Springhill City Court
Springhill, Louisiana

A Component Unit of the City of Springhill, Louisiana

Annual Financial Statements

As of June 30, 2025

Springhill City Court
Springhill, Louisiana
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COOK & MOREHART,
Certified Public Accountants, LLC

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137–8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA
STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

TELEPHONE (318) 222-5415 FAX (318) 222-5441

MEMBER
AMERICAN INSTITUTE
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Independent Auditors' Report

Stuart W. McMahen
Springhill City Court Judge
Springhill City Court

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springhill City Court, a component unit of the City of Springhill, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Springhill City Court's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Springhill City Court, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Springhill City Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Springhill 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.

Auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 Springhill City Court's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Springhill 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 budgetary comparison information on pages and 35-37, the Schedule of Proportionate Share of Net Position Liability on page 38, and the Schedule of Contributions on page 39, 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 GAAS, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Springhill City Court's basic financial statements. The other supplementary information Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head is the responsibility of management. Section I of that schedule was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information in Section I of the schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, Section I of the Schedule of Compensation, Benefits, and Other Payments to Agency Heads is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Section II of the Schedule of Compensation, Benefits, and Other Payments to Agency Head shown on page 40 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Springhill City Court prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedules, Justice System Funding Schedules, shown on pages 41-43, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with GAAS. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Justice System Funding Schedules, shown on pages 41-43, are fairly stated in all material respects, in relation to the 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 March 20, 2025, on our consideration of Springhill City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Springhill City Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Springhill City Court's internal control over financial reporting and compliance.

Cook + Morehart

Cook & Morehart,
Certified Public Accountants, LLC
March 20, 2026

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Statement of Net Position
Governmental Activities
June 30, 2025

Assets		
Cash and cash equivalents	$	30,437
Investments		9,162
Receivables		15,921
Prepaid expenses		830
Capital assets (net)		3,190
Total assets		59,540
Deferred Outflows of Resources		
Pension related		57,835
Total deferred outflows of resources		57,835
Liabilities		
Accounts payable		13,141
Accrued expenses		3,806
Non-current liabilities:		
Due within one year		1,322
Due in more than one year		104,752
Total liabilities		123,021
Deferred Inflows of Resources		
Pension related		7,660
Total deferred inflows of resources		7,660
Net Position (Deficit)		
Net investment in capital assets		489
Restricted for:		
Witness fees		36,866
Probation		1,486
Juvenile Probation		1,774
Unrestricted (deficit)		(53,921)
Total net position (deficit)	$	(13,306)

The notes to the financial statements are an integral part of this statement.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Statement of Activities
For the Year Ended June 30, 2025

	Total	Functions / Programs: Judicial	Witness	Probation	Juvenile Probation
GOVERNMENTAL ACTIVITIES					
Expenses:					
Salaries	$ 268,688	$ 268,688	$	$	$
Employee benefits	19,122	19,122			
Office expense	16,383	15,833		550	
Travel and other charges	15,441	15,441			
Professional fees	26,808	26,808			
Witness fees	1,900		1,900		
Depreciation expense	1,717	1,717			
Total expenses	350,059	347,609	1,900	550	
Program revenues:					
Charges for services - fines and fees	67,676	57,263	1,503	4,220	4,690
Operating grants and contributions	296,038	296,038			
Net program revenue (expenses)	13,655	5,692	(397)	3,670	4,690
General revenues:					
Miscellaneous revenues	980				
Interest income	393				
Total general revenues	1,373				
Change in net position	15,028				
Net position (deficit) - beginning	(28,334)				
Net position (deficit) - ending	$ (13,306)				

The notes to the financial statements are an integral part of this statement.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds		Non-Major Funds		
	General Fund	Witness Fund	Probation Fund	Juvenile Probation Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$	$ 27,327	$ 1,369	$ 1,741	$ 30,437
Investments		9,162			9,162
Receivables	15,921				15,921
Due from other funds		377	117	33	527
Total assets	$ 15,921	$ 36,866	$ 1,486	$ 1,774	$ 56,047
Liabilities					
Accounts payable	$ 13,141	$	$	$	$ 13,141
Accrued expenses	3,806				3,806
Due to other funds	527				527
Total liabilities	17,474				17,474
Fund Balances (Deficit)					
Restricted		36,866	1,486	1,774	40,126
Unassigned (deficit)	(1,553)				(1,553)
Total fund balances (deficit)	(1,553)	36,866	1,486	1,774	38,573
Total liabilities and fund balances (deficit)	$ 15,921	$ 36,866	$ 1,486	$ 1,774	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,190
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds	
Prepaid insurance	830
Deferred outflows - pension related	57,835
Long-term liabilities and other amounts not due and payable in the current period and therefore are not reported in the funds.	
Lease liability	(2,701)
Net pension liability	(103,373)
Deferred inflows - pension related	(7,660)
Net Position (Deficit) of Governmental Activities	$ (13,306)

The notes to the financial statements are an integral part of this statement.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds		Non-Major Funds		
	General Fund	Witness Fund	Probation Fund	Juvenile Probation Fund	Total Governmental Funds
Revenues:					
Fines	$ 35,308	$ 1,503	$ 4,220	$ 4,690	$ 45,721
Court costs	21,955				21,955
Other fees	980				980
Intergovernmental					
On-behalf payments	185,214				185,214
Other	109,064				109,064
Interest income	7	386			393
Total revenues	352,528	1,889	4,220	4,690	363,327
Expenditures:					
Current:					
Judicial					
Salaries	83,473				83,473
Employee benefits	26,026				26,026
On-behalf payments	185,214				185,214
Office expense	17,102		550		17,652
Travel and other charges	15,441				15,441
Professional fees	26,808				26,808
Witness fees		1,900			1,900
Total expenditures	354,064	1,900	550		356,514
Excess (deficiency) of revenues over expenditures	(1,536)	(11)	3,670	4,690	6,813
Other financing sources (uses):					
Transfers in	5,714				5,714
Transfers out			(3,314)	(2,400)	(5,714)
Total other financing sources (uses)	5,714		(3,314)	(2,400)	
Net change in fund balances	4,178	(11)	356	2,290	6,813
Fund balances (deficit) at beginning of year	(5,731)	36,877	1,130	(516)	31,760
Fund balances (deficit) at end of year	$ (1,553)	$ 36,866	$ 1,486	$ 1,774	$ 38,573

The notes to the financial statements are an integral part of this statement.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental fund	$	6,813
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/amortization expense. This is the amount by which depreciation/amortization ($1,717) exceeds capital outlay ($0) in the current period.		(1,717)
Revenues that are not available to pay current obligations are not reported in the fund financial statements, but they are presented as revenues in the Statement of Activities		
Non-employer contributions to cost-sharing pension plan		1,760
The repayment of principle of long-term liabilities consumes current financial resources of governmental funds.		1,269
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Pension expense		6,903
Change in net position of governmental activities	$	15,028

The notes to the financial statements are an integral part of this statement.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds
Assets	
Cash and cash equivalents	$ 65,249
Total assets	65,249
Fiduciary Net Position - held for others	65,249
Total net position	$ 65,249

The notes to the financial statements are an integral part of this statement.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds
Additions:	
Court and other cost collected	$ 64,673
Fines and other fees collected	119,787
Investment income - interest	41
Total additions	184,501
Deductions:	
Payments of fines and other fees	127,851
Payments of court and other costs	60,873
Total deductions	188,724
Change in net position	(4,223)
Net position - beginning	69,472
Net position - ending	$ 65,249

The notes to the financial statements are an integral part of this statement.

Introduction

The Springhill City Court (the Court) was created under the authority of Louisiana Revised Statute 13:1872. Its jurisdiction extends throughout all of Ward Two of Webster Parish. Court expenses such as payroll and related costs, maintenance, utilities, etc., are paid through the General Fund of the City of Springhill (the City). There are certain funds collected by the Court, pursuant to state statute, which are under the control of the Court and are reported in the accompanying financial statements. The Court pays supplemental salaries to its employees from these funds. These financial statements account for all activities of the Court not funded by the City.

(1) Summary of Significant Audit Policies

A. Basis of Presentation

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Court are discussed below.

B. Reporting Entity

The City Judge is an independently elected official; however, the Court is financially dependent on the City of Springhill for a significant portion of its operating revenues. The City of Springhill also maintains and operates the City courthouse in which the Court's office is located. Because the Court is fiscally dependent on the City of Springhill, the Court was determined to be a component unit of the City, the financial reporting entity.

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

C. Fund Accounting

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

Funds of the Court are classified into two categories: governmental funds and fiduciary (custodial) funds. These funds are described as follows:

Governmental Funds

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

(Continued)

future period programs or operations of the Court. For the year ended June 30, 2025, the City Court's major funds were the general fund and witness fund.

A description of the courts funds is as follows:

General Fund - The General Fund is the general operating fund of the Court. The Court's share of court costs assessed by City Court, collections of traffic fines, and collections of court-imposed fines remitted to City Court are all accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds – These funds are established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Witness Fund – This fund is used to account for witness fees received that are legally restricted for the payment of witness fees.

Probation Fund – This fund is used to account for probation fees collected that are legally restricted for the administration and operation of the probation department.

Juvenile Probation Fund - This fund is used to account for juvenile probation fees and restitution collected that are legally restricted for the administration and operation of the juvenile probation department and the payment of restitution.

Fiduciary Funds

The only funds accounted for in this category by the Court are custodial funds. The Civil, Fines and Bonds, and Worthless Check agency funds account for assets held by the Court as an agent for others pending court action. Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City Court programs. The reporting focus is on net position and changes in net position and is reported using the accrual basis of accounting.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

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

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year end.

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Revenues

Recordings, cancellations, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned.

Interest income on time deposits is recorded when susceptible to accrual.

Substantially all other revenues are recorded when received by the Court.

Based on the above criteria, recordings, criminal costs, and other fees, charges, and commissions for service are treated as susceptible to accrual.

Expenditures

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the Court.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted as other financing sources (uses) and are recognized when the underlying events occur.

Government-wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Court as a whole. These statements include all the non-fiduciary activities of the Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

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

E. Cash and Cash Equivalents

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

F. Capital Assets

Capital assets purchased or acquired with an original cost of $500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. 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. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment	5 – 7 years
Office equipment	5 – 7 years

Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset. As of June 30, 2025, the Court has one equipment lease which is being amortized over the lease term of 48 months.

G. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

H. Use of Estimates

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

I. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the court or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Court's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

(Continued)

K. Fund Balance

GASB has issued standards which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.

2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation

3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the judge (the court's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the judge removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).

4. Assigned fund balances are amounts that are constrained by the judges' intent to be used for specific purposes, but are neither restricted nor committed.

5. Unassigned fund balances are the residual classification for the Court's general fund and include all spendable amounts not contained in the other classifications.

The Court's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

L. Deferred Outflows/Inflows 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. The Court currently has deferred outflows of resources related to pension.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element 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 Court currently has deferred inflows of resources related to pension.

M. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets.

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability.

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

N. Pension Plans

The Court is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plan as described in Note 10. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the same basis as they are reported by the plan.

(2) Budget

The proposed budget for the year ended June 30, 2025, was adopted on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP). All appropriations lapse at year-end.

Formal budget integration is employed as a management control device during the year. Budget amounts included in the accompanying financial statements include the original and amended budgets. There was one amendment to the budget for the year ended June 30, 2025.

(Continued)

(3) Cash, Cash Equivalents, and Investments

At June 30, 2025, the Court has cash, cash equivalents, and investments (book balances) totaling $104,848 as follows:

A. Cash and cash equivalents:

Governmental Funds:	
Witness Fee Fund	$ 27,327
Juvenile Probation Fund	1,741
Probation Fund	1,369
Total Governmental Funds	30,437
Fiduciary (Custodial) Funds:	
Civil Fund	42,917
Fines Fund	18,715
Worthless Check Fund	3,617
Total Fiduciary (Custodial) Funds	65,249
Total – All Funds	$ 95,686

These deposits with financial institutions are stated at cost, which approximates market value. At June 30, 2025, the carrying amount of the Court's deposits was $104,848, and the collected bank balance was $132,030. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Court in a holding or custodial bank that is mutually acceptable to both parties.

B. Investments

At June 30, 2025, the court held a certificate of deposit totaling $9,162 in the Witness Fund. The investments are presented in the financial statements at fair value using level 2 fair value measure. Investments at June 30, 2025, consisted of certificates of deposit with maturities greater than 90 days. The certificates of deposit are carried at cost, which approximates market.

C. Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. At year end, bank balances of $141,192 were protected by federal depository insurance.

Interest Rate Risk: The Court's certificates of deposit have maturities of two years or less which limits exposure to fair value losses arising from rising interest rates.

(Continued)

Credit Risk: The Court's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

(4) Expenditures of the Court paid by the City

The Court's administrative office is located in a building owned by the City. The costs of maintaining and operating the building, as required by statute, are paid by the City government and are not included in the accompanying financial statements.

(5) On-Behalf Payments for Salaries, Fringe Benefits and Other Expenses

The Court reports in the financial statement on-behalf salary, fringe benefit, and other expense payments made to the Court and its employees by the City of Springhill, the Webster Parish Police Jury, and the State of Louisiana. The State of Louisiana and the Webster Parish Police Jury contributes pension amounts to the Louisiana State Employees' Retirement System on-behalf of Judge Stuart W. McMahen. For the year ended June 30, 2025, the City of Springhill, Webster Parish Police Jury, and the State of Louisiana made supplementary salary, benefit, and other expense payments totaling approximately $185,214 to the court and its employees.

(6) Interfund Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following:

	Transfer To	Transfer From
Governmental Funds:		
General	$ 5,714	$
Probation Fund		3,314
Juvenile Probation Fund		2,400
	$ 5,714	$ 5,714

Transfers are used to move revenues from the fund that statue or budget requires to collect them to the fund that statue or budget requires to expend them.

(7) Interfund Balances

Interfund balances at June 30, 2025 consisted of the following:

	Due To Other Fund	Due From Other Fund
Governmental Funds:		
General	$ 527	$
Witness Fund		377
Probation Fund		117
Juvenile Probation Fund		33
	$ 527	$ 527

(8) Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets, being depreciated:				
Computer equipment and software	$ 33,347	$	$	$ 33,347
Office equipment	19,356			19,356
Total capital assets, being depreciated	52,703			52,703
Less accumulated depreciation for:				
Computer equipment and software	(32,343)	(416)		(32,759)
Office equipment	(19,356)			(19,356)
Total accumulated depreciation	(51,699)	(416)		(52,115)
Right to use lease asset				
Copier	5,204			5,204
Total right to use lease asset, being amortized	5,204			5,204
Less accumulated amortization for:				
Leased equipment - copier	(1,301)	(1,301)		(2,602)
Total accumulated amortization, leased equipment	(1,301)	(1,301)		(2,602)
Total capital assets, being depreciated/amortized, net	4,907	(1,717)		3,190
Governmental activities capital assets, net	$ 4,907	$ (1,717)	$	$ 3,190

Depreciation/amortization expense for the year endedJune 30, 2025, was $1,717.

(Continued)

(9) Long-term Liabilities

Long–term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease payable	$ 3,970	$	$(1,269)	$ 2,701	$ 1,322
Net pension liability - MERS	78,555		(18,035)	60,520	
Net pension liability - LASERS	68,073		(25,220)	42,853	
Total long-term liabilities, Governmental activities	$ 150,598	$	$(44,524)	$ 106,074	$ 1,322

Lease Payable – Copier

In July 2023, the Court entered into a lease agreement to lease a copier. The equipment is included in governmental activities capital assets at a cost of $5,204, with accumulated amortization totaling $2,602 as of June 30, 2025. Interest has been imputed at a rate of 4.190%, and the Court will make monthly payments through June 2027. The following lease payments under the lease agreement are as follows:

Fiscal Year	Principal	Interest
2026	$ 1,322	$ 88
2027	1,379	32
	$ 2,701	$ 120

(10) Pension Plan

LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM

The Court participates in the Louisiana State Employees' Retirement System (LASERS or the System), a cost-sharing multiple-employer defined benefit pension plan established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) to provide retirement allowances and other benefits to eligible state officers, employees, and their beneficiaries.

Plan Description

The System was established for the purpose of providing retirement allowances and other benefits as stated under the provisions of La. R.S. 11:401, as amended, for eligible state officers, employees and their beneficiaries. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

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

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge. A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Benefits

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

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

Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011, who was in state service at the time of death, must have a minimum of five years of service credits, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit, regardless of when earned, in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the

(Continued)

child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

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

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Cost-of-Living Adjustments

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

Employer Contributions

The employer contribution rate is established annually under Louisiana Revised Statute 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership. Rates for the year ended June 30, 2024, are as follows:

Plan	Plan Status	Employer Rate
Judges hired before 1/1/2011	Closed	45.80%
Judges hired after 12/31/2010	Closed	44.70%
Judges hired on or after 7/1/15	Open	44.70%

The Court's contractually required contribution rate for the period July 2024 through June 2025 was 38.31%, 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. The Court's contributions to the System for the years ended June 30, 2025, 2024, and 2023 were $6,732, $7,946, and $10,832, respectively. Included in accrued expenses at June 30, 2025, is $740 of employer contributions due for the month of June 2025, which were paid in July 2025.

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

At June 30, 2025, the Court reported a liability of $42,853 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2024, the Court's proportion was .000790%.

For the year ended June 30, 2025, the Court recognized pension expense of $4,402, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions of ($5,565).

At June 30, 2025, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 190
Differences due to change in assumptions	300	
Net difference between projected and actual earnings on pension plan investments		5,109
Changes in proportion and differences between employer contributions and proportionate share of contributions	332	
Employer contributions subsequent to the measurement date	6,732	
Total	$ 7,364	$ 5,299

The Court reported a total of $6,732 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year	Amount
2026	$ (2,740)
2027	1,320
2028	(1,969)
2029	(1,278)
Total	$ (4,667)

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024, are as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions: **Expected Remaining** **Service Lives**	2 years
Investment Rate of Return	7.25% per annum
Inflation Rate	2.40% per annum
Mortality	**Non-disabled members** – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021. **Disabled members** – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (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 ranged from a lower range of 2.4% to an upper range 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.

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 weighting 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 8.15% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

(Continued)

Expected Long Term Real Rates of Return

Asset Class	2024
Cash	.76%
Domestic Equity	4.29%
International Equity	5.22%
Domestic Fixed Income	2.04%
International Fixed Income	5.24%
Alternative Investments	8.19%
Total Fund	**5.61%**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. 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.

Sensitivity to Changes in Discount Rate

The following presents the Court's proportionate share of the net pension liability using the discount rate of 7.25%, as well as what the Court's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
2024 Employer Net	6.25%	7.25%	8.25%
Pension Liability	$ 59,179	$ 42,853	$ 28,980

Change in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2024, were recognized as pension expense or benefit in the current reporting period except as follows:

Differences between Expected and Actual Experience
Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings
Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

(Continued)

Changes in Actuarial Assumptions:
Changes in actuarial assumptions related to inflation and salary factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Pension Plans Fiduciary Net Positions
Detailed information about the LASERS fiduciary net positions is available in a stand-alone audit report on their financial statements for the year ended June 30, 2024. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov and the System's website, http://www.lasersonline.org/site.php.

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

Plan Description

The Municipal Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple-employer defined benefit pension plan. The System was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the System. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. Employees of the Court are members of Plan A.

Eligibility Requirements:
Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and a parish are not eligible for membership in the System with exceptions as outlined in the statutes. Any person eligible for membership but whose first employment making him eligible for membership in the System occurred on or after January 1, 2013 shall become a member of the MERS Plan A Tier 2 or MERS Plan B Tier 2 of System as a condition of employment.

Retirement Benefits:
Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-1785. The following brief description of the plan and its benefits is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing the member meets one of the following criteria:
1. Any age with twenty-five (25) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with twenty (20) years of creditable service, exclusive of military service and unused annual sick leave, with an actuarial reduced early benefit.

(Continued)

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specific amounts.

Any member of Plan A Tier 2 can retire providing he meets one of the following criteria:
1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specific amounts.

Survivor Benefits:
Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death and who leaves a surviving spouse, will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

DROP Benefits:
In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

Disability Benefits:
For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of credible service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefits computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases:
The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits:
Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Employer Contributions

Contributions for all members are established by statute. For the year ended June 30, 2024, member contributions were at 10% of earnable compensation for Plan A. The contributions are deducted from the member's salary and remitted by the participating employer. According to state statute, contributions for all employers are actuarially determined each year. For the year ended June 30, 2024, the employer contribution rate was 29.50% of earnable compensation Plan A. For the plan year beginning July 1, 2024, the actual employer contribution rate is 28.00%. The Court's contributions to the System for the years ended June 30, 2025, 2024, and 2023, were $12,909, $13,246, and $11,869, respectively.

Non-Employer Contributions

According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities. Non-employer contributions totaling $1,760 are recognized as revenue during the year ended June 30, 2025, and excluded from pension expense.

Administrative costs of the System are financed through employer contributions.

(Continued)

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

The Court began contributing to the Municipal Employees' Retirement System in July 2021. At June 30, 2025, the Court reported a liability of $60,520 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts. The allocation method used in determining each employer's proportion was based on each employer's contributions effort to the plan during the fiscal year ended June 30, 2024. The employers' contribution effort was based on actual employer contributions made to the System for the fiscal year ended June 30, 2024. The Court's proportion as measured at June 30, 2024, was .04374%, which was an increase of .00002% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Court recognized pension expense of $12,908, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, ($828).

At June 30, 2025, the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 815	$ 2,004
Changes in assumptions		357
Difference between projected and actual investment earnings	32,826	
Changes in proportionate share from beginning net position liability	3,921	
Employer contributions subsequent to the measurement Date	12,909	
Total	$ 50,471	$ 2,361

The Court reported a total of $12,909 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2024, which will be recognized as a reduction in net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year	Amount
2026	$ 8,267
2027	14,102
2028	6,129
2029	6,703
Total	$ 35,201

(Continued)

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period from July 1, 2018 through June 30, 2023.

Information on the actuarial valuation and assumptions is as follows:

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation Rate	2.5%
Salary increases, including inflation and merit increases:	
1 to 2 years of service	9.0% - Plan A
More than 2 years of service	4.4% - Plan A
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 115% for males and 120% for females, adjusted using their respective male and female MP2021 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree table set equal to 115% for males and 120% for females with full generational MP2021 scale.

Discount Rate

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56%	2.44%
Public fixed income	29%	1.26%
Alternatives	15%	.65%
Totals	100%	4.35%
Inflation		2.50%
Expected Arithmetic Nominal Return		6.85%

The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2024. 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 will be made at the actuarially determined 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.

Sensitivity to Changes in Discount Rate

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.85%), or one percentage point higher (7.85%) than the current rate (assuming all other assumptions remain unchanged). Changes in net pension liability from changes in the discount rate as of Jun 30, 2024 are as follows:

	Changes in Discount Rate		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability	$ 91,134	$ 60,520	$ 34,676

(Continued)

Changes in Net Pension Liability

The changes in the net pension liability for the year ended June 30, 2024 were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension benefit using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings on Pension Plan Investments:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense (benefit) using the straight-line amortization method over a closed five-year period.

Changes of Assumptions:

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

Changes in Proportion:

Changes in the employer's proportionate share of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in proportion are presented in the Schedule of Pension Amounts as deferred outflows or deferred inflows as of June 30, 2024.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan.

Pension Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended June 30, 3024. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.lla.la.gov.

(11) Accrued Expenses

Accrued expenses at June 30, 2025, consisted of payroll taxes and benefits payable in the amount of $3,806.

(12) Subsequent Events

Subsequent events have been evaluated through March 20, 2025, the date the financial statements were available to be issued.

(13) Deferred Inflows of Resources and Deferred Outflows of Resources

The Statement of Net Position reports deferred inflows of resources and deferred outflows of resources at June 30, 2025, consisting of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension related – LASERS	$ 7,364	$ 5,299
Pension related - MERS	50,471	2,361
	$ 57,835	$ 7,660

Information about each retirement plan is detailed in Note 10.

(14) Receivables

Receivables at June 30, 2025, were comprised of the following:

City of Springhill	$ 9,680
Other	6,241
	$ 15,921

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Budget		Actual	Variance-
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Revenues:				
Fines and court costs	$ 66,500	$ 56,400	$ 57,264	$ 864
Interest income	5	7	7	
Intergovernmental	76,000	108,000	108,164	164
Miscellaneous	9,950	3,500	980	(2,520)
Total revenues	152,455	167,907	166,415	(1,492)
Expenditures:				
General government:				
Accounting	19,000	30,000	29,723	277
Dues	850	600	600	
Library	100	100	88	12
Office expense	9,900	11,400	14,573	(3,173)
Salaries	90,000	84,000	83,474	526
Retirement	23,000	19,700	19,509	191
Taxes - payroll	6,900	6,500	6,386	114
Telephone	2,000	2,500	2,354	146
Travel, seminars, and meetings	10,500	28,900	22,812	6,088
Total expenditures	162,250	183,700	179,519	4,181
Excess of revenues over expenditures	(9,795)	(15,793)	(13,104)	2,689
Other financing sources (uses):				
Transfers in	13,000	5,700	5,714	14
Total other financing sources (uses)	13,000	5,700	5,714	14
Excess (deficiency) of revenues and other sources over expenditures and other uses	3,205	(10,093)	(7,390)	2,703
Fund balance at beginning of year	7,650	10,093	551	(9,542)
Fund balance at end of year	$ 10,855	$	$ (6,839)	$ (6,839)

See accompanying note to the required supplementary schedule.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Required Supplementary Information
Budgetary Comparison Schedule
Witness Fund
For the Year Ended June 30, 2025

	Budget		Actual	Variance-
	Original	Final	(Budgetary Basis)	Favorable (Unfavorable)
Revenues:				
Fines and court costs	$ 2,100	$ 1,500	$ 1,503	$ 3
Interest	27	27	27	
Total revenues	2,127	1,527	1,530	3
Expenditures:				
General government:				
Witness fees	600	1,900	1,900	
Total expenditures	600	1,900	1,900	
Excess of revenues over expenditures	1,527	(373)	(370)	3
Fund balance at beginning of year	33,946	33,946	36,500	2,554
Fund balance at end of year	$ 35,473	$ 33,573	$ 36,130	$ 2,557

See accompanying note to the required supplementary schedule.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2025

Budget comparison statements included in the accompanying financial statements include the original and amended budgets. There was one amendment to the budget for the year ended June 30, 2025. The Court's budgets are prepared on the cash basis of accounting for all funds. The following schedule reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the statement of revenues, expenditures and changes in fund balances (budget basis) with the amounts shown on the statement of revenues, expenditures and changes in fund balances (GAAP basis):

	General Fund	Witness Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	$ (7,390)	$ (370)
Adjustments:		
Revenue accruals – net	899	359
Expenditure accruals – net	10,669	
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	$ 4,178	$ (11)

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025

Year Ended June 30	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered-employee payroll	Proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Louisiana State Employees' Retirement System					
2025	0.000790%	$ 42,853	$ 17,777	241.06%	74.60%
2024	0.001020%	68,073	24,731	275.25%	68.40%
2023	0.000920%	69,852	18,132	385.24%	63.70%
2022	0.000910%	50,251	15,669	320.70%	72.80%
2021	0.000000%			0.00%	0.00%
2020	0.001400%	101,646	22,326	491.35%	62.90%
2019	0.000000%			0.00%	0.00%
2018	0.000000%			0.00%	0.00%
2017	0.000000%			0.00%	0.00%
2016	0.001870%	126,916	43,946	288.80%	62.70%
Municipal Employees Retirement System					
2025	0.043740%	$ 60,520	$ 44,902	134.78%	79.05%
2024	0.047460%	78,555	40,235	195.24%	72.46%
2023	0.001584%	65,777	30,892	212.93%	67.87%
2022	0.000000%			0.00%	77.82%

*Amounts presented were determined as of the measurement date.

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Schedule of Contributions
For the Year Ended June 30, 2025

Year Ended June 30	Statutorily Required Contribution	Contributions in relation to the statutorily required contribution	Contribution Deficiency (Excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
Louisiana State Employees' Retirement System					
2025	$ 6,732	$ 6,732	$	$ 17,571	38.31%
2024	7,946	7,946		17,777	44.70%
2023	10,832	10,832		24,731	43.80%
2022	7,797	7,797		18,132	43.00%
2021					0.00%
2020	8,771	8,771		20,687	42.40%
2019	8,953	8,953		22,326	40.10%
2018					0.00%
2017					0.00%
2016	1,902	1,902		4,992	38.10%
Municiple Employees Retirement System					
2025	$ 12,909	$ 12,909	$	$ 46,102	28.00%
2024	13,246	13,246		44,902	29.50%
2023	11,869	11,869		40,235	29.50%
2022	9,113	9,113		30,892	29.50%

*Amounts presented were determined as of the end of the fiscal year (June 30).

Springhill City Court
A Component Unit of the City of Springhill, Louisiana
Schedule of Compensation, Benefits, and other Payments to Agency Head
For the Year Ended June 30, 2025

Agency Head: Judge Stuart W. McMahen

SECTION I

Paid by the City of Springhill City Court

Purpose		Amount
Salary	$	17,572
Benefits - retirement		6,628
Car allowance		1,419
Per Diem		708
Registration fees		425
Lodging		2,079

SECTION II

Paid by the City of Springhill

Purpose	
Salary	9,528
Benefits - Health	9,680

Paid by Webster Parish Police Jury

Purpose	
Salary	4,800
Benefits - Retirement	1,839

Springhill City Court
Justice System Funding Schedule - Collecting/Disbursing Schedule
Cash Basis Presentation
As Required by La. R.S. 24:515.2

	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
1. Beginning Cash Balance	106,436	114,420
2. Collections		
a. Civil Fees	34,390	30,283
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	696	807
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	49,063	70,724
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	4,001	4,909
k. Service Fees	-	-
l. Collection Fees	-	-
m. Interest Earnings on Collected Balances	34	34
n. Other	-	-
Total Collected	88,184	106,757
3. Deductions: Collections Retained by the Springhill City Court		
I. Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
II. Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
III. Other Amounts "Self-Disbursed" [Enter amounts on appropriate collection type lines]		
a. Civil Fees	8,405	13,550
b. Bond Fees	-	-
c. Cash Bonds	-	-
d. Asset Forfeiture/Sale	-	-
e. Pre-Trial Diversion Program Fees	-	-
f. Criminal Court Costs/Fees	-	-
g. Criminal Fines – Contempt	-	-
h. Criminal Fines – Other/Non-Contempt	16,587	18,820
i. Restitution	-	-
j. Probation/Parole/Supervision Fees	2,040	4,154
k. Service Fees	-	-
l. Collection Fees [excluding amounts reported in bullets I and II above]	-	-
m. Interest Earnings on Collected Balances	-	-
n. Other	-	-
Total Collections Retained by the Springhill City Court	27,032	36,524
4. Deductions: Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits		
a. Collection/Processing Fees Paid to Third Party Entities	-	-
b. Civil Fee Refunds	9,259	8,190
c. Bond Refunds	-	-
d. Restitution Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	1,074	4,482
e. Other Disbursements to Individuals and Entities, Excluding Governments or a Nonprofit	9,540	8,364
Total Amounts Disbursed to Individuals and Entities, Excluding Governments and Nonprofits	19,873	21,036
5. Deductions: Total Disbursements to Other Governments & Nonprofits	33,295	58,770
6. Total Amounts Disbursed/Retained	80,200	116,330
7. Ending Cash Balance	**114,420**	**104,847**
8. Ending Balance of "Partial Payments" Collected but not Disbursed	22,005	11,668
9. Other Information:		
I. Ending Balance of Amounts Assessed but Not Yet Collected [i.e. total ending receivable balances]	-	-
II. Total Waivers During the Fiscal Period [i.e. non-cash reduction of receivable balances, such as time served or community service]	-	-

Springhill City Court
Justice System Funding Schedule - Disbursements to Other Governments & Nonprofits Form
Cash Basis Presentation
As Required by La. R.S. 24:515.2

5. Details of Disbursements To Other Governments & Nonprofits (Do not include amounts retained by your entity in this table.)

Agency Receiving Money	Disbursement Description [Fund, Program, etc.] (Optional)	Legal Authority to Disburse Money	Disbursement Type	Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
Springhill City Marshal Ward 2	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	6,848	6,678
Bossier City City Marshal	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	-	80
Caddo Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	43	222
Bienville Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	42	-
Minden City Marshal	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	63	63
Bossier Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	271	150
Claiborne Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	192	193
East Baton Rouge Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	120	-
Rapides Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	-	35
Shreveport City Marshal	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	30	120
Lincoln Parish Sheriff	§5530. Fees in civil matters	R.S. 13:5530	a. Civil Fees	4	797
City of Springhill		R.S. 13:1898	h. Criminal Fines – Other/Non-Contempt	4,484	8,073
Town of Cullen		R.S. 13:1898	f. Criminal Court Costs/Fees	2,352	4,909
LA Commission on Law Enforcement and Administration of Criminal Justice		Local Ordinance: R.S. 46:1816(D)	f. Criminal Court Costs/Fees	361	418
Supreme Court	§86. Judicial College; education account; sources of funds	R.S. 13:86	f. Criminal Court Costs/Fees	94	162
Webster Parish Sheriff	§571.11. Dispositions of fines and forfeitures	R.S. 15:571.11	f. Criminal Court Costs/Fees	100	100
District Attorney for the 26th Judicial District		R.S. 15:571.11	f. Criminal Court Costs/Fees	1,074	2,214
Louisiana Public Defender Board		R.S. 15:571.11	f. Criminal Court Costs/Fees	4,545	9,675
Springhill City Marshal Ward 2		R.S. 15:571.11	f. Criminal Court Costs/Fees	5,265	12,090
Louisiana Department of Health	§2633. Traumatic Head and Spinal Cord Injury Trust Fund	R.S. 46:2633	f. Criminal Court Costs/Fees	115	435
Ware Youth Center		R.S. 15:1097.7	f. Criminal Court Costs/Fees	758	1,613
Criminalistics Laboratory North Louisiana		R.S. 40:2266.1.1	f. Criminal Court Costs/Fees	3,760	7,140
Department of the Treasury		R.S. 13:10.3	a. Civil Fees	2,471	2,958
Department of the Treasury		CCRP 887(F)(1)	f. Criminal Court Costs/Fees	303	645

Springhill City Court

Justice System Funding Schedule - Receiving Schedule

Cash Basis Presentation

As Required by La. R.S. 24:515.2

		Amount for 07/01/2024 - 12/31/2024	Amount for 01/01/2025 - 06/30/2025
1. Ending Balance of Amounts Assessed but Not Received:		-	-
2. Details of Receipts from Collecting/Disbursing Agency			
Agency Remitting Money	**Remittance Type**	**Amount for 07/01/2024 - 12/31/2024**	**Amount for 01/01/2025 - 06/30/2025**
City of Springhill	f. Criminal Court Costs/Fees	734	607
Louisiana Motor Vehicle Commission	f. Criminal Court Costs/Fees	-	63

COOK & MOREHART,
Certified Public Accountants, LLC

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137–8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA
STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

TELEPHONE (318) 222-5415   FAX (318) 222-5441

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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*

Independent Auditors' Report

Stuart W. McMahen
Springhill City Court Judge
Springhill City Court

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springhill City Court as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Springhill City Court's basic financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Springhill City Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Springhill City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Springhill 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Current Year Audit Findings as items 2025-001 and 2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Springhill City Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings as items 2025-002 and 2025-004.

Springhill City Court's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Springhill City Court's response to the finding identified in our audit and described in the accompanying Schedule of Current Year Audit Findings. Springhill City Court's response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cook & Morehart

Cook & Morehart,
Certified Public Accountants, LLC
March 20, 2026

Springhill City Court
Springhill, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2025

There were two findings for the prior year audit for the year ended June 30, 2024.

2024-001 – Finding - Budget

Condition: Actual expenses and other financing uses for the Witness Fund exceeded budgeted amounts by more than 5%.

Recommendation: We recommend a proper monitoring of budget to actual comparisons throughout the year and that budgets be appropriately amended when actual plus projected expenditures and other financing uses exceed budgeted amounts by more than 5%.

Current Status: No finding reported in current year.

2024-002 – Material Weakness – Segregation of Duties

Material Weakness: During our audit, we noted a lack of segregation of duties with regards to receipts of civil fees and fines. We noted that one of the individuals responsible for collecting the fees and fines was also responsible for depositing the funds and recording the deposits into the agency's general ledger. There was no independent review of the deposits to the subsidiary records for the civil and fines funds.

Recommendation: We recommend a proper segregation of duties with regards to receipts of fees and fines, to include a review of deposits to the subsidiary records by someone independent of the collection process.

Current Status: See material weakness reported in current year.

Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2025

There are four findings for the current year audit for the year ended June 30, 2025, as follows:

2025-001 – Material Weakness – Segregation of Duties

Material Weakness: During our audit, we noted a lack of segregation of duties with regards to receipts of civil fees and fines. We noted that one of the individuals responsible for collecting the fees and fines was also responsible for depositing the funds and recording the deposits into the agency's general ledger. There was no independent review of the deposits to the subsidiary records for the civil and fines funds.

Criteria: Appropriate controls should be in place over the collection process which provide for a review of collections of daily work by someone not involved in the collection process, including a reconciliation of daily work and subsidiary records.

Cause: One of the employees responsible for receiving fees and fines was also responsible for recording receipts in the subsidiary records and the general ledgers. One of those employees was absent for a portion of the year due to illness. There was no independent review of the deposits to the subsidiary records for the civil and fines funds.

(Continued)

Effect: A lack of segregation of duties over receipts existed. As a result, conditions could exist whereby collections were not deposited or were not recorded properly.

Recommendation: We recommend a proper segregation of duties with regards to receipts of fees and fines, to include a review of deposits to the subsidiary records by someone independent of the collection process.

Views of Responsible Officials and Planned Corrective Actions: The Court acknowledges the internal control limitations noted with respect to segregation of duties in cash collection and deposit functions. Due to the limited number of administrative personnel, certain duties are performed by the same employee.

Management maintains oversight through supervisory review of deposit activity, including periodic review of collections, deposit documentation, and related postings. The Court will implement additional compensating controls, including periodic independent review of deposit activity and reconciliation processes, to further strengthen internal controls within existing staffing constraints.

2025-002 Finding – Fraud/Misappropriation

1. *A general statement describing the fraud or misappropriation that occurred:* There were 62 unauthorized charges made on one of the Springhill City Court's credit cards during the period of August 2024 through January 2025 and August 2025, totaling approximately $11,413.

2. *A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment):* Unauthorized use of Springhill City Court credit card.

3. *The amount of funds or approximate value of assets involved:* Unauthorized charges totaled approximately $11,413, for the period August 2024 through January 2025 and August 2025.

4. *The department or office in which the fraud or misappropriation occurred:* Springhill City Court

5. *The period of time over which the fraud or misappropriation occurred:* August 2024 through January 2025 and August 2025.

6. *The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation:* Unknown

7. *The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated:* Unknown

8. *Is the person who committed or is believed to have committed the act of fraud still employed by the agency?* Unknown

9. *If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?* Unknown

(Continued)

10. *Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?* Judge Stuart McMahen has represented that he contacted the Webster Parish Sheriff's Office.

11. *What is the status of the investigation at the date of the auditor's/accountant's report?* Status of any investigation is unknown.

12. *If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?* Status of any investigation is unknown.

13. *What is the status of any related adjudication at the date of the auditor's/accountant's report?* Unknown

14. *Has restitution been made or has an insurance claim been filed?* Restitution was made for the amounts included in this finding.

15. *Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only):* Yes, the Louisiana Legislative Auditor's Office, as well as the District Attorney for the 26th Judicial District have been notified in writing on February 26, 2026.

16. *Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?* The Town's internal controls were not effective in resolving the matter in question.

17. *If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner:* Proper controls were not in place over use of agency credit cards. Controls were not in place to ensure all charges were properly documented with original vendor invoices/receipts and documentation of business purpose.

18. *Management's plan to ensure that the fraud or misappropriation does not occur in the future:*

    The Court acknowledges the exceptions noted related to credit card documentation, approval, and related controls.

    During the audit review, certain credit card transactions were identified for which supporting documentation or a clearly documented public purpose could not be established. Based on the information available, the questioned transactions were not authorized by the Court and were not incurred for court-related purposes to the Court's knowledge. The transactions appear to have resulted from unauthorized access to card information.

    All questioned amounts have been fully reimbursed to the Court to ensure that no public funds remain at risk. Following identification of the transactions, the credit card account was secured and the card was canceled to prevent further unauthorized activity.

    The Court has implemented additional controls, including maintaining a single authorized cardholder account, secure storage of card information, removal of stored card data from third-party applications, and enhanced review and approval procedures for all credit card activity.

2025-003 – Material Weakness – Credit Cards

Material Weakness: During our audit, we noted that there was no supporting documentation for credit card charges totaling $11,413, including vendor invoices/receipts and documentation of business purpose.

Criteria: Supporting documentation should be retained to support all charges on Court credit cards, including vendor invoices/receipts and business purpose.

Cause: Proper controls were not in place to ensure all charges on Court credit cards were properly documented with original vendor invoices/receipts and documentation of business purpose.

Effect: Unauthorized charges were made on the Court's credit cards.

Recommendation: We recommend that the Court establish proper controls to ensure all charges on the Court's credit cards are properly supported by vendor invoices/receipts and business purpose.

Views of Responsible Officials and Planned Corrective Actions: The Court acknowledges the deficiencies noted related to credit card documentation and internal controls.

All questioned amounts have been fully reimbursed to the Court to ensure that no public funds remain at risk. Following identification of the transactions, the credit card account was secured and the card was canceled to prevent further unauthorized activity.

The Court has implemented additional controls, including maintaining a single authorized cardholder account, secure storage of card information, removal of stored card data from third-party applications, and enhanced review and approval procedures for all credit card activity, including monthly independent review of statements, verification of supporting documentation for each transaction, and confirmation of a valid public purpose prior to approval.

2025-004 Finding – Late submission of audit report

Finding: The audit report for the year ended June 30, 2025, was not submitted timely in accordance with the state law.

Criteria: State law requires reports to be submitted no later than six months after the Court's fiscal year end.

Cause: Due to illness of a key employee during the fiscal year, additional time was needed to prepare for the audit.

Effect: The Court's audit report was not submitted timely in accordance with state law.

Recommendation: We recommend the Court established appropriate controls for ensuring the required reports will be submitted timely in the future.

Views of Responsible Officials and Planned Corrective Actions: The Court recognizes the extenuating circumstances during the fiscal year ended June 30, 2025, which led to late submission of the audit. The Court understands the importance of timely audit filings and will plan to submit future audits timely, in accordance with state law.

COOK & MOREHART,
Certified Public Accountants, LLC

1215 HAWN AVENUE • SHREVEPORT, LOUISIANA 71107 • P.O. BOX 78240 • SHREVEPORT, LOUISIANA 71137–8240

TRAVIS H. MOREHART, CPA
VICKIE D. CASE, CPA
STUART L. REEKS, CPA
J. PRESTON DELAUNE, CPA

TELEPHONE (318) 222-5415 FAX (318) 222-5441

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Applying Agreed-Upon Procedures

Judge Stuart W. McMahen

Springhill City Court
Springhill, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Springhill City Court's management is responsible for those C/C areas identified in the SAUPs.

The Springhill 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 LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

2) *Board or Finance Committee*

The Court's judge is an independently elected official and is not required to have board or finance committee meetings.

3) Bank Reconciliations

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

4) Collections (excluding electronic funds transfers)

A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

  i. Employees responsible for cash collections do not share cash drawers/registers;

  ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

  iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

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

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

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

  i. Observe that receipts are sequentially pre-numbered.

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

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

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

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

Procedures performed. Noted the following exception:

Exception: Employees responsible for cash collections share the same cash drawer and prepare/make out bank deposit slips. One of these employees is also responsible for posting cash collections to both the general ledger and the subsidiary ledgers.

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

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

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

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

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

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

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

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

C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and

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

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

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exceptions:

Exception: The employee responsible for processing payments also adds/modifies vendor files.

Exception: The employee/official that is responsible for processing payments and signing checks also mails out the payments.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

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

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

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

C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedures performed. Noted the following exception:

Exception: For one of the credit cards tested, there is no evidence that someone other than the card holder reviewed and approved the card transactions.

Exception: The credit cards tested had finance charges of $110.18.

Exception: There was no supporting documentation for 13 transactions totaling $2,688.58, and one of the transactions tested for meals of $85.73 did not have the individuals participating in the meal.

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

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

8) Contracts

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

9) *Payroll and Personnel*

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

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

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

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

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

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

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

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

Procedures performed. Noted the following exception:

Exception: The Court does not have a formal leave policy; leave is tracked through the City of Springhill, as Court employees are also employees of City of Springhill.

10) *Ethics*

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

11) *Debt Service*

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

12) Fraud Notice

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

13) *Information Technology Disaster Recovery/Business Continuity*

Testing not required in Year 2.

14) Prevention of Sexual Harassment

Testing not required for this area for the fiscal period July 1, 2024 through June 30, 2025, due to no exceptions being noted in prior year.

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

We are required to be independent of the Springhill 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.

Cook + Morehart

Cook & Morehart,
Certified Public Accountants, LLC
March 20, 2026

Stuart W. McMahen
JUDGE

Renee D. Darst
CLERK OF COURT

CITY COURT OF SPRINGHILL

IN AND FOR WARD TWO - WEBSTER PARISH
P.O. BOX 86
Springhill, LA 71075
318/539-4213
FAX NO. 318/539-2605

Wayne 'Fig' Newton
WARD MARSHALL

Kristin A. Martin
DEPUTY CLERK OF COURT

March 20, 2026

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

The Springhill City Court submits the following response to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2025:

Exception: Employees responsible for cash collections share the same cash drawer and prepare/make out bank deposit slips. One of these employees is also responsible for posting cash collections to both the general ledger and the subsidiary ledgers.

Response: The Court will consider additional controls over the receipt/collection process. However, the Court has limited personnel, and it may not be cost effective or practical to implement additional controls.

Exceptions: The employee responsible for processing payments also adds/modifies vendor files. In addition, the employee/official that is responsible for processing payments and signing checks also mails out the payments.

Response: The Judge reviews all payables and reviews bank statements monthly.

Exception: For one of the credit cards tested, there is no evidence that someone other than the card holder is reviewing and approving the card transactions.

Response: The Court will consider additional controls over credit card transactions.

Exception: The credit cards tested had finance charges of $110.18.

Response: The Court will attempt to pay credit card balances timely to avoid finance charges.

Exception: There was no supporting documentation for 13 transactions tested, totaling $2,688.58, and one transaction tested for meals in the amount of $85.73 did not have documentation of the individuals participating in the meal.

Response: The Court will make sure all credit card transactions have adequate supporting documentation for all charges.

Exception: The Court does not have a formal leave policy; leave is tracked through the City of Springhill, as Court employees are also employees of City of Springhill.

Response: Court employees are also employees of the City of Springhill and therefore follow the City of Springhill's leave policies.

Sincerely,

Stuart W. McMahen

Judge Stuart W. McMahen