of activities, these changes are recorded against current year payroll expenses.

Change in Accrued Compensated Absences	(9,144)
--	---------

In accordance with Governmental Accounting Standards Board Statement No. 68, the net pension liability related pension plans is not required to be recorded in the governmental fund financial statements. Adjustments to pension expense related to charges in deferred outflows of resources and deferred inflows of resources are reflected in the statement of activities:

Net Change in Pension Expense	(212,584)
Contributions from Non-Employer Contributing Entities	<u>12,086</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ (123,820)

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Statement of Fiduciary Net Position
June 30, 2023

Exhibit G

	Agency Funds		Total
	Civil Docket	Criminal Docket	
Assets			
Cash on Hand and in Banks	\$ 277,683	\$ 157,401	\$ 435,084
Accounts Receivable	-	-	-
Total Assets	\$ 277,683	\$ 157,401	\$ 435,084
Liabilities			
Accounts Payable	\$ 15,004	\$ 92,985	\$ 107,989
Due to General Fund	19,514	53,782	73,296
Due to Judicial Building Fund	3,100	3,968	7,068
Due to Others	240,065	6,666	246,731
Total Liabilities	\$ 277,683	\$ 157,401	\$ 435,084
Net Position	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2023

Narrative Profile

The City Court of Hammond (the “City Court”) was created under the authority of Louisiana Revised Statutes (“LRS”) 13:1952. The City Court has jurisdiction throughout the Seventh Ward of Tangipahoa Parish and has the authority to decide certain juvenile, traffic and criminal matters, as well as civil disputes up to \$30,000. The City Court collects fines and court costs and remits these fines to the City of Hammond (the “City”) and to the Tangipahoa Parish Council. The City Court presently employs eighteen people including the Judge, Clerk of Court, and sixteen full-time and part-time Deputy Clerks of Court. The City Court maintains a courtroom and offices in the Judge Leon Ford, III Memorial Justice Building. City Court revenues include court costs on civil and criminal cases, appropriations from the City, intergovernmental grants, and other revenues. City Court expenditures include salaries and benefits, data processing, telephone and utilities, and other expenditures.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:513 and the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City Court is fiscally dependent on the City. The City maintains and operates the building in which the City Court’s courtroom and offices are located and provides funds for salaries, equipment, and expenditures of the office. Because the City Court is fiscally dependent on the City, the City Court was determined to be a component unit of the City, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the City, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting

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

Governmental Funds

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

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

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

Judicial Building Fund – used to account for the collection of a \$10 service charge (as authorized by LRS 13:1910) for the purpose acquiring, leasing, constructing, equipping, and maintaining new and existing City Court buildings.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, these funds have no measurement focus, but use the modified accrual basis of accounting. The following are the City Court's fiduciary funds:

Civil Agency Fund – This fund is used to account for assets held by the City Court as an agent for individuals or private organizations.

Criminal Agency Fund – This fund is used to account for assets held by the City Court as an agent for criminal defendants.

C. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all the non-fiduciary activities of the City Court. These statements include all the non-fiduciary activities of the City Court with most of the interfund activities removed. 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*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues. The City Court does not allocate indirect expenses.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

Basic Financial Statements – Governmental Funds

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

The amounts reflected in the General Fund and the Judicial Building Fund use the modified accrual basis of accounting. Under this 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 liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the 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 generally recognized when they become measurable and available as net current assets. Criminal Court fees, appropriations from the City, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

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

Reconciliation – Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Exhibit D of the basic financial statements. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities are presented in Exhibit F of the basic financial statements.

D. Budgets and Budgetary Accounting

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual budgets of state and local governments and have a keen interest in following the actual financial process of their governments over the course of the year. Many governments revise their budgets over the course of the year for a variety of reasons. As a result, the City Court's original budget is shown along with the comparison of the final budget and actual results.

The City Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The fiscal officer prepares a proposed budget and submits this budget to the Judge and Clerk of Court no later than fifteen days prior to the beginning of each fiscal year.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget was published on May 10, 2022.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing was held on June 3, 2022.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted. The proposed budget was adopted on June 3, 2022.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Judge and Clerk of Court. The budget was amended on June 1, 2023.
6. The budgets for the General Fund and Judicial Building Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Judge and Clerk of Court.
7. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedules for the General Fund and the Judicial Building Fund present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

E. Cash and Investments

Cash includes cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. 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. Investments for the City Court are stated at cost.

F. Inventory

The City Court utilizes the “purchase method” of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The City Court did not record any inventory on June 30, 2023, as the amount is immaterial.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

G. Capital Assets

Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their acquisition value (entry price) at the date of donation. Depreciation of all capital assets is charged as an expense against their operations. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the related capital assets, as applicable. It is the City Court's policy to capitalize capital assets over \$500.

Depreciation expense amounted to \$33,091, for the year ended June 30, 2023.

H. Compensated Absences

All full-time City Court employees who are paid on a salary basis and work a regular full-time workweek earn sick leave and annual leave. Employees earn from three days to ten days of sick leave each year depending on length of service. Employees may accumulate all unused sick leave but the employee's right to unused sick leave benefits does not vest. Therefore, the City Court recognizes an expenditure for sick leave benefits when payments are made to employees.

Employees earn from five days to twenty days of annual leave each year depending on length of service. An employee may accumulate up to one week of annual leave each year up to a maximum of thirty days. All days accumulated over thirty days are lost. The employee's rights to annual leave vest with a maximum of thirty days unused annual leave payable upon termination.

I. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City Court's two pension plans and additions to / deductions from the plans' fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported by the plans. 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.

J. Net Position

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

1. Net Investment in Capital Assets – consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

2. Restricted – this component of net position consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. Resources recorded in the Judicial Building Fund are considered restricted in accordance with LRS 13:1910.
3. Unrestricted – all other net position is reported in this category.

When both restricted and unrestricted resources are available for use, it is the City Court's policy to use restricted resources first, then unrestricted resources as they are needed.

K. Fund Balance

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

1. Nonspendable fund balances are associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Judge (the City Court's highest level of decision-making authority),
4. Assigned fund balances are intended to be used by the City Court for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The City Court considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available.

As of June 30, 2023, the City Court did not have any nonspendable, committed, or assigned fund balances.

L. Adoption of New Accounting Pronouncements

The City Court adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for subscription-based information technology arrangements by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain subscription-based information technology arrangements that previously were classified as operating costs and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a model for subscription-based information technology accounting based on the fundamental principle that subscription-based information technology arrangements are financings of the right to use an underlying IT asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right to use subscription asset, and a lessor is required to recognize a subscription receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' subscription-based information technology activities. As of June 30, 2023, the City Court of Hammond did not have any subscription-based information technology arrangements to report.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Judicial Building Fund. All annual appropriations lapse at fiscal year-end. At year-end, the City Court complied with the Local Budget Act. See Note 1 for the procedures the City Court follows regarding budgets and budgetary accounting.

B. Deposits, Investment Laws and Regulations

In accordance with state law, all uninsured deposits of in financial institutions must be secured with acceptable collateral valued at the lower of market or par. As reflected in Note 3 the City Court complied with the deposit and investment laws and regulations.

C. Deficit Fund Equity

As of June 30, 2023, no City Court funds had deficit fund balances.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the City Court has cash totaling \$199,720 (of which \$28,350 is restricted) and investments totaling \$757,040 (of which \$-0- is restricted) on June 30, 2023. Total cash from fiduciary responsibilities not reported on the government-wide financial statements was \$435,084.

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

The following is a summary of cash, cash equivalents, and investments (bank balances) on June 30, 2023, with the related Federal deposit insurance and pledged securities:

Bank Balances:

Insured (FDIC Insurance)	\$ 1,120,417
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the City Court's name	322,043
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>\$ 1,442,460</u>

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

Even though the pledged securities are not held in the entity's name, LRS 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the City Court that the fiscal agent has failed to pay deposited funds upon demand.

Deposits collateralized by pledged securities are considered exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the City Court's deposits may not be returned to it. The City Court does not have a deposits policy for custodial risk. As of June 30, 2023, the City Court complied with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

4. Due from Other Governments

Amounts due from other governmental units on June 30, 2023, consisted of the following:

City of Hammond	28,496
Tangipahoa Parish Government	5,637
Other	917
Less: Allowance for Uncollectible Accounts	-
	\$ 35,050

5. Interfund Receivables / Payables

The following is a summary of interfund receivables / payables on June 30, 2023:

	Due From	Due To
General Fund:		
Criminal Agency Fund	\$ 53,782	\$ -
Civil Agency Fund	19,514	-
Judicial Building Fund:		
Due from Other Funds	7,068	\$ -
Civil Agency Fund:		
General Fund	-	19,514
Judicial Building Fund	-	3,100
Criminal Agency Fund:		
General Fund	-	53,782
Judicial Building Fund	-	3,968
	\$ 80,364	\$ 80,364

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

6. Capital Assets

Capital asset activity for the year ended June 30, 2023, is as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Building Improvements	\$ 40,954	\$ -	\$ -	\$ 40,954
Furniture & Fixtures	83,958	1,907	1,363	84,502
Software	332,800	-	-	332,800
Equipment	434,379	9,389	4,457	439,311
Total	892,091	11,296	5,820	897,567
Accumulated Depreciation	804,222	33,091	5,611	831,702
Capital Assets, Net	<u>\$ 87,869</u>	<u>\$ (21,795)</u>	<u>\$ 209</u>	<u>\$ 65,865</u>

The following estimated useful lives and methods are used to compute depreciation:

Furniture & Fixtures	5 to 7 Years	Straight-Line Method
Equipment	5 to 10 Years	Straight-Line Method
Building Improvements	40 Years	Straight-Line Method

7. Accounts, Salaries, and Other Payables

Accounts payable on June 30, 2023, consisted of the following:

	<u>General Fund</u>	<u>Judicial Building Fund</u>	<u>Total</u>
Accounts Payable	\$ 8,788	\$ 453	\$ 9,241
Salaries & Benefits Payable	26,456	-	26,456
	<u>\$ 35,244</u>	<u>\$ 453</u>	<u>\$ 35,697</u>

8. Employee Pension Plan – Parochial Employees Retirement System of Louisiana

General Information about the Pension Plan

Plan Description – Employees of the City Court are eligible for participation in the Parochial Employees’ Retirement System of Louisiana (the “System”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Act 205 of the 1952 Regular Session of the Louisiana Legislature. The System issues a publicly available financial report that can be obtained at www.persla.org. The report may also be obtained by writing to the Parochial Employees’ Retirement System of Louisiana, 7905 Wrenwood Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 928-1361.

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

Benefits Provided – The System provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0% of the employee’s final average compensation multiplied by the employee’s years of creditable service. Employees who retire at or after age 65 with at least 7 years of creditable service, at or after age 60 with at least 10 years of creditable service, or at age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2.0% of their final-average salary for each year of creditable service. Final-average salary is the employee’s average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Under state law, cost of living increases to benefits are allowable only if sufficient funds are available from investment income in excess of normal requirements. Cost of living increases cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement.

Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System’s Board of Trustees. Employees are required to contribute 4.93% of their annual pay. The City Court’s contractually required contribution rate was 7.50% for the period July 1, 2022 to June 30, 2023. Contributions to the System from the City Court were \$67,204 for the year ended June 30, 2023.

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

At June 30, 2022, the City Court reported a liability of \$180,558 for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City Court’s proportion of the net pension liability was based on a projection of the City Court’s June 30, 2023, contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the City Court’s proportion was 0.758361%, which was an increase of 0.009407% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the City Court recognized pension expense of \$125,576. At June 30, 2023, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,756	\$ 36,222
Changes of Assumptions	8,512	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	283,980	-
Changes in Proportion and Differences Between City Court Contributions and Proportionate Share of Contributions	-	1,274
City Court Contributions Subsequent to the Measurement Date	33,614	-
	\$ 329,862	\$ 37,496

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

\$33,614 reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2023. 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:	
December 31, 2023	42
December 31, 2024	40,085
December 31, 2025	93,269
December 31, 2026	125,356
Thereafter	-

Actuarial Assumptions – The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.25% (1.95% Merit / 2.30% Inflation)
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 present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational protection using the MP2018 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates 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 rates 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 2.10% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.00%	1.17%
Equity	51.00%	3.58%
Alternatives	14.00%	0.73%
Real Assets	2.00%	0.12%
Total	100.00%	5.60%
Inflation		2.10%
Expected Arithmetic Nominal Return		7.70%

Discount Rate – The discount rate used to measure the total pension liability/(asset) was 6.40%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

Sensitivity of the City Court’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – The following presents the City Court’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.40%, as well as what the City Court’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.40%) or one percentage-point higher (7.40%) than the current rate:

	1.0% Decrease (5.40%)	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
City Court's Proportionate Share of the Net Pension Liability	\$ 584,254	\$ 180,558	\$ (157,374)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

Payables to the Pension Plan – As of June 30, 2023, the City Court owed \$22,239 to the System for the City Court’s 2nd quarter 2023 payroll contribution.

9. Employee Pension Plan – Louisiana State Employees Retirement System

General Information about the Pension Plan

Plan Description – The Judge of the City Court is the only employee eligible for participation in the Louisiana State Employees’ Retirement System (“LASERS”) – a cost-sharing, multiple-employer defined benefit pension plan administered by a Board of Trustees and established by Title 11, Section 401 of the Louisiana Revised Statutes of 1950. LASERS issues a publicly available financial report that can be obtained at www.lasersonline.org. The report may also be obtained by writing to the Louisiana Employees Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Benefits Provided – The age and years of creditable service required for a member to retire with full benefits are established by Statute and may vary depending on the member’s hire date, employer and job classification. The majority of members may retire with full benefits at ages ranging from any age, upon completing thirty years of service, to age sixty, upon completing ten years of service.

The basic annual retirement benefit for substantially all members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member’s average annual earned compensation for the highest thirty-six 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 sixty consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member’s age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

Employees are eligible for disability benefits under age 60 with 10 or more years of credited service. Survivor's benefits are available upon the death of a member who has credit for five or more years of service who is not eligible for normal retirement benefits. As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases that are funded through investment earnings when recommended by the Board of Trustees and approved by the State.

Contributions – Contribution rates are established annually under LRS 11:101 – 11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of LASER's actuary. Rates are different for each class of members; however, the City Court's contractually required contribution rate for the year ended June 30, 2023, was 43.80%. Employees are required to contribute 13.00% of their annual pay. Contributions to LASERS from the City Court were \$20,630 for the year ended June 30, 2023.

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

At June 30, 2023, the City Court reported a liability of \$181,509 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 City Court's proportion of the net pension liability was based on a projection of the City Court's June 30, 2022 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City Court's proportion was 0.00240%, which was an increase of 0.00240% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City Court recognized pension expense of \$24,042. At June 30, 2022, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 495	\$ -
Changes of Assumptions	3,300	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,620	-
Changes in Proportion and Differences Between City Court Contributions and Proportionate Share of Contributions	-	-
City Court Contributions Subsequent to the Measurement Date	20,630	-
	<u>\$ 39,045</u>	<u>\$ -</u>

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

\$20,630 reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:		\$	
June 30, 2023		9,069	
June 30, 2024		3,021	
June 30, 2025		(3,697)	
June 30, 2026		10,022	
Thereafter		-	

Actuarial Assumptions – The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
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	<p>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.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	Termination, disability, & retirement assumptions were projected based on a 5-year (2014-2018) experience study of the System's members.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

Salary Increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.00%	12.80%
Judges	2.60%	5.10%
Corrections	3.60%	13.80%
Hazardous Duty	3.60%	13.80%
Wildlife	3.60%	13.80%

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing / diversification. The resulting expected 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>Long-Term Expected Real Rate 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	<u>5.91%</u>

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

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 contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the PRSAC taking into consideration the recommendation of LASERS’s actuary. Based on those assumptions, LASERS’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City Court’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City Court’s proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City Court’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
City Court's Proportionate Share of the Net Pension Liability	\$ 228,392	\$ 181,509	\$ 138,759

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued LASERS financial report.

Payables to the Pension Plan – As of June 30, 2023, the City Court did not have any payables due to LASERS.

10. On-Behalf Payments for Salaries and Benefits

The City Court follows GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, which requires the City Court to report in the financial statements on-behalf salary and fringe benefit payments made by the State to the City Court Judge and salary and fringe benefits payments made by Tangipahoa Parish Council to the Judge and the City Court’s employees.

Supplementary salary payments are made by the State directly to the City Court Judge and from the Parish Council to the Judge and the City Court’s employees. The City Court is not legally responsible for these salaries; therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the Parish Council. For the fiscal year ended June 30, 2023, the State and Parish Council paid \$67,639 in supplemental salary payments to the City Court Judge and the Parish Council made supplementary salary and benefit payments of \$46,600 to the City Court’s employees.

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2023

11. Compensated Absences

Employees of the City Court earn annual leave and sick leave based on the equivalent of years of service for the City Court and the leave is credited at the end of each regular pay period in accordance with the following schedule:

Years of Service	Hours Earned Per Month	
	Annual Leave	Sick Leave
3 Months - 1 Year	-	3 Days
3 Months - 3 Years	5 Days	-
1 - 5 Years	-	5 Days
3 - 5 Years	10 Days	-
6 - 10 Years	15 Days	7 Days
Over 10 Years	20 Days	10 Days

The City Court's present written policy provides annual leave hours may be accumulated up to 30 days and is paid upon separation from service in good standing. An unlimited amount of sick leave may be accumulated but is not paid upon separation from service. As a result, no liability for accrued sick leave is recorded by the City Court.

On June 30, 2023, employees of the City Court have accumulated and vested \$74,756 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded as an obligation of the government-wide liabilities.

12. Judges' Supplemental Compensation Fund

The Judges' Supplemental Compensation Fund was created to be used solely and exclusively for salary supplements to Judges and commissioners, for related costs of state or municipal retirement funds, and for necessary and associated administrative expenses. A non-refundable fee has been set for every civil filing. The Clerk of Court is required to remit these fees collected to the state treasurer on a monthly basis. The total fees paid for the year ended June 30, 2023, were \$51,851.

13. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, December 7, 2023, and determined no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information (Part II):
Budgetary Comparison Schedules

City Court of Hammond
Hammond, Louisiana
 Budgetary Comparison Schedule – General Fund
 For the Year Ended June 30, 2023

Schedule 1

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Contributions:				
Criminal Docket	\$ 505,397	\$ 540,655	\$ 564,051	\$ 23,396
Civil Fees	50,000	73,616	75,917	2,301
City of Hammond	538,000	569,740	565,800	(3,940)
City of Ponchatoula	24,000	24,000	24,000	-
Tangipahoa Parish Government	56,143	67,602	67,639	37
Grant Revenue	45,000	36,800	36,800	-
On-Behalf Payments	98,451	98,451	98,451	-
Civil Docket - Judges Fees	86,000	124,000	128,406	4,406
Ad Hoc Judge Fees	2,344	1,311	1,387	76
Interest Income	1,257	11,966	13,492	1,526
Other Fees	50,788	62,129	64,251	2,122
Total Revenues	1,457,380	1,610,270	1,640,194	29,924
Expenditures:				
Salaries	896,004	933,233	933,483	(250)
Judges Salary and Fees	154,145	160,691	160,692	(1)
Payroll Tax & Employee Benefits	336,862	315,796	310,931	4,865
Ad Hoc Judge Fees	4,000	2,700	2,538	162
Computer Software & Programming	50,500	26,095	25,640	455
Educational Conferences & Seminars	25,500	24,571	23,933	638
Equipment Repairs & Maintenance	7,970	7,363	7,297	66
Insurance	14,415	14,992	14,992	-
Juvenile Service Programs	5,500	4,093	4,033	60
Legal and Professional Fees	22,150	24,490	23,712	778
Miscellaneous	46,120	54,245	53,013	1,232
Office Supplies	28,188	36,442	32,792	3,650
Telephone	29,480	33,201	31,197	2,004
Secure Deposit Pickup	8,580	10,806	10,788	18
Capital Outlay	3,000	1,850	1,850	-
Total Expenditures	1,632,414	1,650,568	1,636,891	13,677
Excess (Deficiency) of				
Revenues over Expenditures	(175,034)	(40,298)	3,303	43,601

(Continued)

**City Court of Hammond
Hammond, Louisiana**
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2023

Schedule 1
(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Other Financing Sources:				
Transfers from Civil Reserve	41,354	106,816	106,816	-
Total Other Financing Sources	<u>41,354</u>	<u>106,816</u>	<u>106,816</u>	<u>-</u>
 Excess (Deficiency) of Revenues and Other Sources over Expenditures	 (133,680)	 66,518	 110,119	 43,601
 Fund Balance - Beginning of the Year	 <u>957,253</u>	 <u>1,024,417</u>	 <u>919,743</u>	 <u>(104,674)</u>
Fund Balance - End of the Year	<u>\$ 823,573</u>	<u>\$ 1,090,935</u>	<u>\$ 1,029,862</u>	<u>\$ (61,073)</u>

See auditor's report.

City Court of Hammond
Hammond, Louisiana
 Budgetary Comparison Schedule – Judicial Building Fund
 For the Year Ended June 30, 2023

Schedule 2

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Judicial Building Fund Fees	\$ 61,000	\$ 84,176	\$ 86,100	\$ 1,924
Interest Income	100	69	69	-
Total Revenues	61,100	84,245	86,169	1,924
Expenditures:				
Computer Software & Programming	40,000	75,952	75,952	-
Equipment Repairs & Maintenance	1,000	3,180	3,064	116
Capital Outlay	5,000	9,446	9,446	-
Total Expenditures	46,000	88,578	88,462	116
Excess (Deficiency) of Revenues over Expenditures	15,100	(4,333)	(2,293)	2,040
Other Financing Sources:				
Transfer of Investment Earnings	-	-	-	-
Total Other Financing Sources	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	15,100	(4,333)	(2,293)	2,040
Fund Balance - Beginning of the Year	50,831	37,258	37,258	-
Fund Balance - End of the Year	\$ 65,931	\$ 32,925	\$ 34,965	\$ 2,040

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 3

Schedule of the City Court's Proportionate Share of the Net Pension Liability / Asset –
Parochial Employees Retirement System of Louisiana
For the Year Ended June 30, 2023

Fiscal Year*	City Court's Proportion of the Net Pension Liability / (Asset)	City Court's Proportionate Share of the Net Pension Liability / (Asset)	City Court's Covered Employee Payroll	City Court's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability / (Asset)
2023	0.758361%	\$ 180,558	\$ 889,403	20.30%	94.26%
2022	0.748954%	\$ (418,524)	\$ 867,207	-48.26%	114.20%
2021	0.744316%	\$ (191,085)	\$ 860,171	-22.21%	106.76%
2020	0.748685%	\$ (54,165)	\$ 840,347	-6.45%	102.05%
2019	0.785389%	\$ 212,185	\$ 829,294	25.59%	91.93%
2018	0.772260%	\$ (97,166)	\$ 736,333	-13.20%	104.02%
2017	0.798868%	\$ 103,779	\$ 720,982	14.39%	96.54%
2016	0.822531%	\$ 146,448	\$ 615,668	23.79%	93.48%
2015	0.847937%	\$ 2,355	\$ 619,323	0.38%	99.89%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 4

Schedule of the City Court's Proportionate Share of the Net Pension Liability –
Louisiana State Employees' Retirement System
For the Year Ended June 30, 2023

<u>Fiscal Year*</u>	<u>City Court's Proportion of the Net Pension Liability</u>	<u>City Court's Proportionate Share of the Net Pension Liability</u>	<u>City Court's Covered Employee Payroll</u>	<u>City Court's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2022	0.00240%	\$ 181,509	\$ 47,100	385.37%	63.65%
2021	0.00238%	\$ 196,842	\$ 48,211	408.29%	58.00%
2020	0.00247%	\$ 178,732	\$ 49,289	362.62%	62.90%
2019	0.00257%	\$ 175,613	\$ 47,100	372.85%	64.30%
2018	0.00000%	\$ -	\$ 23,550	0.00%	62.54%
2017	0.00000%	\$ -	\$ -	-	-
2016	0.00000%	\$ -	\$ -	-	-
2015	0.00262%	\$ 163,826	\$ 23,550	695.65%	65.02%

* The amounts presented for each fiscal year were determined as of June 30 of the prior fiscal year

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 5

Schedule of the City Court's Contributions –
Parochial Employees Retirement System of Louisiana
For the Year Ended June 30, 2023

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency / (Excess)	City Court's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 67,204	\$ (67,204)	\$ -	\$ 889,403	7.56%
2022	\$ 65,041	\$ (65,041)	\$ -	\$ 867,207	7.50%
2021	\$ 65,013	\$ (65,013)	\$ -	\$ 860,171	7.56%
2020	\$ 63,526	\$ (63,526)	\$ -	\$ 840,347	7.56%
2019	\$ 62,697	\$ (62,697)	\$ -	\$ 829,294	7.56%
2018	\$ 58,907	\$ (58,907)	\$ -	\$ 736,333	8.00%
2017	\$ 57,679	\$ (57,679)	\$ -	\$ 720,982	8.00%
2016	\$ 55,410	\$ (55,410)	\$ -	\$ 615,668	9.00%
2015	\$ 57,287	\$ (57,287)	\$ -	\$ 619,323	9.25%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 6

Schedule of the City Court's Contributions –
Louisiana State Employees' Retirement System
For the Year Ended June 30, 2023

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>City Court's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2022	\$ 20,630	\$ (20,630)	\$ -	\$ 47,100	43.80%
2021	\$ 19,335	\$ (19,335)	\$ -	\$ 48,211	40.10%
2020	\$ 19,970	\$ (19,970)	\$ -	\$ 49,289	40.52%
2019	\$ 18,887	\$ (18,887)	\$ -	\$ 47,100	40.10%
2018	\$ 9,444	\$ (9,444)	\$ -	\$ 23,550	40.10%
2017	\$ -	\$ -	\$ -	\$ -	-
2016	\$ -	\$ -	\$ -	\$ -	-
2015	\$ 9,773	\$ (9,773)	\$ -	\$ 23,550	41.50%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year

See auditor's report.

Other Supplemental Information

City Court of Hammond
Hammond, Louisiana
 Schedule of the Compensation, Benefits, and
 Other Payments to Agency Head
 For the Year Ended June 30, 2023

Schedule 7

Agency Head: Honorable C. Britain Sledge, III, Judge

Purpose	Amount
Salary	\$ 94,741
Benefits - Insurance	-
Benefits - Retirement	20,630
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	1,098
Per Diem	-
Reimbursements	-
Travel	311
Registration Fees	990
Conference Travel	928
Housing	1,300
Unvouchered Expenses	-
Special Meals	-
Other	482
	\$ 120,480

See auditor's report.

City Court of Hammond
Hammond, Louisiana
 Justice System Funding Schedule – Receiving Entity
 For the Year Ended June 30, 2023

Schedule 8

	First Six- Month Period Ended <u>12/31/22</u>	Second Six- Month Period Ended <u>06/30/23</u>
Receipts From:		
Advent Online Services, Probation / Parole / Supervision Fees	\$ 930	\$ 2,110
	<u>\$ 930</u>	<u>\$ 2,110</u>
 Ending Balance of Amounts Assessed but Not Received	 <u>\$ -</u>	 <u>\$ -</u>

See auditor's report.

City Court of Hammond
Hammond, Louisiana
Justice System Funding Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2023

Schedule 9

	<u>First Six- Month Period Ended 12/31/22</u>	<u>Second Six- Month Period Ended 06/30/23</u>
Beginning Balance of Amounts Collected	\$ 330,070	\$ 407,268
Add: Collections		
Civil Fees	328,842	369,734
Bond Fees	-	
Asset Forfeiture / Sale	-	
Pre-Trial Diversion Program Fees	85,997	174,657
Criminal Court Costs / Fees	264,482	311,819
Criminal Fines - Contempt	98,571	120,149
Criminal Fines - Other	171,029	205,094
Restitution	4,007	3,734
Probation / Parole / Supervision Fees	25,551	22,207
Service / Collection Fees	73,382	72,555
Interest Earnings on Collected Balances		-
Other	-	-
Subtotal Collections	1,051,862	1,279,949
Less: Disbursements To Governments & Nonprofits:		
21st Judicial District Indigent Defender, Criminal Court Costs	68,264	84,048
Acadia Parish Sheriff, Civil Fees	31	-
Ascension Parish Sheriff, Civil Fees	212	133
Bossier Parish Sheriff, Civil Fees	105	-
Caddo Parish Sheriff, Civil Fees	35	-
Calcasieu Parish Sheriff, Civil Fees	43	76
City of Hammond, Criminal Court Costs	10,064	11,641
City of Hammond, Criminal Fines - Other	171,029	205,094
City of Hammond, Pre-Trial Diversion Program Fees	43,844	87,745
Crimestoppers of Tangipahoa Parish, Criminal Court Costs	3,187	3,999
Denham Springs City Marshal, Civil Fees	240	480
East Baton Rouge Parish Sheriff, Civil Fees	2,777	3,618
First Circuit Court of Appeal, Civil Fees	328	-
Florida Parishes Juvenile Justice Commission, Criminal Court Costs	8,556	10,531
Iberville Parish Sheriff, Civil Fees	65	-
Jefferson Davis Parish Sheriff, Civil Fees	270	420
Judges Supplemental Compensation Fund, Civil Fees	34,887	39,846
Keep Louisiana Beautiful, Criminal Court Costs	25	-
LA Commission on Law Enforcement, Criminal Court Costs	5,816	7,032
LA Judicial College, Civil Fees	635	722
LA Judicial College, Criminal Court Costs	1,009	1,210
LA Secretary of State, Civil Fees	650	650
LA State Police, Criminal Fines - Other	150	250
LA State Sex Offender Registry, Criminal Court Costs	2,866	3,000

(Continued)

City Court of Hammond
Hammond, Louisiana
Justice System Funding Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2023

Schedule 9

	First Six- Month Period Ended 12/31/22	Second Six- Month Period Ended 06/30/23
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(Continued from Previous Page)

LA Treasurer, Criminal Court Costs	5,602	6,858
Lafayette City Marshal, Civil Fees	30	-
Lafayette Parish Sheriff, Civil Fees	206	67
Lafourche Parish Sheriff, Civil Fees	7	99
Livingston Parish Sheriff, Civil Fees	3,607	4,202
Orleans Parish Civil Sheriff, Civil Fees	60	240
Ouachita Parish Sheriff, Civil Fees	-	43
Plaquemines Parish Sheriff, Civil Fees	60	30
Pointe Coupee Parish Sheriff, Civil Fees	37	-
Railroad Safety Crossing Fund, Criminal Court Costs	325	322
Seventh Ward Marshal, Civil Fees	70,495	75,304
Seventh Ward Marshal, Criminal Court Costs	46,850	58,844
St Charles Parish Sheriff, Civil Fees	39	38
St Helena Parish Sheriff, Civil Fees	1,426	2,095
St. James Parish Sheriff, Civil Fees	-	129
St John the Baptist Parish Sheriff, Civil Fees	106	198
St Landry Parish Sheriff, Civil Fees	-	50
St Mary Parish Sheriff, Civil Fees	-	93
St Tammany Parish Sheriff, Civil Fees	1,632	1,765
Tangipahoa Parish Clerk of Court, Civil Fees	14,034	24,143
Tangipahoa Parish Coroner, Criminal Court Costs	436	491
Tangipahoa Parish Sheriff, Civil Fees	17,160	22,782
Washington Parish Sheriff, Civil Fees	409	1,408
West Baton Rouge Sheriff, Civil Fees	46	38
West Feliciana Parish Sheriff, Civil Fees	66	-
Winn Parish Sheriff, Civil Fees	34	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting / Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting / Disbursing to Others Based on Fixed Amount Amount "Self-Disbursed" to Collecting Agency:	-	-
Pre-Trial Diversion Program Fees	33,793	86,912
Criminal Court Costs / Fees	82,927	95,534
Criminal Fines - Contempt	95,809	120,149
Probation / Parole / Supervision Fees	33,911	22,207
Judicial Building Fee, City Court, Criminal Clerk Fees	23,850	28,060
Judges Fees, City Court, Civil Filings	35,850	38,925
Judicial Building Fee, City Court, Civil	56,291	69,513
Civil Fees Transferred to General Fund	15,870	17,780
Civil Fees - Postage	-	106,816
	1,590	2,329

(Continued)

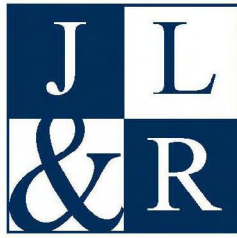
City Court of Hammond
Hammond, Louisiana
Justice System Funding Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2023

Schedule 9

	<u>First Six- Month Period Ended 12/31/22</u>	<u>Second Six- Month Period Ended 06/30/23</u>
(Continued from Previous Page)		
Less: Disbursements to Individuals / 3rd Party Collection or Processing Agencies		
Civil Fee Refunds	5,639	10,457
Bond Fee Refunds	-	-
Restitution Payments to Individuals	4,007	3,734
Other Disbursements to Individuals	7,834	9,409
Payments to 3rd Party Collection / Processing Agencies	59,534	77,324
Subtotal Disbursements / Retainage	<u>1,064,512</u>	<u>1,348,879</u>
 Total: Ending Balance of Amounts Collected but not Disbursed/Retained	 \$ 317,419	 \$ 338,338
Ending Balance of "Partial" Payments Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
 Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	<u>\$ -</u>	<u>\$ -</u>
Total Waivers During the Fiscal Period	<u>\$ -</u>	<u>\$ -</u>

**Other Independent Auditor's Reports and
Findings and Recommendations**

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



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& ASSOCIATES, INC.**
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Society of Louisiana CPAs

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 C. Britain Sledge, III
City Court of Hammond
Hammond, Louisiana

We have audited, 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, each major fund, and the aggregate remaining fund information of the City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City Court of Hammond's basic financial statements, and have issued our report thereon dated December 7, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Court of Hammond'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 of Hammond's internal control. Accordingly, we do not express an opinion on the effectiveness of the City Court of Hammond's internal control.

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

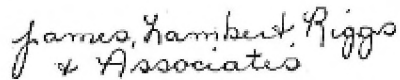
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Hammond'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*.

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.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs and Associates, Inc.

Hammond, Louisiana
December 7, 2023

**City Court of Hammond
Hammond, Louisiana**

Schedule of Current Year Audit Findings, Recommendations, and Responses
For the Year Ended June 30, 2023

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Hammond, a component unit of the City of Hammond, Louisiana 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 7, 2023. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	___	Yes	_X_	No
Significant Deficiencies	___	Yes	_X_	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	_X_	No
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2. Management Letter

Was a management letter issued?	___	Yes	_X_	No
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Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

City Court of Hammond
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

<u>Ref. #</u>	<u>Fiscal Year Findings Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule has been prepared by the management of the City Court of Hammond.

CITY COURT OF HAMMOND

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2022

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



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Independent Accountants' Report on Applying Agreed-Upon Procedures

To Honorable C. Britain Sledge, III, Judge
City Court of Hammond
Hammond, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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, 2021 through June 30, 2022. The City Court of Hammond's management is responsible for those C/C areas identified in the SAUPs.

The City Court of Hammond 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, 2021 through June 30, 2022. 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.

Our procedures and findings are detailed in Schedule "A".

We were engaged by The City Court of Hammond 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 Hammond 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.

*James Lambert Riggs
& Associates*

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana
December 1, 2022

Written Policies and Procedures

1. 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** The City Court of Hammond has a policy on budgeting; however, the policy does not mention monitoring or amending the budget.
 - b) ***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.
 - **Results:** The City Court of Hammond has a policy on purchasing; however, the policy does not mention (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.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) ***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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.
 - **Results:** The City Court of Hammond has a policy on payroll/personnel; however, the policy does not mention (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** The City Court of Hammond has a policy on contracting; however, the policy does not mention (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-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).
- **Results:** No exceptions were noted as a result for the above listed procedures.
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- i) **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.
- **Results:** The City Court of Hammond has a policy on ethics; however, the policy does not mention (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- k) **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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** The City Court of Hammond has a policy on sexual harassment; however, the policy does not mention (1) agency responsibilities and prohibitions and (3) annual reporting.

Board or Finance Committee

2. 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:
- a) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

- b) 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. *Alternately, for those entities reporting on the nonprofit 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.*
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Bank Reconciliations

3. 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:
- a) 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);
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Bank reconciliations include evidence that a member of management/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
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Collections (excluding electronic funds transfers)

4. 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).

5. 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 (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) Each employee responsible for collecting cash is not 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:
 - a) Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

- d) Observe 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).
- **Results:** No exceptions were noted as a result for the above listed procedures.
- e) Trace the actual deposit per the bank statement to the general ledger.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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

8. 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).
9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) At least two employees are involved in processing and approving payments to vendors.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d) 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 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:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- **Results:** No exceptions were noted as a result for the above listed procedures.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
12. 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:
- a) 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Observe that finance charges and late fees were not assessed on the selected statements.
- **Results:** No exceptions were noted as a result for the above listed procedures.
13. Using the monthly statements or combined statements selected under #12 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 (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- **Results:** No exceptions were noted as a result for the above listed procedures.

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

14. 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, 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:

- a) If reimbursed using a per diem, observe 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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- c) Observe 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 policy (procedure #1h).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Contracts

15. 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. *Alternately, 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:
 - a) 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.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) If the contract was amended (e.g., change order), observe 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, was approval documented).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) 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 the invoice and related payment agreed to the terms and conditions of the contract.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Payroll and Personnel

16. 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
- **Results:** No exceptions were noted as a result for the above listed procedures.
- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- **Results:** No exceptions were noted as a result for the above listed procedures.
- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- **Results:** Of the five employees selected, one did not have the authorized salary/pay rate found within their personnel file.
18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- **Results:** No exceptions were noted as a result for the above listed procedures.
19. 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.
- **Results:** No exceptions were noted as a result for the above listed procedures.
22. 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).
- **Results:** No exceptions were noted as a result for the above listed procedures.

Fraud Notice

23. 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.
24. Observe 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.
- **Results:** No exceptions were noted as a result for the above listed procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - **Results:** We performed the procedure and discussed the results with management.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - **Results:** We performed the procedure and discussed the results with management.
- c) 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.
 - **Results:** We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
 - **Results:** No exceptions were noted as a result for the above listed procedures.
27. Observe 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).
 - **Results:** No exceptions were noted as a result for the above listed procedures.
28. 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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - b) Number of sexual harassment complaints received by the agency;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - **Results:** No exceptions were noted as a result for the above listed procedures.
 - e) Amount of time it took to resolve each complaint.
 - **Results:** No exceptions were noted as a result for the above listed procedures.

CITY COURT OF HAMMOND



JUDGE C. BRITAIN SLEDGE, III

303 East Thomas Street | Hammond, LA 70401 | citycourt.org
Phone 985-542-3455 Fax 985-542-3453
Guy Recotta, Jr. Clerk of Court

December 5, 2022

James, Lambert, Riggs & Associates, Inc.
Certified Public Accountants
P O Drawer 369
Hammond, LA 70404

The City Court of Hammond shall correct all exceptions listed in the agreed upon procedures.

Respectfully yours,

Guy Recotta, Jr.

Clerk of Court

