

*Financial Report*

*City Court of Houma*  
*Houma, Louisiana*

*December 31, 2025*

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*Houma, Louisiana*

*December 31, 2025*

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Houma, Louisiana

December 31, 2025

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**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Honorable Judge Matthew H. Hagen,  
City Court of Houma,  
Houma, Louisiana.

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the General Fund and Fiduciary Funds of City Court of Houma, State of Louisiana (“City Court”), a component unit of Terrebonne Parish Consolidated Government (the “Parish”), State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise City Court’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the General Fund and Fiduciary Funds of City Court as of December 31, 2025, and the respective changes in financial position for the governmental activities, General Fund and Fiduciary Funds and the budgetary comparison for the General Fund 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 City Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of 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 City Court's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 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 City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate 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 City Court's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis pages 5 through 11, the Schedule of Changes in City Court's Total OPEB Liability and Related Ratios on page 50, the Schedules of City Court's Proportionate Share of Net Pension Liability (Asset) on pages 51 and 52 and the Schedules of City Court Contributions on pages 53 and 54 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City Court's basic financial statements. The information contained in Schedules 1 and 2 (Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule - Collecting/Disbursing Entity as required by Act 87 of the 2020 regular Legislative Session) for the year ended December 31, 2025 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2026 on our consideration of City Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 City Court's internal control over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
April 28, 2026.

# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

## **City Court of Houma Houma, Louisiana**

December 31, 2025

The Management’s Discussion and Analysis of City Court of Houma’s (“City Court”) financial performance presents a narrative overview and analysis of City Court’s financial activities for the year ended December 31, 2025. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

### **FINANCIAL HIGHLIGHTS**

City Court’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$742,244 (net position), which represents a 70.47% increase in net position in comparison to last fiscal year’s net deficit.

City Court’s revenue increased by \$47,010 (or 2.45%) primarily due to an increase in operating grants as a result of an increase in the amount agreed upon between City Court and Terrebonne Parish Consolidated Government (TPCG) for personal services and other services and charges.

City Court’s expenses increased by \$38,805 (or 2.40%) primarily due to increases in personal service resulting from GASB Statement 68 and 75 adjustments.

City Court did not have a deficit net position.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to City Court’s financial statements. City Court’s annual report consists of three parts: (1) management’s discussion and analysis (this section); (2) financial statements; and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of City Court:

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of City Court's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of City Court's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of City Court is improving or deteriorating. The Statement of Activities presents information showing how City Court's net position changed during each 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. The governmental activities of City Court are judicial services from which fees are received from criminal, civil, and juvenile cases.

### **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. City Court maintains two types of funds, governmental and fiduciary fund types.

#### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City Court maintains an individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. 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. The governmental fund financial statements can be found on pages 12 through 18 of this report.

## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Fund Financial Statements (Continued)**

#### ***Fiduciary Funds***

Fiduciary Funds are used to account for resources received from criminal and civil cases along with funds from bonds set by the Court, which are held for the benefit of parties outside City Court. While these funds represent a trust responsibility, these assets are restricted in purpose and do not represent assets of City Court. Therefore, these assets are not presented as part of the government-wide financial statements. The Statement of Fiduciary Funds and Change in Fiduciary Net Position can be found on pages 19 and 20 of this report.

#### **Notes to the Financial Statements**

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of City Court's financial position. As of December 31, 2025, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$742,244. Deferred outflows and inflows of resources are related to City Court's participation in multi-employer defined benefit pensions and other post-employment benefits. A portion of City Court's net position (deficit) reflects its investment in capital assets (e.g., office equipment and furniture). Consequently, these assets are not available for future spending.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Condensed Statements of Net Position**

	December 31,		Dollar
	<u>2025</u>	<u>2024</u>	Change
Current assets	\$ 2,153,306	\$ 1,946,015	\$ 207,291
Net pension asset	113,255	-	113,255
Capital assets	99,012	65,923	33,089
Deferred outflows of resources	<u>333,199</u>	<u>465,838</u>	<u>(132,639)</u>
 Total assets and deferred outflows of resources	 <u>2,698,772</u>	 <u>2,477,776</u>	 <u>220,996</u>
 Long-term obligations	 1,517,135	 1,618,227	 (101,092)
Current liabilities	99,926	65,928	33,998
Deferred inflows of resources	<u>339,467</u>	<u>358,216</u>	<u>(18,749)</u>
 Total liabilities and deferred inflows of resources	 <u>1,956,528</u>	 <u>2,042,371</u>	 <u>(85,843)</u>
 Net positions (deficit):			
Net investment in capital assets	99,012	65,923	33,089
Unrestricted	643,232	369,482	273,750
Total net position	<u>\$ 742,244</u>	<u>\$ 435,405</u>	<u>\$ 306,839</u>

Current assets increased due to an increase of approximately \$208,000 in cash and cash equivalents as a result of retaining building fee funds remitted from the Civil and Criminal Fund. Building fee funds can only be used to maintain the building and purchase equipment as needed. City Court spent approximately \$86,000 of the total fees collected. Capital assets increased \$33,089 as a result of purchases of an air conditioning unit and various computer equipment. As of December 31, 2025, City Court reported a net pension asset of \$113,225 for its portion of participation in the Parochial Employees' Retirement System (PERS). Long-term obligations as of December 31, 2025 are for compensated absences, net pension liability, and other postemployment benefits totaling \$102,388, \$367,937, and \$1,046,810, respectively. Deferred outflows and inflows of resources are a result of accounting for pensions and other postemployment benefits.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Governmental Activities**

Governmental activities for the year increased City Court's net position by \$306,839. Key elements of this increase are as follows:

**Condensed Statements of Activities**

	<u>December 31,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage</u>
				<u>Change</u>
<b>Program revenues</b>				
Charges for services	\$ 790,449	\$ 785,260	\$ 5,189	0.66%
Operating grants	1,101,674	1,065,001	36,673	3.44%
<b>General revenues</b>				
Interest	67,255	65,074	2,181	3.35%
Miscellaneous	4,617	1,650	2,967	179.82%
Total revenues	<u>1,963,995</u>	<u>1,916,985</u>	<u>47,010</u>	2.45%
<b>Expenses</b>				
Judicial activities	<u>1,657,156</u>	<u>1,618,351</u>	<u>38,805</u>	2.40%
Increase in net position	306,839	298,634	8,205	2.75%
<b>Net position (deficit)</b>				
Beginning of year	435,405	136,771	298,634	218.35%
End of year	<u>\$ 742,244</u>	<u>\$ 435,405</u>	<u>\$ 306,839</u>	70.47%

In 2025, City Court's revenues increased primarily due to an increase in operating grants. Operating grants increased due to an increase in on-behalf payments received from Terrebonne Parish Consolidated Government. Additional details can be found in Note 9. Expenses increased \$38,805 primarily due to increases in personal services related to GASB Statement 68 and 75 adjustments.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUND (Continued)**

**Governmental Funds**

The focus of City Court’s governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing City Court’s financing requirements. Unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, City Court’s General Fund’s ending fund balance is \$2,044,704 which is an increase of \$174,166 in comparison with the prior year. The General Fund reported an assigned fund balance for building fees with the remaining balance reported as unassigned and available for spending at City Court’s discretion.

**General Fund Budgetary Highlights**

City Court prepares its budget in accordance with accounting principles generally accepted in the United States.

The budget was amended once during the year. The primary reason for amending the budget was to align budgeted revenues and expenditures with actual.

For the year, revenues and expenditures were greater than budgetary estimates. See Exhibit G for a comparison of budgeted and actual revenue and expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

City Court’s investment in capital assets for its governmental activities as of December 31, 2025, amounts to \$99,012 (net of accumulated depreciation). As of December 31, 2025 and 2024 net investment in capital assets includes furniture and equipment as follows.

	<u>2025</u>	<u>2024</u>
Furniture and equipment	<u>\$ 99,012</u>	<u>\$ 65,923</u>

Additional information on City Court’s capital assets can be found in Note 3, Exhibit J of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

Management considers current year’s actual expenses and revenues when setting the next year’s budget. Management adjusts for different factors as they become known or transpire.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of City Court's finances for all those with an interest in City Court's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Judge Matthew Hagen, 8046 Main St. Houma, Louisiana 70360.

**STATEMENT OF NET POSITION**

**City Court of Houma**  
Houma, Louisiana

December 31, 2025

	<u>Governmental Activities</u>
<b>Assets and Deferred Outflows of Resources</b>	
Cash and cash equivalents	\$ 1,044,630
Investments	1,100,000
Net pension asset	113,255
Prepaid insurance	8,676
Capital assets - depreciable, net of accumulated depreciation	<u>99,012</u>
Total assets	<u>2,365,573</u>
Deferred outflows of resources:	
Other postemployment benefits	155,443
Pensions	<u>177,756</u>
Total deferred outflows of resources	<u>333,199</u>
Total assets and deferred outflows of resources	<u>2,698,772</u>
<b>Liabilities and Deferred Inflows of Resources</b>	
Accounts payable and accrued expenditures	6,200
Due to Terrebonne Parish Consolidated Government	93,726
Long-term obligations - due after one year	<u>1,517,135</u>
Total liabilities	<u>1,617,061</u>
Deferred inflows of resources:	
Other postemployment benefits	199,037
Pensions	<u>140,430</u>
Total deferred inflows of resources	<u>339,467</u>
Total liabilities and inflows of resources	<u>1,956,528</u>
<b>Net Position</b>	
Net investment in capital assets	99,012
Unrestricted	<u>643,232</u>
Total net position	<u><u>\$ 742,244</u></u>

See notes to financial statements.

**STATEMENT OF ACTIVITIES****City Court of Houma**  
Houma, Louisiana

For the year ended December 31, 2025

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	Net (Expense) Revenue and Changes in Net Position
<b>Primary Government</b>				
Governmental activities:				
Judicial activities	<u>\$ 1,657,156</u>	<u>\$ 790,449</u>	<u>\$ 1,101,674</u>	\$ 234,967
General revenues:				
Interest and investment income				67,255
Miscellaneous				<u>4,617</u>
Total general revenues				71,872
Change in net position				306,839
<b>Net Position</b>				
Beginning of year				<u>435,405</u>
End of year				<u>\$ 742,244</u>

See notes to financial statements.

**GOVERNMENTAL FUND BALANCE SHEET**

**City Court of Houma**  
Houma, Louisiana

December 31, 2025

**Assets**

Cash and cash equivalents	\$ 1,044,630
Investment	<u>1,100,000</u>
Total assets	<u><u>\$ 2,144,630</u></u>

**Liabilities**

Accounts payable	\$ 6,200
Due to Terrebonne Parish Consolidated Government	<u>93,726</u>
Total liabilities	99,926

**Fund Balance**

Assigned - building fee	472,797
Unassigned	<u>1,571,907</u>
Total fund balance	<u>2,044,704</u>
Total liabilities and fund balance	<u><u>\$ 2,144,630</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**City Court of Houma**  
Houma, Louisiana

December 31, 2025

<b>Fund Balance - Governmental Fund</b>		<b>\$ 2,044,704</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not resources and, therefore, are not reported in the governmental fund.		
Governmental capital assets	\$ 127,562	
Less accumulated depreciation	<u>(28,550)</u>	99,012
Long-term assets are not financial resources and, therefore, are not reported in the governmental fund.		
Net pension asset		113,255
Prepaid expenses reported in governmental activities are not financial resources and therefore are not reported in the governmental fund.		
Prepaid insurance		8,676
Deferred outflows of resources used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Pensions	177,756	
Other postemployment benefits	<u>155,443</u>	333,199
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Net pension liability	(367,937)	
Other postemployment benefit obligation	(1,046,810)	
Compensated absences payable	<u>(102,388)</u>	(1,517,135)
Deferred inflows of resources are applicable to future periods and therefore are not reported in governmental funds.		
Pensions	(140,430)	
Other postemployment benefits	<u>(199,037)</u>	<u>(339,467)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 742,244</u></b>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE**

**City Court of Houma**  
Houma, Louisiana

For the year ended December 31, 2025

**Revenues**

Charges for services:	
Criminal fees	\$ 164,509
Civil fees	468,905
Juvenile fees	16,768
Building fees	140,267
Intergovernmental revenue:	
Federal	56,244
State of Louisiana	80,437
Terrebonne Parish Consolidated Government:	
On-Behalf Payments	964,993
Miscellaneous:	
Interest and investment income	67,255
Other	4,617
	<hr/>
Total revenues	1,963,995

**Expenditures**

Current:	
General government:	
Personal services	1,492,654
Supplies and materials	50,213
Other services and charges	65,297
Repairs and maintenance	21,496
Professional services	30,638
Travel, education, and seminars	15,933
Computer services	52,047
Miscellaneous	18,822
	<hr/>
Total general government	1,747,100
Capital outlay	42,729
	<hr/>
Total expenditures	1,789,829

**Excess of Revenues Over Expenditures** 174,166

**Fund Balance**

Beginning of year	<hr/> 1,870,538
End of year	<hr/> <u>\$ 2,044,704</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES**

**City Court of Houma**  
Houma, Louisiana

For the year ended December 31, 2025

**Net Change in Fund Balance - Governmental Fund** \$ 174,166

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 42,729	
Depreciation expense	<u>(9,640)</u>	<u>33,089</u>

Some expenditures reported in the governmental fund do not require the use of current financial resources and are not reported as expenses in the statement of activities.

Decrease in prepaid insurance	(873)	
Pension expense	67,944	
Other postemployment benefits	37,145	
Compensated absences	<u>(4,632)</u>	<u>99,584</u>

**Change in Net Position of Governmental Activities** \$ 306,839

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**City Court of Houma**  
Houma, Louisiana

For the year ended December 31, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services:				
Criminal fees	\$ 172,974	\$ 161,025	\$ 164,509	\$ 3,484
Civil fees	466,510	457,410	468,905	11,495
Juvenile fees	26,440	16,255	16,768	513
Building fees	148,660	136,500	140,267	3,767
Intergovernmental revenue:				
Federal	55,744	56,244	56,244	-
State of Louisiana	-	80,437	80,437	-
Terrebonne Parish Consolidated Government:				
On-Behalf Payments	964,993	964,993	964,993	-
Miscellaneous:				
Interest and investment income	43,200	58,400	67,255	8,855
Other	-	4,303	4,617	314
Total revenues	<u>1,878,521</u>	<u>1,935,567</u>	<u>1,963,995</u>	<u>28,428</u>
<b>Expenditures</b>				
Current:				
General government:				
Reimbursement to Terrebonne Parish Consolidated Government	1,348,782	-	-	-
Personal services	124,652	1,461,376	1,492,654	(31,278)
Supplies and materials	49,720	53,500	50,213	3,287
Other services and charges	36,424	135,305	65,297	70,008
Repairs and maintenance	9,043	12,150	21,496	(9,346)
Professional services	34,500	31,425	30,638	787
Travel, education, and seminars	22,775	16,200	15,933	267
Computer services	154,608	16,940	52,047	(35,107)
Miscellaneous	17,358	17,310	18,822	(1,512)
Total general government	<u>1,797,862</u>	<u>1,744,206</u>	<u>1,747,100</u>	<u>(2,894)</u>
Capital outlay	-	23,900	42,729	(18,829)
Total expenditures	<u>1,797,862</u>	<u>1,768,106</u>	<u>1,789,829</u>	<u>(21,723)</u>
<b>Excess of Revenues Over Expenditures</b>	80,659	167,461	174,166	6,705
<b>Fund Balance</b>				
Beginning of year	<u>1,876,851</u>	<u>1,870,538</u>	<u>1,870,538</u>	<u>-</u>
End of year	<u>\$ 1,957,510</u>	<u>\$ 2,037,999</u>	<u>\$ 2,044,704</u>	<u>\$ 6,705</u>

See notes to financial statements.

**STATEMENT OF FIDUCIARY FUNDS****City Court of Houma**  
Houma, Louisiana

December 31, 2025

	<u>Custodial Funds</u>			
	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Bond Fund</u>	<u>Total Custodial Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 503,894	\$ 6,083	\$ 9,553	\$ 519,530
Investments	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Total assets	<u><u>\$ 953,894</u></u>	<u><u>\$ 6,083</u></u>	<u><u>\$ 9,553</u></u>	<u><u>\$ 969,530</u></u>
<b>Liabilities</b>				
Civil funds	\$ 953,894	\$ -	\$ -	\$ 953,894
Criminal funds	<u>-</u>	<u>6,083</u>	<u>-</u>	<u>6,083</u>
Total liabilities	<u>953,894</u>	<u>6,083</u>	<u>-</u>	<u>959,977</u>
<b>Fiduciary net position</b>				
Held for others	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,553</u></u>	<u><u>\$ 9,553</u></u>

See notes to financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**City Court of Houma**  
 Houma, Louisiana

December 31, 2025

	Custodial Funds			Total Custodial Funds
	Civil Fund	Criminal Fund	Bond Fund	
Additions:				
Collections for other governments	\$ 1,145,874	\$ 820,211	\$ 35,872	\$ 2,001,957
Deductions:				
Distributions to other governmental units	<u>1,145,874</u>	<u>820,211</u>	<u>35,076</u>	<u>2,001,161</u>
Net increase (decrease) in fiduciary net position	-	-	796	796
Net position at beginning of year	<u>-</u>	<u>-</u>	<u>8,757</u>	<u>8,757</u>
Net position at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,553</u>	<u>\$ 9,553</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****City Court of Houma**

Houma, Louisiana

December 31, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of City Court of Houma (“City Court”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

City Court is organized under Louisiana Revised Statute 13:1872 and is a limited jurisdiction within the boundaries of Terrebonne Parish handling civil suits up to \$30,000, adult misdemeanors and juvenile proceedings.

The Judge for City Court is an independently elected official with a six year term. However, City Court is fiscally dependent on the Terrebonne Parish Consolidated Government (the “Parish”) for the payment of salaries, courthouse space, maintenance, utilities and other office expenses. Each year the Parish budgets a certain amount of expenditures which will be paid on behalf of City Court. All expenditures exceeding the Parish’s budget shall be paid by City Court. Accordingly, City Court has been determined to be a component unit of the Parish and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2025.

GASB 14, “*The Financial Reporting Entity*”, GASB 39, *Determining Whether Certain Organizations Are Component Units-an Amendment of GASB*” Statement 14, and GASB 61, “*The Financial Reporting Entity: Omnibus and amendment of GASB*” Statements 14 and 34 established the criterion for determining which component units should be considered part of City Court for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity (Continued)**

2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between City Court and the potential component unit.
4. Imposition of will by City Court on the potential component unit.
5. Financial benefit/burden relationship between City Court and the potential component unit.

City Court has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**b) Basis of Presentation**

City Court's financial statements consist of the government-wide statements on all non-fiduciary activities of City Court and the governmental fund financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of City Court. The government-wide presentation focuses primarily on the sustainability of City Court as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

**Fund Financial Statements**

The daily accounts and operations of City Court are organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. Governmental resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following are the governmental funds of City Court:

**General Fund** - The General Fund is the general operating fund of City Court. It is used to account for and report all financial resources not accounted for and reported in another fund.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (Continued)**

**Fiduciary Funds**

**Custodial Funds** - These funds are used to account for and report assets that City Court holds for other governments and others in a custodial capacity. Since by definition these assets are being held for the benefit of others and cannot be used to address activities or obligations of City Court, these funds are not incorporated into the governmental-wide statements.

**c) Measurement Focus and Basis of Accounting**

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

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, City Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Use of Estimates**

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

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statutes 39:1303, management adopted a budget for City Court's General Fund. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by management. City Court amended its budget once during the year. All budgeted amounts that are not expended, or obligated through contracts, lapse at year-end.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America. The General Fund budget presentation is included in the financial statements, see Exhibit G.

**f) Accounts Receivable**

The financial statements for City Court contain no allowance for uncollectible accounts. Uncollectible amounts due for other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

**g) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Capital Assets (Continued)**

**Government-Wide Financial Statements (Continued)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset are as follows:

Furniture and equipment	5 - 10 years
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**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**h) Long-Term Obligations**

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. Long-term obligations consist of accrued compensated absences (vacation and sick leave), obligations for retirement (net pension liability) and other postemployment benefits (group health insurance).

**Fund Financial Statements**

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

**i) Personal and Sick Leave**

City Court provides personal leave benefits to all full-time employees, after 180 days of continuous employment. Unused personal leave carries forward to the next year. Eligible employees can earn 40 to 240 hours of personal leave depending on length of employment. Accumulated earned and unused vacation is payable upon termination.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Personal and Sick Leave (Continued)**

Eligible personnel will earn sick leave. Sick leave is earned up to 10 days (80 hours) per year. Sick leave is earned by introductory employees on their 91st day of employment at a rate of five days, with the remaining five days being earned at their 181st day. Employees earn an additional five days after their first year of employment and continue to earn an additional five days every six months after their first year of employment. The balance of sick time accumulates each year. Sick leave is payable upon retirement up to one-half of the accumulated balance, up to a maximum of 240 hours.

Compensatory time will be given to employees in lieu of overtime. The rate of accrual is one and a half hours per hour of overtime worked. Compensatory time accumulates up to 60 hours of time. An employee who has accrued the maximum number of compensatory hours shall be paid overtime compensation for any additional overtime hours worked. Compensatory time accumulates to the limit until termination at which point it will be paid to the employee.

The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, government funds report compensated absence as paid or a liability payable from expendable available financial resources.

**j) Pensions**

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of City Court's retirement plans, Louisiana State Employees' Retirement System and Parochial Employees' Retirement System of Louisiana (the "Systems") and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. 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.

**k) Deferred Outflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. City Court has pension and other postemployment benefits related deferred outflows.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Deferred Inflows of Resources**

In addition to liabilities, the Statement of Net Position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report deferred inflows of resources from pensions and other postemployment benefits in City Court's government-wide statements.

**m) Equity**

**Government-Wide Statements**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of December 31, 2025, City Court had no outstanding borrowings.
- b. Restricted net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is City Court's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2025 and for the year then ended, City Court did not have or receive restricted resources.

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

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

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m) Equity (Continued)**

**Fund Financial Statements (Continued)**

- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of City Court's management. Commitment may be established, modified, or rescinded only through actions approved by City Court's management.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Assignment may be established, modified or rescinded by the Judge.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, City Court considers an expenditure to be made from the most restrictive first when more than one classification is available. City Court's fund balance was classified as assigned and unassigned as of December 31, 2025.

**n) New GASB Statements**

During the year ending December 31, 2025, City Court implemented the following GASB Statement:

Statement No. 102, "*Certain Risk Disclosures*" defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to concentrations or constraints. This Statement did not affect City Court's financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n) New GASB Statements (Continued)**

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 103, “*Financial Reporting Model Improvements*” provides objectives to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine that effect of this Statement on the financial statements.

Statement No. 105, “*Subsequent Events*” The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**n) New GASB Statements (Continued)**

been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

**Note 2 - DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**Bank Deposits**

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes Federal Deposit Insurance Corporation (FDIC) insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year-end balances of deposits are as follows:

	Bank Balances	Report Amount
Cash	\$ 1,628,165	\$ 1,564,160
Certificates of deposit	1,550,000	1,550,000
Totals	\$ 3,178,165	\$ 3,114,160

Custodial credit risk is the risk that in the event of a bank failure, City Court's deposits may not be returned to it. City Court has a written policy for custodial credit risk, which reflects state law. As of December 31, 2025, \$2,108,165 of City Court's bank balance of \$3,178,165 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in City Court's name as allowed by state statutes.

**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Bank Deposits (Continued)**

As of December 31, 2025, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of City Court. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though these deposits are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits as shown on the Statement of Net Position and Governmental Fund Balance is as presented below:

Amounts reported	\$ 3,114,160
Less amounts reported in the Statement of Fiduciary Funds:	
Cash and cash equivalents	(519,530)
Investments	<u>(450,000)</u>
Total	<u>\$ 2,144,630</u>
 Governmental Fund Balance Sheet:	
Cash and cash equivalents	\$ 1,044,630
Investments	<u>1,100,000</u>
Total	<u>\$ 2,144,630</u>

**Note 3 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2025 was as follows:

	<u>Balance January 1, 2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31 2025</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 104,521	\$ 42,729	\$ (19,688)	\$ 127,562
Less accumulated depreciation for:				
Furniture and equipment	<u>(38,598)</u>	<u>(9,640)</u>	<u>19,688</u>	<u>(28,550)</u>
Total capital assets, net	<u>\$ 65,923</u>	<u>\$ 33,089</u>	<u>\$ -</u>	<u>\$ 99,012</u>

**Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures amounted to \$6,200 as of December 31, 2025 and consisted of vendor invoices for operating expenditures.

In addition, City Court has reported amounts due to Terrebonne Parish Consolidated Government as follows:

Operating expenses	\$ 52,807
Insurance	31,019
Office supplies	6,856
Other	<u>3,044</u>
Total	<u>\$ 93,726</u>

**Note 5 - LONG-TERM OBLIGATIONS**

Long-term obligations consist of accumulated earned and unpaid vacation and sick leave, other postemployment benefits and net pension liabilities and all are due in excess of one year. The following is a summary of changes in the long-term obligations of City Court for the year ended December 31, 2025:

	Payable January 1, 2025	Increase	Decrease	Payable December 31, 2025
Accumulated unpaid annual leave	\$ 97,756	\$ 105,776	\$ (101,144)	\$ 102,388
Other postemployment benefits	1,053,891	-	(7,081)	1,046,810
Net pension liability:				
Parochial Employees' Retirement System	6,399	-	(6,399)	-
Louisiana State Employees' Retirement System	460,181	-	(92,244)	367,937
Totals	<u>\$ 1,618,227</u>	<u>\$ 105,776</u>	<u>\$ (206,868)</u>	<u>\$ 1,517,135</u>

Compensated absences, other postemployment benefits and net pension liability are described in Notes 1(i), 1(j), 7, and 8, respectively.

**Note 6 - RISK MANAGEMENT**

City Court is exposed to various risks of loss related to workers compensation; torts; theft of damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which City Court carries commercial insurance and also participates in the Parish's risk management program for general liability, workers' compensation and group insurance. No settlements were made during the year that exceeded City Court's insurance coverage. City Court pays yearly premiums to the Parish for general liability based on various factors such as its operations and maintenance budget, exposure and claims experience. The premiums for workers' compensation are based on a fixed percentage of payroll. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against City Court for which it has insurance coverage with the Parish.

**Note 6 - RISK MANAGEMENT (Continued)**

City Court could have additional exposure for claims in excess of the Parish’s insurance contracts as described below:

Policy	Coverage Limit
General Liability	\$ 12,000,000
Workers’ Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish’s risk management internal service fund then secondly by City Court. The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2024 was \$15,182,388. Insurance contracts cover the excess liability on individual claims. Covered employees are subject to a lifetime maximum claims limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish’s group health internal service fund then secondly by City Court. Worker’s compensation claims in excess of \$850,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish’s workers’ compensation internal service fund. As of December 31, 2025, City Court had no claims in excess of the above coverage limits. Total premiums paid to the Parish for insurance coverage during the year ended December 31, 2025 totaled \$309,221.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

City Court administers a single employer defined benefit healthcare plan (the “Plan”) through the Parish’s Group Insurance Fund. The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Louisiana Revised Statute 33:5161 provided the authority of City Court Judge to establish and amend the benefit terms and financing. For employees retiring before January 1, 2005 City Court funds the entire premium for all benefits on employees retiring with at least ten years of service upon retiring from the formal retirement systems.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

City Court employees retiring on or after January 1, 2005 and before January 1, 2014 with at least ten years of permanent full-time creditable service with City Court shall be eligible to participate in the Plan under the following vesting Schedule: 11 to 15 years of service, 2.75% per year; 16 to 20 years of service 41.25% plus 3.75% per year of service; 21 years or more of service, 60% plus 5% per year of service, limited to 85% of the premium. Employees hired after December 31, 2013 with at least 30 years of permanent full-time creditable service, age 55 and 5 years of participation in City Court’s group health insurance plan immediately prior to retirement shall be eligible to participate in the Plan with benefits limited to 80% of premiums. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. City Court does not issue a publicly available financial report on the Plan.

**Employees Covered by Benefit Terms**

Inactive employees currently receiving benefit payments	8
Active employees	<u>17</u>
Total	<u><u>25</u></u>

City Court’s total OPEB liability of \$1,046,810 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2024.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability as of December 31, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

<b>Measurement Date</b>	December 31, 2025
<b>Actuarial Valuation Date</b>	January 1, 2024
<b>Inflation</b>	2.50%
<b>Salary Increases, including inflation</b>	3.00%
<b>Discount Rate</b>	4.43%
<b>Healthcare Cost Trend Rates</b>	Medical - 6.00% in year 1 decreasing in decrements of 0.25% until 4.50% through year 7.  Dental - 3.50% in year 1 decreasing in decrements of 0.25% per year until 2.50% through year 5.

The discount rate was based on the December 31, 2025 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Employee Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees were based on the PubG.H-2010 (general) and PubS.H-2010 (public safety) Healthy Retiree Mortality Tables, Generational with Projection Scale MP-2021 for males or females, as appropriate.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance as of December 31, 2024	<u>\$ 1,053,891</u>
Changes for the year:	
Service cost	13,223
Interest	41,730
Difference between expected and actual experience	3,068
Changes in assumptions and other inputs	(14,917)
Change in proportion	(28,466)
Benefit payments	<u>(21,719)</u>
Net changes	<u>(7,081)</u>
Balance as of December 31, 2025	<u><u>\$ 1,046,810</u></u>

**Sensitivity to the Total OPEB Liability to Change in the Discount Rate**

The following presents the total OPEB liability of City Court, as well as what City Court's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	<u>1.00% Decrease (3.43%)</u>	<u>Current Discount Rate (4.43%)</u>	<u>1.00% Increase (5.43%)</u>
Total OPEB Liability	<u>\$ 1,141,356</u>	<u>\$ 1,046,810</u>	<u>\$ 855,470</u>

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**Sensitivity to Total OPEB Liability to Change in the Health Cost Trend Rate**

The following presents the total OPEB liability of City Court, as well as what City Court's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate.

	1.00% Decrease	Current Rate	1.00% Increase
Total OPEB Liability	\$ 835,347	\$ 1,046,810	\$ 1,172,009

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2025 City Court recognized OPEB expense of \$237,688. As of December 31, 2025, City Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 61,554	\$ 2,247
Change in assumptions	26,696	(83,261)
Changes in proportion	67,193	(118,023)
Totals	\$ 155,443	\$ (199,037)

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Total OPEB Liability (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2026	\$ (54,196)
2027	9,297
2028	9,372
2029	(8,067)
Total	\$ (43,594)

**Note 8 - DEFINED BENEFIT PENSION PLANS**

**a) Parochial Employees' Retirement System**

**Plan Description.** City Court contributes to Plan B of the Parochial Employees' Retirement System of Louisiana ("System"), a cost-sharing, multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B. Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date.

The Retirement System is governed by Louisiana Revised Statutes, Title 11, Section 1901 through 2025, specifically and other general laws of the State of Louisiana.

**Eligibility.** All permanent parish government employees, including City Court, who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

a) Parochial Employees' Retirement System (Continued)

**Benefits Provided.** The System provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 2.0% of the member's final average compensation multiplied by the years of creditable service. For members hired prior to January 1, 2007 they may retire with full benefits at age 55 upon completing 30 years of service, at age 60 after completing 10 years of service or retire at age 65 after completing 7 years of service. For members hired after January 1, 2007 they may retire with full benefits at age 55 after completing 30 years of service, at age 62 after completing 10 years of service or at age 67 after completing 7 years of service.

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During the three year period, employer contributions continue but employee contributions cease. The election to participate in DROP is irrevocable once participation begins. Retirement benefits that would be paid, had the person ceased employment, are paid into the DROP account. Upon termination of employment a participant in DROP may receive a lump sum equal to payments into the participant's account, an annuity or a roll over to an Individual Retirement Account. Members hired before January 1, 2007 with 5 or more years of service who becomes disabled may receive retirement benefits determined in the same manner as retirement benefits. Members hired after January 1, 2007 with 7 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's years of creditable service and compensation and the dependent's relationship to the deceased member. The System provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

**Contributions.** According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2024, the actuarial employer contribution rate was 5.50% of member's compensation. However, the actual rate for both the fiscal years ending December 31, 2025 and 2024 was 7.0% and 7.50%, respectively.

According to state statute, the System also receives  $\frac{1}{4}$  of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**a) Parochial Employees' Retirement System (Continued)**

Contributions to the System from City Court were \$57,804 for the year ended December 31, 2025. Contribution rates for the year ended December 31, 2025 was 7.00% for employers and 3.00% for employees.

**Actuarial Assumptions.** A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2025 are as presented below:

<b>Valuation Date</b>	December 31, 2024
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, net investments expense, including inflation.
Project Salary Increases	4.25% (2.30% inflation, 1.95% merit).
Inflation Rate	2.30%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 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 MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.
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 increases not yet authorized by the Board of Trustees.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**a) Parochial Employees' Retirement System (Continued)**

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model pricing method (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.13% for the year ended December 31, 2024.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2024 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	37.00%	1.08%
Equity	47.00%	2.82%
Alternatives	15.00%	0.76%
Real assets	1.00%	0.07%
Totals	100.00%	4.73%
Inflation		2.40%
Expected Arithmetic Nominal Rate		7.13%

**Discount Rate.** The discount rate used to measure the total pension liability 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.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**a) Parochial Employees' Retirement System (Continued)**

**Sensitivity of City Court's Proportionate Share of the Collective Net Pension Asset to Changes in the Discount Rate.** The following presents City Court's proportionate share of the collective net pension asset using the discount rate of 6.40%, as well as what City Court's proportionate share of the net pension 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 as follows:

	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 (asset)	\$ 282,300	\$ (113,255)	\$ (444,474)

**Pension Plan Fiduciary Net Position.** The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2024. Access to the audit report can be found on the System's website, [www.persla.org](http://www.persla.org) or on the Louisiana Legislative Auditor's website, [www.lla.la.gov](http://www.lla.la.gov).

**b) Louisiana State Employees' Retirement System**

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

**Eligibility.** All state employees, including the City Court judge, become members of LASERS' Defined Benefit Plan (DBP) as condition of employment, unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials, including the City Court judge, and officials appointed by the Governor may, at their option, become members of LASERS.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

b) Louisiana State Employees' Retirement System (Continued)

**Benefits Provided.** LASERS provides retirement, deferred retirement, disability and death benefits for the members. Retirement benefits are generally equal to 3.5% of the average compensation multiplied by the years of creditable service. City Court judges elected prior to July 1, 2006, may retire with full benefits at any age after completing 30 years of creditable service or at age 60 after completing 10 years of service. City Court judges elected to office on or after July 1, 2006 and before July 1, 2015 may retire at age 60 after completing 5 years of creditable services. The age limitation increases to 62 for City Court judges elected on or after July 1, 2015. Additionally, members may choose to retire with 20 years of service at any age with an actuarially reduced benefit. The State Legislature authorized LASERS to establish DROP. When a member enters DROP their status changes from active to retired even though they continue to work and draw their salary for up to three years. During participation in DROP, retirement benefits which normally would be paid are separately tracked and invested in LASERS Self Directed Plan, which offers a variety of investment options. The election to participate in DROP is irrevocable once participation begins. Members with 10 or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's compensation and the dependent's relationship to the deceased member. LASERS provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State legislature.

**Contributions.** The employer contribution rate for all employees is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Contribution requirements of active employees, 7.5% if hired before July 1, 2006 and 8% if hired after June 30, 2006, are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401). City Court's contractually required composite contribution rate for the years ended June 30, 2025 and 2024 was 38.31% and 44.70%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from City Court were \$67,413 for the year ended December 31, 2025.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**b) Louisiana State Employees' Retirement System (Continued)**

**Actuarial Assumptions.** The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement as presented below:

<b>Valuation Date</b>	June 30, 2025
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Actuarial Assumptions:</b>	
Expected Remaining Service Lives	2 years.
Investment Rate of Return	7.25% per annum, net investment expenses
Inflation Rate	2.40% per annum
Mortality Rates	<b>Non-disabled members</b> - The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021.
	<b>Disabled members</b> - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System's members.
Salary Increases	Salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for Judges start at a low of 2.40% and at a high of 4.8%.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**b) Louisiana State Employees' Retirement System (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term nominal rate of return is 8.30% for 2025. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	2025
Cash	0.85%
Domestic equity	4.42%
International equity	5.22%
Domestic fixed income	2.53%
International fixed income	5.37%
Alternative investments	7.43%
Total fund	5.75%

**Discount Rate.** The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**b) Louisiana State Employees' Retirement System (Continued)**

**Sensitivity of City Court's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate.** The following presents City Court's proportionate share of the collective net pension liability using the discount rate of 7.25%, as well as what City Court's proportionate share of the collective 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	\$ 560,114	\$ 367,937	\$ 239,999

**c) Combined Balances**

**Pension Asset.** As of December 31, 2025, City Court reported a net pension asset of \$113,255 for its proportionate share of net pension asset for PERS. The net pension asset was measured as of December 31, 2024 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. City Court's proportion of net pension asset was based on a projection of City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, City Court's proportion of PERS' net pension asset was 0.6635% which was an increase of 0.0256% from its proportionate share measured as of December 31, 2023.

**Pension Liability.** As of December 31, 2025, City Court reported a net pension liability of \$367,937 for its proportionate share of the net pension liability for LASERS. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. City Court's proportion of the net pension liability was based on a projection of City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2025 City Court's proportionate share of LASERS' net pension liability was 0.00816% which is an increase of 0.00030% to its proportionate share as of June 30, 2024.

**Pension Expense.** For the year ended December 31, 2025, City Court recognized pension expense of \$57,273.

**Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**c) Combined Balances (Continued)**

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At December 31, 2025, City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 40,718	\$ (64,704)
Net different between expected earnings on investments and actual	(6,686)	(52,584)
Change in assumptions	7,476	-
Change in proportion	1,059	(22,879)
Change in proportionate share of contributions	43,490	(263)
Contributions subsequent to the measurement date	<u>91,699</u>	<u>-</u>
	<u>\$ 177,756</u>	<u>\$ (140,430)</u>

City Court reported \$91,699 as deferred outflows of resources related to pensions resulting from City Court's contributions subsequent to the measurement dates and will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 54,851
2027	20,319
2028	(86,717)
2029	<u>(42,826)</u>
Total	<u>\$ (54,373)</u>

**Note 9 - ON-BEHALF PAYMENTS FROM TERREBONNE PARISH CONSOLIDATED GOVERNMENT**

City Court recognizes as revenues and expenditures certain payments for personal services and other services and charges made by Terrebonne Parish Consolidated Government on behalf of City Court. This operating grant was agreed upon by the Parish Council and liable to increase or decrease every year due to operating budgets adopted by the Parish. As of December 31, 2025, the total operating grant revenue is as follows:

Personal services	\$ 929,863
Other services and charges	<u>35,130</u>
Total	<u>\$ 964,993</u>

**Note 10 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through April 28, 2026, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN CITY COURT'S TOTAL  
OPEB LIABILITY AND RELATED RATIOS**

**City Court of Houma**  
Houma, Louisiana

For the eight years ended December 31, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 13,223	\$ 14,552	\$ 13,273	\$ 27,125	\$ 30,599	\$ 35,915	\$ 22,987	\$ 54,788
Interest	41,730	34,124	35,119	21,501	26,492	41,397	31,334	79,832
Difference between expected and actual experience	3,068	68,632	5,452	89,059	(3,986)	(181,446)	46,027	(11,840)
Changes in assumptions or other inputs	(14,917)	43,998	(7,089)	(413,137)	14,700	(131,566)	274,439	(82,610)
Change in proportion	(28,466)	(25,423)	(13,613)	(47,632)	(2,820)	20,663	(16,057)	-
Change in benefit terms	-	-	-	-	-	-	-	(1,196,789)
Benefit payments	<u>(21,719)</u>	<u>(34,701)</u>	<u>(27,480)</u>	<u>(31,453)</u>	<u>(34,645)</u>	<u>(19,360)</u>	<u>(36,918)</u>	<u>(33,210)</u>
Net change in total OPEB liability	(7,081)	101,182	5,662	(354,537)	30,340	(234,397)	321,812	(1,189,829)
Total OPEB liability, beginning of year	<u>1,053,891</u>	<u>952,709</u>	<u>947,047</u>	<u>1,301,584</u>	<u>1,271,244</u>	<u>1,505,641</u>	<u>1,183,829</u>	<u>2,373,658</u>
Total OPEB liability, end of year	<u>\$ 1,046,810</u>	<u>\$ 1,053,891</u>	<u>\$ 952,709</u>	<u>\$ 947,047</u>	<u>\$ 1,301,584</u>	<u>\$ 1,271,244</u>	<u>\$ 1,505,641</u>	<u>\$ 1,183,829</u>
Covered employee payroll	<u>\$ 1,113,930</u>	<u>\$ 1,108,834</u>	<u>\$ 1,084,537</u>	<u>\$ 986,113</u>	<u>\$ 1,036,381</u>	<u>\$ 960,752</u>	<u>\$ 988,395</u>	<u>\$ 988,378</u>
Total OPEB liability as a percentage of covered employee payroll	<u>93.97%</u>	<u>95.04%</u>	<u>87.84%</u>	<u>96.04%</u>	<u>125.59%</u>	<u>132.32%</u>	<u>152.33%</u>	<u>119.77%</u>

**Notes to Schedule:**

Changes of benefit terms:

Effective January 1, 2019, a Medicare Advantage plan was introduced as an option for eligible retirees.

Changes in assumptions:

Discount rate	<u>4.43%</u>	<u>4.28%</u>	<u>3.77%</u>	<u>4.05%</u>	<u>1.84%</u>	<u>2.00%</u>	<u>2.75%</u>	<u>3.71%</u>
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Mortality rates:

- 2018 RPH-2014 Employee and Healthy Annuity, Generational with MP-2019.
- 2019 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2019.
- 2020 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2020.
- 2021 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2021.
- 2022 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2021.
- 2023 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2021.
- 2024 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2021.
- 2025 PubG.H-2010 (general) PubS.H-2010 (public safety) Employee and Healthy Annuitant, Generational with MP-2021.

The schedule is provided beginning with City Court's year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF CITY COURT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY (ASSET)**

**City Court of Houma**  
Houma, Louisiana

For the ten years ended December 31, 2025

Parochial Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City Court's proportion of the net pension liability (asset)	<u>0.663500%</u>	<u>0.637930%</u>	<u>0.615246%</u>	<u>0.633650%</u>	<u>0.654120%</u>	<u>0.696266%</u>	<u>0.741210%</u>	<u>0.764843%</u>	<u>0.785340%</u>	<u>0.768340%</u>
City Court's proportionate share of the net pension liability (asset)	<u>\$ (113,255)</u>	<u>\$ 6,399</u>	<u>\$ 146,483</u>	<u>\$(354,091)</u>	<u>\$(167,929)</u>	<u>\$ (50,366)</u>	<u>\$ 200,249</u>	<u>\$ (96,233)</u>	<u>\$ 102,021</u>	<u>\$ 137,100</u>
City Court's covered-employee payroll	<u>\$ 815,908</u>	<u>\$ 760,710</u>	<u>\$ 714,068</u>	<u>\$ 743,615</u>	<u>\$ 809,403</u>	<u>\$ 808,605</u>	<u>\$ 783,887</u>	<u>\$ 774,570</u>	<u>\$ 766,092</u>	<u>\$ 734,538</u>
City Court's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>-13.881%</u>	<u>0.841%</u>	<u>20.514%</u>	<u>-47.618%</u>	<u>-20.747%</u>	<u>-6.229%</u>	<u>25.546%</u>	<u>-12.424%</u>	<u>13.317%</u>	<u>18.665%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>103.63%</u>	<u>99.77%</u>	<u>94.26%</u>	<u>114.20%</u>	<u>106.76%</u>	<u>102.05%</u>	<u>91.93%</u>	<u>104.02%</u>	<u>94.15%</u>	<u>93.48%</u>

The schedule is provided beginning with City Court's year ended December 31, 2016 and is intended to show a ten year trend.

**SCHEDULE OF CITY COURT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**City Court of Houma**  
Houma, Louisiana

For the ten years ended December 31, 2025

Louisiana State Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City Court's proportion of the net pension liability	<u>0.008160%</u>	<u>0.008460%</u>	<u>0.008180%</u>	<u>0.008430%</u>	<u>0.008220%</u>	<u>0.007750%</u>	<u>0.007910%</u>	<u>0.008120%</u>	<u>0.008160%</u>	<u>0.007980%</u>
City Court's proportionate share of the net pension liability	<u>\$ 367,937</u>	<u>\$ 460,181</u>	<u>\$ 547,724</u>	<u>\$ 637,393</u>	<u>\$ 452,549</u>	<u>\$ 638,640</u>	<u>\$ 587,967</u>	<u>\$ 553,193</u>	<u>\$ 585,658</u>	<u>\$ 638,413</u>
City Court's covered-employee payroll	<u>\$ 191,113</u>	<u>\$ 176,104</u>	<u>\$ 170,100</u>	<u>\$ 163,566</u>	<u>\$ 156,848</u>	<u>\$ 154,650</u>	<u>\$ 152,445</u>	<u>\$ 151,944</u>	<u>\$ 150,018</u>	<u>\$ 149,664</u>
City Court's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>192.52%</u>	<u>261.31%</u>	<u>322.00%</u>	<u>389.69%</u>	<u>288.53%</u>	<u>412.96%</u>	<u>385.69%</u>	<u>364.08%</u>	<u>390.39%</u>	<u>426.56%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79.30%</u>	<u>74.60%</u>	<u>68.40%</u>	<u>63.70%</u>	<u>72.80%</u>	<u>58.00%</u>	<u>62.90%</u>	<u>64.30%</u>	<u>62.50%</u>	<u>57.70%</u>

The schedule is provided beginning with City Court's year ended December 31, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF CITY COURT CONTRIBUTIONS**

**City Court of Houma**  
Houma, Louisiana

For the ten years ended December 31, 2025

Parochial Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 57,805	\$ 61,193	\$ 57,053	\$ 53,555	\$ 55,771	\$ 60,705	\$ 60,645	\$ 58,792	\$ 61,966	\$ 61,287
Contributions in relation to the contractually required contribution	<u>(57,805)</u>	<u>(61,193)</u>	<u>(57,053)</u>	<u>(53,555)</u>	<u>(55,771)</u>	<u>(60,705)</u>	<u>(60,645)</u>	<u>(58,792)</u>	<u>(61,966)</u>	<u>(61,287)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Court's covered-employee payroll	<u>\$ 825,783</u>	<u>\$ 815,908</u>	<u>\$ 760,710</u>	<u>\$ 714,068</u>	<u>\$ 743,615</u>	<u>\$ 809,403</u>	<u>\$ 808,605</u>	<u>\$ 783,887</u>	<u>\$ 774,570</u>	<u>\$ 766,092</u>
Contributions as a percentage of covered-employee payroll	<u>7.00%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>

The schedule is provided beginning with City Court's year ended December 31, 2016 and is intended to show a ten year trend.

**SCHEDULE OF CITY COURT CONTRIBUTIONS**

**City Court of Houma**  
 Houma, Louisiana

For the ten years ended December 31, 2025

Louisiana State Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	* \$ 67,413 *	\$ 78,808 *	\$ 77,380 *	\$ 71,888 *	\$ 69,974 *	\$ 66,245 *	\$ 62,801 *	\$ 59,694 *	\$ 57,393 *	\$ 56,138
Contributions in relation to the contractually required contribution	<u>(67,413)</u>	<u>(78,808)</u>	<u>(77,380)</u>	<u>(71,888)</u>	<u>(69,974)</u>	<u>(66,245)</u>	<u>(62,801)</u>	<u>(59,694)</u>	<u>(57,393)</u>	<u>(56,138)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Court's covered-employee payroll	<u>\$ 183,672</u>	<u>\$ 191,115</u>	<u>\$ 174,844</u>	<u>\$ 165,621</u>	<u>\$ 161,617</u>	<u>\$ 154,650</u>	<u>\$ 154,992</u>	<u>\$ 151,894</u>	<u>\$ 150,382</u>	<u>\$ 149,664</u>
Contributions as a percentage of covered-employee payroll	<u>36.70%</u>	<u>41.24%</u>	<u>44.26%</u>	<u>43.41%</u>	<u>43.30%</u>	<u>42.84%</u>	<u>40.52%</u>	<u>39.30%</u>	<u>38.16%</u>	<u>37.51%</u>

\* Includes on-behalf payments from Terrebonne Parish Consolidated Government and the State of Louisiana.

The schedule is provided beginning with City Court's year ended December 31, 2016 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**City Court of Houma**  
Houma, Louisiana

December 31, 2025

**Agency Head Name:** Judge Matthew Hagen

**Purpose**

Salary	\$ 183,674 *
Benefits - insurance	18,078 *
Benefits - retirement	67,413 *
Benefit - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	1,004
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	3,059
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<u>\$ 273,228</u>

\* Includes on-behalf payments from the Terrebonne Parish Consolidated Government and the State of Louisiana.

**JUSTICE SYSTEM FUNDING SCHEDULE -  
COLLECTING/DISBURSING ENTITY AS REQUIRED BY  
ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION**

**City Court of Houma**  
Houma, Louisiana

December 31, 2025

	<u>First Six Month Period Ended June 30, 2025</u>	<u>Second Six Month Period Ended December 31, 2025</u>
<b>Beginning Cash Balance</b>	\$ 438,186	\$ 480,916
<b>Collections:</b>		
Civil fees	570,529	575,344
Bond fees	15,612	20,260
Criminal court costs/fees	405,636	414,576
<b>Total Collected</b>	<u>991,777</u>	<u>1,010,180</u>
<b>Deductions: Collections Retained by the Houma City Court</b>		
City Court - General Fund, Criminal Court Costs/Fees	117,888	132,245
City Court - General Fund, Criminal Court Fines - other	6,946	5,725
City Court - General Fund, Civil Court Costs/Fees	258,303	267,791
<b>Total Collections Retained by the Houma City Court</b>	<u>383,137</u>	<u>405,761</u>
<b>Deductions: Amounts Disbursed to Individuals and Entities, excluding Governments and Nonprofits</b>		
a. Collection/processing fees paid to third party entities	-	-
b. Civil fees refunds	41,079	38,722
c. Bonds refunds	15,612	19,464
d. Restitution disbursements to individuals and entities	-	-
e. Other disbursements to individuals and entities		
Civil	666	661
Criminal	12,900	12,968
<b>Total Amounts Disbursed to Individuals and Entities,         excluding Governments and Nonprofits</b>	<u>70,257</u>	<u>71,815</u>
<b>Deductions: Total Disbursements to Other Governments and Nonprofits</b>		
Terrebonne Parish Consolidated Government, Civil Fees	79,160	76,450
Terrebonne Parish Clerk of Court, Civil Fees	56,750	53,870
Louisiana Supreme Court, Civil Fees	754	832
Department of Treasury, Civil Fees	45,830	52,233
Secretary of State, Civil Fees	50	100
Parish Sheriff's Civil Fees	46,914	46,268

**Schedule 2  
(Continued)**

	<u>First Six Month Period Ended June 30, 2025</u>	<u>Second Six Month Period Ended December 31, 2025</u>
Terrebonne Parish Consolidated Government, Criminal Court Costs/Fees	121,109	123,294
Terrebonne Parish Consolidated Government, Criminal Court Fines - Other	12,046	13,312
District Attorney's Office, Criminal Court Costs/Fees	38,066	30,805
District Attorney's Office, Criminal Court Fines - Other	5,352	5,029
Terrebonne Parish Indigent Defender Board, Criminal Court Costs/Fees	70,816	72,832
Terrebonne Parish Indigent Defender Board, Criminal Court Fines - Other	107	40
Bayou Crime Stopper, Criminal Court Costs/Fees	3,610	4,278
State of Louisiana Treasurer, Criminal Court Fines - Other	4,502	4,698
Louisiana Department of Health, Criminal Court Fines - Other	786	765
Louisiana Commission on Law Enforcement, Criminal Court Fines - Other	8,738	7,945
Louisiana Supreme Court, Criminal Court Costs/Fees	1,063	1,239
	<hr/>	<hr/>
<b>Total Amounts Disbursed to Other Governments and Nonprofits</b>	<u>495,653</u>	<u>493,990</u>
<b>Total amounts disbursed/retained</b>	<u>42,730</u>	<u>38,614</u>
<b>Ending cash balance</b>	<u><u>\$ 480,916</u></u>	<u><u>\$ 519,530</u></u>

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**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**

Honorable Judge Matthew H. Hagen,  
City Court of Houma,  
Houma, 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 and the General Fund of City Court of Houma (“City Court”), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise City Court’s basic financial statements, and have issued our report thereon dated April 28, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City Court’s internal control over financial reporting (internal control) as a basis for determining 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 City Court’s internal control. Accordingly, we do not express an opinion on the effectiveness of City Court’s internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City Court's financial statements are free of 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 determination of financial statement amounts. 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 City Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,  
April 28, 2026.

# **SCHEDULE OF FINDINGS AND RESPONSES**

## **City Court of Houma Houma, Louisiana**

For the year ended December 31, 2025

### **Section I - Summary of Auditor's Results**

#### a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be a material weakness?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### b) Federal Awards

City Court of Houma did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

### **Section II - Financial Statement Findings**

No financial statement findings were reported during the audit for the year ended December 31, 2025.

### **Section III - Federal Award Findings and Questioned Costs**

Not applicable.

**REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

## **City Court of Houma Houma, Louisiana**

For the year ended December 31, 2025

### **Section I - Internal Control and Compliance Material to the Financial Statements**

#### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2024.

No significant deficiencies were reported during the audit for the year ended December 31, 2024.

#### **Compliance**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2024.

### **Section II - Internal Control and Compliance Material to Federal Awards**

City Court of Houma did not expend federal awards in excess of \$750,000 during the year ended December 31, 2024 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2024.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

## **City Court of Houma Houma, Louisiana**

For the year ended December 31, 2025

### **Section I - Internal Control and Compliance Material to the Financial Statements**

#### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2025.

No significant deficiencies were reported during the audit for the year ended December 31, 2025.

#### **Compliance**

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2025.

### **Section II - Internal Control and Compliance Material to Federal Awards**

City Court of Houma did not expend federal awards in excess of \$1,000,000 during the year ended December 31, 2025 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2025.

**STATEWIDE AGREED-UPON PROCEDURES**

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

Honorable Judge Matthew H. Hagen,  
City Court of Houma,  
Houma, Louisiana.

We have performed the procedures described in Schedule 3 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period January 1, 2025 through December 31, 2025. City Court of Houma (“City Court”) management is responsible for those C/C areas identified in the SAUPs.

City Court has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 3.

We were engaged by City Court to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 City Court 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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
April 28, 2026.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**City Court of Houma**  
Houma, Louisiana

For the year ended December 31, 2025

The required procedures and our findings are as follows:

**1) Procedures Performed on City Court's Written Policies and Procedures**

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iii. ***Disbursements***, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Performance: Obtained and read the written policy for receipts/collections and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

1) Procedures Performed on City Court's Written Policies and Procedures (Continued)

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.  
Performance: Obtained and read the written policy for payroll and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
Performance: Obtained and read the written policy for contracting and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- viii. **Credit Cards** (and debit cards, fuel cards, purchase cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to City Court's ethics policy.  
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.

**1) Procedures Performed on City Court's Written Policies and Procedures (Continued)**

- x. **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.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Obtained and read the written policy for prevention of sexual harassment and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

**2) Procedures Performed on City Court's Board or Finance Committee**

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Performance: City Court is not required to have a Board; therefore, no meetings are held, and no minutes are recorded.

Exceptions: Not applicable.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

Performance: City Court is not required to have a Board; therefore, no meetings are held, and no minutes are recorded.

Exceptions: Not applicable.

## **2) Procedures Performed on City Court's Board or Finance Committee (Continued)**

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

Performance: City Court is not required to have a Board; therefore, no meetings are held, and no minutes are recorded.

Exceptions: Not applicable.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: City Court is not required to have a Board; therefore, no meetings are held, and no minutes are recorded.

Exceptions: Not applicable.

## **3) Procedures Performed on City Court's Bank Reconciliations**

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Performance: Obtained monthly bank reconciliation for the month of December for the main operating account and 4 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within one month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Performance: Inspected City Court's documentation for the December bank reconciliation for the 4 bank accounts selected and noted a member of management reviewed the reconciliation within one month of preparation.

Exceptions: There were no exceptions noted.

### 3) Procedures Performed on City Court's Bank Reconciliations (Continued)

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
Performance: Inspected reconciliations for items outstanding for more than 12 months from the statement closing date. We noted no checks outstanding for longer than 12 months from statement closing date.  
Exceptions: There were no exceptions noted.

### 4) Procedures Performed on City Court's Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).  
Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. City Court only has one deposit site.  
Exceptions: There were no exceptions noted.
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:  
Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter that the listing was complete. City Court has 4 collection locations.  
Exceptions: There were no exceptions noted.
  - i. Employees responsible for cash collections do not share cash drawers/registers.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.
  - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and  
Performance: Inspected policy manuals, inquired of client as to all of the requirements.  
Exceptions: There were no exceptions noted.

4) Procedures Performed on City Court's Collections (excluding electronic funds transfers)  
(Continued)

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Obtained a copy of the bonds and a listing of all employees covered by the bonds. The bonds were in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced the deposit slip total to the actual deposit per the bank statement.

Exceptions: There were no exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed that the deposits tested were made within one business day of receipt.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on City Court's Collections (excluding electronic funds transfers)  
(Continued)**

- v. Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on City Court's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)**

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. City Court only has one location that processes payments.

Exceptions: There were no exceptions noted.

- B. For each location selected under procedure #5A, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

- i. At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase.

Observed that at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- ii. At least 2 employees are involved in processing and approving payments to vendors;

Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least 2 employees are involved.

Exceptions: There were no exceptions noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Performance: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on City Court's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases) (Continued)**

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Performance: Obtained a listing of employees involved with signing and mailing checks and noted there is a proper segregation of duties.

Exceptions: There were no exceptions noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Performance: Obtained a listing of employees authorized to sign checks and noted that they are the only ones authorized to approve electronic disbursements.

Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, 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

Performance: Obtained City Court's non-payroll disbursement transaction population and management's representation that the population is complete.

Exceptions: There were no exceptions noted.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

Performance: Observed that the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating deliverables were received.

Exceptions: There were no exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on City Court's Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases) (Continued)**

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Performance: Obtained bank statements and observed that all electronic disbursements were payroll related. This step is not applicable.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on City Court's Credit Cards/Debit Cards/Fuel Cards/ Purchase Cards (Cards)**

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on City Court's Credit Cards/Debit Cards/Fuel Cards/ Purchase Cards (Cards) (Continued)**

C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by supported by:

i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

iii. Documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals. No meal charges were noted.

Exceptions: Not applicable

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Performance: Observed the listing of terminated employees and noted no employees were terminated. Therefore, procedure was not applicable.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on City Court's Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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

Performance: Obtained a list of all travel and travel-related expense reimbursements. Management's representation of the listing was confirmed in a separate letter.

A. Exceptions: There were no exceptions noted.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana ([doa.la.gov/doa/ost/ppm-49-travel-guide/](http://doa.la.gov/doa/ost/ppm-49-travel-guide/)) or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

Performance: Inspected travel and travel-related expense reimbursements and observed per diem rates used were the GSA rates.

Exceptions: There were no exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Performance: Inspected travel and travel-related expense reimbursements to observe that the expenses using actual costs were supported by an itemized receipt.

Exceptions: There were no exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Performance: Inspected travel and travel-related expense reimbursements to observe that expenses included the business/public purpose.

Exceptions: There were no exceptions noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Performance: Inspected travel and travel-related expense reimbursements to observe that expenses included approval by someone other than the person receiving reimbursement.

Exceptions: There were no exceptions noted.

## 8) Procedures Performed on City Court's Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Performance: Obtained 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 and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Performance: Observed whether the contracts selected were bid in accordance with the Louisiana Public Bid Law. None of the contracts were subject to the Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Performance: Inspected contract documentation. All were approved by the Court Administrator.

Exceptions: There were no exceptions noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Performance: Observed the contracts selected and noted no contract amendments.

Exceptions: There were no exceptions noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected payments for each of the contracts, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices related to the payment agreed to terms and conditions of the contract.

Exceptions: There were no exceptions noted.

**9) Procedures Performed on City Court's Payroll and Personnel**

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete in a separate letter.

Exceptions: There were no exceptions noted.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Performance: Selected one pay period to test attendance and leave taken during that period. Inspected time sheets for record of attendance and leave during that period for the selected employees/officials.

Exceptions: There were no exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Performance: Inspected time sheets for approval of attendance and leave by the supervisors of the selected employee/officials.

Exceptions: There were no exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Performance: Observed the leave records maintained by City Court to ensure leave taken during the period was reflected in the records.

Exceptions: There were no exceptions noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

**9) Procedures Performed on City Court's Payroll and Personnel (Continued)**

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. No employees were terminated during the fiscal year.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

**10) Procedures Performed on City Court's Ethics**

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Performance: Inspected personnel files and ethics course completion certificates for the employees selected.

Exceptions: There were no exceptions noted.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Performance: There were no changes to the ethics policy during the year.

Exceptions: There were no exceptions noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Performance: We inquired as to whether City Court appointed an ethics designee. The Court Administrator is City Court's ethics designee.

Exceptions. There were no exceptions noted.

**11) Procedures Performed on City Court's Debt Service**

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period and obtained management's representation in a separate letter. City Court did not issue any new debt during the fiscal period.

Exceptions: There were no exceptions noted.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Performance: There were no bonds/notes outstanding at the end of the fiscal period as represented by management in a separate letter. There was no debt outstanding.

Exceptions: There were no exceptions noted.

**12) Procedures Performed on City Court's Fraud Notice**

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and obtained management's representation in a separate letter. None were noted.

Exceptions: There were no exceptions noted.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Observed fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

**13) Procedures Performed on City Court's Information Technology Disaster Recovery/  
Business Continuity**

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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Performance: 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 there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: 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.

Performance: We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Performance: We performed the procedure and discussed the results with management.

#### 14) Procedures Performed on City Court's Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343. hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Observed sexual harassment training documentation for the employees selected.

Exceptions: There were no exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Performance: Observed the sexual harassment policy and complaint procedure on City Court's website.

Exceptions: There were no exceptions noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

Performance: Obtained the annual sexual harassment report for the current fiscal period.

Exceptions: There were no exceptions noted.

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- ii. Number of sexual harassment complaints received by the agency;

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

**14) Procedures Performed on City Court's Prevention of Sexual Harassment (Continued)**

v. Amount of time it took to resolve each complaint.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

**Management's Overall Response to Exceptions:**

No exceptions noted.