

Financial Report

City Court of Houma
Houma, Louisiana

December 31, 2024

Financial Report

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Houma, Louisiana

December 31, 2024

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December 31, 2024

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the General Fund and Fiduciary Funds of City Court of Houma, State of Louisiana ("City Court"), a component unit of Terrebonne Parish Consolidated Government (the "Parish"), State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City Court's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, the General Fund and Fiduciary Funds of City Court of Houma as of December 31, 2024, and the respective changes in financial position for the governmental activities, General Fund and Fiduciary Funds and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City Court's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City Court's basic financial statements. The information contained in Schedules 1 and 2 (Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule - Collecting/Disbursing Entity as required by Act 87 of 2020 regular Legislative Session) for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025 on our consideration of City Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bougeois Bennett, L.L.C." in a cursive script.

Certified Public Accountants.

Houma, Louisiana,
May 30, 2025.

MANAGEMENT’S DISCUSSION AND ANALYSIS

City Court of Houma Houma, Louisiana

December 31, 2024

The Management’s Discussion and Analysis of City Court of Houma’s (“City Court”) financial performance presents a narrative overview and analysis of City Court’s financial activities for the year ended December 31, 2024. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow in this section.

FINANCIAL HIGHLIGHTS

City Court’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$435,405 (net position), which represents a 218.35% increase in net position in comparison to last fiscal year’s net deficit.

City Court’s revenue decreased by \$420,341 (or 17.98%) primarily due to an decrease in charges for services related to building fees.

City Court’s expenses decreased by \$71,591 (or 4.24%) primarily due to decreases in personal service resulting from GASB Statement 68 and 75 adjustments.

City Court did not have a deficit net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of City Court's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of City Court's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of City Court is improving or deteriorating. The Statement of Activities presents information showing how City Court's net position changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activities of City Court are judicial services from which fees are received from criminal, civil, and juvenile cases.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City Court maintains two types of funds, governmental and fiduciary fund types.

Governmental Funds

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

City Court maintains two governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and the Building Fee Fund. City Court adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 12 through 18 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Fund Financial Statements (Continued)*****Fiduciary Funds***

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of City Court's financial position. As of December 31, 2024, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$435,405. Deferred outflows and inflows of resources are related to City Court's participation in multi-employer defined benefit pensions and other post-employment benefits. A portion of City Court's net position (deficit) reflects its investment in capital assets (e.g., office equipment and furniture). Consequently, these assets are not available for future spending.

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

	December 31,		Dollar
	2024	2023	Change
Current assets	\$ 1,946,015	\$ 1,448,938	\$ 497,077
Due from other governments	-	354,164	(354,164)
Capital assets	65,923	50,104	15,819
Deferred outflows of resources	465,838	509,335	(43,497)
Total assets and deferred outflows of resources	2,477,776	2,362,541	115,235
Long-term obligations	1,618,227	1,741,311	(123,084)
Current liabilities	65,928	30,469	35,459
Deferred inflows of resources	358,216	453,990	(95,774)
Total liabilities and deferred inflows of resources	2,042,371	2,225,770	(183,399)
Net positions (deficit):			
Net investment in capital assets	65,923	50,104	15,819
Unrestricted	369,482	86,667	282,815
Total net position	\$ 435,405	\$ 136,771	\$ 298,634

Current assets increased due to an increase of \$500,000 in investments due to the opening of a new certificate of deposit account during fiscal year 2024. As of December 31, 2024, there were no amounts due from other governments as all building fees are now maintained by City Court. These funds are used to maintain the building and purchase equipment as needed. Capital assets increased \$15,819 as a result of purchases of air conditioning unit and various other equipment. As of December 31, 2024, City Court reported a net pension liability for its portion of participation in the Parochial Employees' Retirement System (PERS) and the Louisiana State Employees' Retirement System (LASERS) which is reported in long-term obligations. Long-term obligations as of December 31, 2024 are for compensated absences, net pension liability, and other postemployment benefits total \$97,756, \$466,580, and \$1,053,891, respectively. Deferred outflows and inflows of resources are a result of accounting for pensions and other post-employment benefits.

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

Governmental activities for the year increased City Court's net position by \$298,634. Key elements of this increase are as follows:

Condensed Statements of Activities

	December 31,		Dollar	Total
	2024	2023	Change	Percentage
				Change
Program revenues				
Charges for services	\$ 785,260	\$ 1,177,748	\$ (392,488)	-33.33%
Operating grants	1,065,001	1,126,714	(61,713)	-5.48%
General revenues				
Interest	65,074	29,258	35,816	122.41%
Miscellaneous	1,650	3,606	(1,956)	-54.24%
Total revenues	1,916,985	2,337,326	(420,341)	-17.98%
Expenses				
Judicial activities	1,618,351	1,689,942	(71,591)	-4.24%
Increase in net position	298,634	647,384	(348,750)	-53.87%
Net position (deficit)				
Beginning of year	136,771	(510,613)	647,384	-126.79%
End of year	<u>\$ 435,405</u>	<u>\$ 136,771</u>	<u>\$ 298,634</u>	218.35%

In 2024, City Court's revenues decreased due to no excess building fees remitted to City Court as compared to amounts remitted in fiscal year 2023. Expenses decreased \$71,591 primarily due to decreases in personal services related to GASB Statement 68 and 75 adjustments.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND (Continued)**Governmental Funds**

The focus of City Court's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing City Court's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, City Court's General Fund's ending fund balance is \$1,870,538 which is an increase of \$108,306 in comparison with the prior year. The General Fund reported an assigned fund balance for building fees with the remaining balance reported as unassigned and available for spending at City Court's discretion.

General Fund Budgetary Highlights

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

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION**Capital Assets**

City Court's investment in capital assets for its governmental activities as of December 31, 2024, amounts to \$65,923 (net of accumulated depreciation). As of December 31, 2024 and 2023 net investment in capital assets includes furniture and equipment as follows.

	<u>2024</u>	<u>2023</u>
Furniture and equipment	<u>\$ 65,923</u>	<u>\$ 50,104</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

REQUESTS FOR INFORMATION

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

STATEMENT OF NET POSITION

City Court of Houma
Houma, Louisiana

December 31, 2024

	<u>Governmental Activities</u>
Assets and Deferred Outflows of Resources	
Cash and cash equivalents	\$ 836,466
Investments	1,100,000
Prepaid insurance	9,549
Capital assets - depreciable, net of accumulated depreciation	<u>65,923</u>
Total assets	<u>2,011,938</u>
Deferred outflows of resources:	
Other postemployment benefits	196,290
Pensions	<u>269,548</u>
Total deferred outflows of resources	<u>465,838</u>
Total assets and deferred outflows of resources	<u>2,477,776</u>
Liabilities and Deferred Inflows of Resources	
Accounts payable and accrued expenditures	8,953
Due to Terrebonne Parish Consolidated Government	56,975
Long-term obligations - due after one year	<u>1,618,227</u>
Total liabilities	<u>1,684,155</u>
Deferred inflows of resources:	
Other postemployment benefits	269,948
Pensions	<u>88,268</u>
Total deferred inflows of resources	<u>358,216</u>
Total liabilities and inflows of resources	<u>2,042,371</u>
Net Position	
Net investment in capital assets	65,923
Unrestricted	<u>369,482</u>
Total net position	<u><u>\$ 435,405</u></u>

See notes to financial statements.

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

For the year ended December 31, 2024

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary Government				
Governmental activities:				
Judicial activities	<u>\$ 1,618,351</u>	<u>\$ 785,260</u>	<u>\$ 1,065,001</u>	\$ 231,910
General revenues:				
Interest and investment income				65,074
Miscellaneous				<u>1,650</u>
Total general revenues				66,724
Change in net position				298,634
Net Position				
Beginning of year				<u>136,771</u>
End of year				<u>\$ 435,405</u>

See notes to financial statements.

GOVERNMENTAL FUND BALANCE SHEET

City Court of Houma
Houma, Louisiana

December 31, 2024

Assets

Cash and cash equivalents	\$ 836,466
Investment	<u>1,100,000</u>
Total assets	<u><u>\$ 1,936,466</u></u>

Liabilities

Accounts payable	\$ 8,953
Due to Terrebonne Parish Consolidated Government	<u>56,975</u>
Total liabilities	65,928

Fund Balance

Assigned - Building Fee	418,881
Unassigned	<u>1,451,657</u>
Total fund balance	<u>1,870,538</u>
Total liabilities and fund balance	<u><u>\$ 1,936,466</u></u>

See notes to financial statements.

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

City Court of Houma
Houma, Louisiana

December 31, 2024

Fund Balance - Governmental Fund \$ 1,870,538

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

Capital assets used in governmental activities are not resources
and, therefore, are not reported in the governmental fund.

Governmental capital assets	\$ 104,521	
Less accumulated depreciation	<u>(38,598)</u>	65,923

Prepaid expenses reported in governmental activities
are not financial resources and therefore are not reported
in the governmental fund.

Prepaid insurance		9,549
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Deferred outflows of resources used in governmental activities
are not financial resources and therefore are not reported
in governmental funds.

Pensions	269,548	
Other postemployment benefits	<u>196,290</u>	465,838

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the
governmental fund.

Net pension liability	(466,580)	
Other postemployment benefit obligation	(1,053,891)	
Compensated absences payable	<u>(97,756)</u>	(1,618,227)

Deferred inflows of resources are applicable to future periods
and therefore are not reported in governmental funds.

Pensions	(88,268)	
Other postemployment benefits	<u>(269,948)</u>	<u>(358,216)</u>

Net Position of Governmental Activities **\$ 435,405**

See notes to financial statements.

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

City Court of Houma
Houma, Louisiana

For the year ended December 31, 2024

Revenues

Charges for services:	
Criminal fees	\$ 162,575
Civil fees	455,709
Juvenile fees	25,686
Building fees	141,290
Intergovernmental revenue:	
Federal	54,494
State of Louisiana	86,468
Terrebonne Parish Consolidated Government:	
On-Behalf Payments	924,039
Miscellaneous:	
Interest and investment income	65,074
Other	1,650
	<hr/>
Total revenues	1,916,985

Expenditures

Current:	
General government:	
Personal services	1,513,927
Supplies and materials	49,369
Other services and charges	66,856
Repairs and maintenance	21,892
Professional services	32,948
Travel, education, and seminars	8,869
Computer services	71,574
Miscellaneous	15,593
	<hr/>
Total general government	1,781,028
Capital outlay	27,651
	<hr/>
Total expenditures	1,808,679

Excess of Revenues Over Expenditures	108,306
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Fund Balance

Beginning of year	<hr/> 1,762,232
End of year	<hr/> <u>\$ 1,870,538</u>

See notes to financial statements.

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

City Court of Houma
Houma, Louisiana

For the year ended December 31, 2024

Net Change in Fund Balance - Governmental Fund **\$ 108,306**

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

Governmental funds report capital outlays as expenditures.

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

Capital outlay	\$ 27,651	
Depreciation expense	(11,832)	15,819

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

Decrease in prepaid insurance	(852)	
Pension expense	67,971	
Other postemployment benefits	110,751	
Compensated absences	(3,361)	174,509

Change in Net Position of Governmental Activities **\$ 298,634**

See notes to financial statements.

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

City Court of Houma
Houma, Louisiana

For the year ended December 31, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Charges for services:				
Criminal fees	\$ 167,735	\$ 162,574	\$ 162,575	\$ 1
Civil fees	482,613	455,709	455,709	-
Juvenile fees	40,675	25,685	25,686	1
Building fees	147,834	141,290	141,290	-
Intergovernmental revenue:				
Federal	53,244	54,494	54,494	-
State of Louisiana	-	-	86,468	86,468
Terrebonne Parish Consolidated Government:				
On-Behalf Payments	924,039	924,039	924,039	-
Miscellaneous:				
Interest and investment income	18,610	65,074	65,074	-
Other	-	1,650	1,650	-
Total revenues	<u>1,834,750</u>	<u>1,830,515</u>	<u>1,916,985</u>	<u>86,470</u>
Expenditures				
Current:				
General government:				
Reimbursement to Terrebonne Parish Consolidated Government	1,295,793	1,334,656	-	1,334,656
Personal services	122,191	129,534	1,513,927	(1,384,393)
Supplies and materials	61,074	48,351	49,369	(1,018)
Other services and charges	186,354	132,294	66,856	65,438
Repairs and maintenance	7,625	8,349	21,892	(13,543)
Professional services	39,583	30,409	32,948	(2,539)
Computer services	24,955	5,301	71,574	(66,273)
Travel, education, and seminars	25,950	8,868	8,869	(1)
Miscellaneous	21,830	18,134	15,593	2,541
Total general government	<u>1,785,355</u>	<u>1,715,896</u>	<u>1,781,028</u>	<u>(65,132)</u>
Capital outlay	-	-	27,651	(27,651)
Total expenditures	<u>1,785,355</u>	<u>1,715,896</u>	<u>1,808,679</u>	<u>(92,783)</u>
Excess of Revenues Over Expenditures	49,395	114,619	108,306	(6,313)
Fund Balance				
Beginning of year	<u>1,408,068</u>	<u>1,762,232</u>	<u>1,762,232</u>	-
End of year	<u>\$ 1,457,463</u>	<u>\$ 1,876,851</u>	<u>\$ 1,870,538</u>	<u>\$ (6,313)</u>

See notes to financial statements.

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

December 31, 2024

	<u>Custodial Funds</u>			<u>Total Custodial Funds</u>
	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Bond Fund</u>	
Assets				
Cash and cash equivalents	\$ 424,454	\$ 4,975	\$ 8,757	\$ 438,186
Investments	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>450,000</u>
Total assets	<u>\$ 874,454</u>	<u>\$ 4,975</u>	<u>\$ 8,757</u>	<u>\$ 888,186</u>
Liabilities				
Civil funds	\$ 874,454	\$ -	\$ -	\$ 874,454
Criminal funds	<u>-</u>	<u>4,975</u>	<u>-</u>	<u>4,975</u>
Total liabilities	<u>874,454</u>	<u>4,975</u>	<u>-</u>	<u>879,429</u>
Fiduciary net position				
Held for others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,757</u>	<u>\$ 8,757</u>

See notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**City Court of Houma**
Houma, Louisiana

December 31, 2024

	<u>Custodial Funds</u>			<u>Total Custodial Funds</u>
	<u>Civil Fund</u>	<u>Criminal Fund</u>	<u>Bond Fund</u>	
Additions:				
Collections for other governments	\$ 1,106,054	\$ 882,245	\$ 50,992	\$ 2,039,291
Deductions:				
Distributions to other governmental units	<u>1,106,054</u>	<u>882,245</u>	<u>50,660</u>	<u>2,038,959</u>
Net increase (decrease) in fiduciary net position	-	-	332	332
Net position at beginning of year	<u>-</u>	<u>-</u>	<u>8,425</u>	<u>8,425</u>
Net position at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,757</u></u>	<u><u>\$ 8,757</u></u>

See notes to financial statements.

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

Houma, Louisiana

December 31, 2024

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

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

The Judge for City Court is an independently elected official with a six year term. However, City Court is fiscally dependent on the Terrebonne Parish Consolidated Government (the "Parish") for the payment of salaries, courthouse space, maintenance, utilities and other office expenses. Each year the Parish budgets a certain amount of expenditures which will be paid on behalf of City Court. All expenditures exceeding the Parish's budget shall be paid by City Court. Accordingly, City Court has been determined to be a component unit of the Parish and as such, these financial statements will be included in the annual comprehensive financial report (ACFR) of the Parish for the year ended December 31, 2024.

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

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

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

b) Basis of Presentation

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fiduciary Funds

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

c) Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of Estimates

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

e) Operating Budgetary Data

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

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

f) Accounts Receivable

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

g) Capital Assets

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

Government-Wide Financial Statements

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets (Continued)

Government-Wide Financial Statements (Continued)

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

Furniture and equipment	5 - 10 years
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Fund Financial Statements

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

h) Long-Term Obligations

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

i) Personal and Sick Leave

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Personal and Sick Leave (Continued)

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

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

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

j) Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of City Court's retirement plans, Louisiana State Employees' Retirement System and Parochial Employees' Retirement System of Louisiana (the "Systems") and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

k) Deferred Outflows of Resources

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Deferred Inflows of Resources

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

m) Equity

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of December 31, 2024, City Court had no outstanding borrowings.
- b. Restricted net position - Consists of assets and deferred outflow of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is City Court's policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2024 and for the year then ended, City Court did not have or receive restricted resources.

Fund Financial Statements

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Equity (Continued)

Fund Financial Statements (Continued)

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

For the classification of governmental fund balances, City Court considers an expenditure to be made from the most restrictive first when more than one classification is available. City Court's fund balance was classified as assigned and unassigned as of December 31, 2024.

n) New GASB Statements

During the year ending December 31, 2024, City Court implemented the following GASB Statements:

Statement No. 99, "*Omnibus 2022*" provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. This Statement did not affect the financial statements for the year ended December 31, 2024.

Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement did not affect the financial statements for the year ended December 31, 2024.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) New GASB Statements (Continued)

Statement No. 101, “Compensated Absences” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement did not have a material affect the financial statements for the year ended December 31, 2024.

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

Statement No. 102, “*Certain Risk Disclosures*” defines concentrations and constraints. The Statement also requires governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Additional disclosures are to be included if reporting criteria is met which will provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

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

Statement No. 104, “*Disclosure of Certain Capital Assets*” provides users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in Statement No. 87, and intangible right-to-use assets recognized in accordance with Statement No. 94, should be disclosed separately by major class of underlying asset in the capital asset note disclosure. Subscription assets recognized in accordance with Statement No. 96 also should be separately disclosed. This Statement also requires additional disclosure for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) New GASB Statements (Continued)

financial statement date. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Note 2 - DEPOSITS AND INVESTMENTS

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

Bank Deposits

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

The year-end balances of deposits are as follows:

	<u>Bank Balances</u>	<u>Report Amount</u>
Cash	\$ 1,374,402	\$ 1,274,652
Certificates of deposit	<u>1,550,000</u>	<u>1,550,000</u>
Totals	<u>\$ 2,924,402</u>	<u>\$ 2,824,652</u>

Custodial credit risk is the risk that in the event of a bank failure, City Court's deposits may not be returned to it. City Court has a written policy for custodial credit risk, which reflects state law. As of December 31, 2024, \$1,854,402 of City Court's bank balance of \$2,924,402 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in City Court's name as allowed by state statutes.

Note 2 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits (Continued)

As of December 31, 2024, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of City Court. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though these deposits are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

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

Amounts reported	\$ 2,824,652
Less amounts reported in	
the Statement of Fiduciary Funds:	
Cash and cash equivalents	(438,186)
Investments	<u>(450,000)</u>
Total	<u>\$ 1,936,466</u>
Governmental Fund Balance Sheet:	
Cash and cash equivalents	\$ 836,466
Investments	<u>1,100,000</u>
Total	<u>\$ 1,936,466</u>

Note 3 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024
Capital assets being depreciated:				
Furniture and equipment	\$80,614	\$27,651	\$(3,744)	\$104,521
Less accumulated depreciation for:				
Furniture and equipment	<u>(30,510)</u>	<u>(11,832)</u>	<u>3,744</u>	<u>(38,598)</u>
Total capital assets, net	<u>\$50,104</u>	<u>\$15,819</u>	<u>\$ -</u>	<u>\$ 65,923</u>

Note 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures amounted to \$8,953 as of December 31, 2024 and consisted of vendor invoices for operating expenditures.

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

Operating expenses	\$53,456
Other	<u>3,519</u>
Total	<u>\$56,975</u>

Note 5 - LONG-TERM OBLIGATIONS

Long-term obligations consist of accumulated earned and unpaid vacation and sick leave, other postemployment benefits and net pension liabilities and all are due in excess of one year. The following is a summary of changes in the long-term obligations of City Court for the year ended December 31, 2024:

	Payable January 1, 2024	Increase	Decrease	Payable December 31, 2024
Accumulated unpaid annual leave	\$ 94,395	\$ 102,718	\$ (99,357)	\$ 97,756
Other postemployment benefits	952,709	101,182	-	1,053,891
Net pension liability:				
Parochial Employees' Retirement System	146,483	-	(140,084)	6,399
Louisiana State Employees' Retirement System	547,724	-	(87,543)	460,181
Totals	<u>\$ 1,741,311</u>	<u>\$ 203,900</u>	<u>\$ (326,984)</u>	<u>\$ 1,618,227</u>

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

Note 6 - RISK MANAGEMENT

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

Note 6 - RISK MANAGEMENT (Continued)

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

<u>Policy</u>	<u>Coverage Limit</u>
General Liability	\$ 12,000,000
Workers' Compensation	Statutory

Coverage for general liability claims in excess of the above stated limits are to be funded first by assets of the Parish's risk management internal service fund then secondly by City Court. The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2023 was \$14,308,716. Insurance contracts cover the excess liability on individual claims. Covered employees are subject to a lifetime maximum claims limit. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund then secondly by City Court. Worker's compensation claims in excess of \$850,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of December 31, 2024, City Court had no claims in excess of the above coverage limits. Total premiums paid to the Parish for insurance coverage during the year ended December 31, 2024 totaled \$312,586.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

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

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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

Employees Covered by Benefit Terms

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

City Court's total OPEB liability of \$1,053,891 was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024.

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of December 31, 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless, otherwise specified:

Measurement Date	December 31, 2024
Actuarial Valuation Date	January 1, 2024
Inflation	2.50%
Salary Increases, including inflation	3.00%
Discount Rate	4.28%
Healthcare Cost Trend Rates	Medical - 6.00% in year 1 decreasing in decrements of 0.25% until 5.00% through year 7. Dental - 3.50% in year 1 decreasing in decrements of 0.25% per year until 2.50% through year 5.

The discount rate was based on the December 31, 2024 Fidelity General Obligation AA 20-Year Yield.

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

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

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of December 31, 2023	<u>\$ 952,709</u>
Changes for the year:	
Service cost	14,552
Interest	34,124
Difference between expected and actual experience	68,632
Changes in assumptions and other inputs	43,998
Change in proportion	(25,423)
Benefit payments	<u>(34,701)</u>
Net changes	<u>101,182</u>
Balance as of December 31, 2024	<u><u>\$ 1,053,891</u></u>

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

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

	1.00% Decrease <u>(3.28%)</u>	Current Discount Rate <u>(4.28%)</u>	1.00% Increase <u>(5.28%)</u>
Total OPEB Liability	<u>\$ 1,194,994</u>	<u>\$ 1,053,891</u>	<u>\$ 892,992</u>

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

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

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

	<u>1.00%</u> <u>Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1.00%</u> <u>Increase</u>
Total OPEB Liability	<u>\$880,611</u>	<u>\$ 1,053,891</u>	<u>\$ 1,215,356</u>

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

For the year ended December 31, 2024 City Court recognized OPEB expense of \$166,341. As of December 31, 2024, City Court reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 92,021	\$ 1,480
Change in assumptions	37,565	(158,563)
Changes in proportion	<u>66,704</u>	<u>(112,865)</u>
Totals	<u>\$ 196,290</u>	<u>\$(269,948)</u>

Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Total OPEB Liability (Continued)

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

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$(46,440)
2026	(58,657)
2027	14,000
2028	<u>17,439</u>
Total	<u><u>\$(73,658)</u></u>

Note 8 - DEFINED BENEFIT PENSION PLANS

a) Parochial Employees' Retirement System

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

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

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

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

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

a) Parochial Employees' Retirement System (Continued)

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

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

Contributions. According to state statute, contributions for all employers are actuarially determined each year. For the year ending December 31, 2023, the actuarial employer contribution rate was 5.35% of member's compensation. However, the actual rate for both the fiscal years ending December 31, 2023 and 2022 was 7.50%.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

a) Parochial Employees' Retirement System (Continued)

Contributions to the System from City Court were \$61,193 for the year ended December 31, 2024. Contribution rates for the year ended December 31, 2024 was 7.50% for employers and 3.00% for employees.

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2024 are as presented below:

Valuation Date	December 31, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	4 years
Investment Rate of Return	6.40%, net investments expense, including inflation
Project Salary Increases	4.25% (2.30% inflation, 1.95% merit).
Inflation Rate	2.30%
Mortality Rates	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2021 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2021 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2021 scale for disabled annuitants.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

a) Parochial Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model pricing method (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by 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 7.50% for the year ended December 31, 2023.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2023 are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.00%	1.12%
Equity	51.00%	3.20%
Alternatives	14.00%	0.67%
Real assets	<u>2.00%</u>	<u>0.11%</u>
Totals	<u>100.00%</u>	5.10%
Inflation		<u>2.40%</u>
Expected Arithmetic Nominal Rate		<u>7.50%</u>

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

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

a) Parochial Employees' Retirement System (Continued)

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

	1.0% Decrease (5.40%)	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
City Court's proportionate share of the net pension liability	<u>\$366,180</u>	<u>\$6,399</u>	<u>\$(294,714)</u>

Pension Plan Fiduciary Net Position. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on their financial statements for the year ended December 31, 2023. Access to the audit report can be found on the System's website, www.persla.org or on the Louisiana Legislative Auditor's website, www.la.la.gov.

b) Louisiana State Employees' Retirement System

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

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

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

b) Louisiana State Employees' Retirement System (Continued)

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

Contributions. The employer contribution rate for all employees is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Contribution requirements of active employees, 7.5% if hired before July 1, 2006 and 8% if hired after June 30, 2006, are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401). City Court's contractually required composite contribution rate for the years ended June 30, 2024 and 2023 was 44.70%, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions to the pension plan from City Court were \$78,808 for the year ended December 31, 2024.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

b) Louisiana State Employees' Retirement System (Continued)

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

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, net investment expenses
Inflation Rate	2.40% per annum
Mortality Rates	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 start at a low of 2.40% and at a high of 4.8%.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

b) Louisiana State Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	2024
Cash	0.76%
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%

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

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

b) Louisiana State Employees' Retirement System (Continued)

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

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
City Court's proportionate share of the net pension liability	<u>\$635,498</u>	<u>\$460,181</u>	<u>\$311,202</u>

c) Combined Balances

Pension Liability. As of December 31, 2024, City Court reported a net pension liability of \$466,580 for its proportionate share of the net pension liability for PERS and LASERS. The net pension liability was measured as of December 31, 2023 for PERS and June 30, 2024 for LASERS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the respective dates. City Court's proportion of the net pension liabilities was based on a projection of City Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, City Court's proportion of PERS' net pension asset was 0.6379%, which was an increase of 0.0227% from its proportionate share measured as of December 31, 2023. As of June 30, 2024 City Court's proportionate share of LASERS' net pension liability was 0.00846% which is an increase of 0.00028% to its proportionate share as of June 30, 2023.

Pension Expense. For the year ended December 31, 2024, City Court recognized pension expense of \$73,030.

Note 8 - DEFINED BENEFIT PENSION PLANS (Continued)

c) Combined Balances (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2024, City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 20,709	\$(17,439)
Net different between expected earnings on investments and actual	79,510	(57,681)
Change in assumptions	14,402	-
Change in proportion	2,039	(8,593)
Change in proportionate share of contributions	51,997	(4,555)
Contributions subsequent to the measurement date	<u>100,891</u>	<u>-</u>
	<u>\$269,548</u>	<u>\$(88,268)</u>

City Court reported \$100,891 as deferred outflows of resources related to pensions resulting from City Court's contributions subsequent to the measurement dates and will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$11,131
2026	65,385
2027	55,325
2028	<u>(51,452)</u>
Total	<u>\$80,389</u>

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

City Court recognizes as revenues and expenditures certain payments for personal services and other services and charges made by Terrebonne Parish Consolidated Government on behalf of City Court. This operating grant was agreed upon by the Parish Council and liable to increase or decrease every year due to operating budgets adopted by the Parish. As of December 31, 2024, the total operating grant revenue is as follows:

Personal services	\$ 890,143
Other services and charges	<u>33,896</u>
Total	<u><u>\$ 924,039</u></u>

Note 10 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 30, 2025, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

City Court of Houma
Houma, Louisiana

For the seven years ended December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability							
Service cost	\$ 14,552	\$ 13,273	\$ 27,125	\$ 30,599	\$ 35,915	\$ 22,987	\$ 54,788
Interest	34,124	35,119	21,501	26,492	41,397	31,334	79,832
Difference between expected and actual experience	68,632	5,452	89,059	(3,986)	(181,446)	46,027	(11,840)
Changes in assumptions or other inputs	43,998	(7,089)	(413,137)	14,700	(131,566)	274,439	(82,610)
Change in proportion	(25,423)	(13,613)	(47,632)	(2,820)	20,663	(16,057)	-
Change in benefit terms	-	-	-	-	-	-	(1,196,789)
Benefit payments	(34,701)	(27,430)	(31,453)	(34,645)	(19,360)	(36,918)	(33,210)
Net change in total OPEB liability	101,182	5,662	(354,537)	30,340	(234,397)	321,812	(1,189,829)
Total OPEB liability, beginning of year	<u>952,709</u>	<u>947,047</u>	<u>1,301,584</u>	<u>1,271,244</u>	<u>1,505,641</u>	<u>1,183,829</u>	<u>2,373,658</u>
Total OPEB liability, end of year	<u>\$ 1,053,891</u>	<u>\$ 952,709</u>	<u>\$ 947,047</u>	<u>\$ 1,301,584</u>	<u>\$ 1,271,244</u>	<u>\$ 1,505,641</u>	<u>\$ 1,183,829</u>
Covered employee payroll	<u>\$ 1,108,834</u>	<u>\$ 1,084,537</u>	<u>\$ 986,113</u>	<u>\$ 1,036,381</u>	<u>\$ 960,752</u>	<u>\$ 988,395</u>	<u>\$ 988,378</u>
Total OPEB liability as a percentage of covered employee payroll	<u>95.04%</u>	<u>87.84%</u>	<u>96.04%</u>	<u>125.59%</u>	<u>132.32%</u>	<u>152.33%</u>	<u>119.77%</u>

Notes to Schedule:

Changes of benefit terms

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

Changes in assumptions

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

2018 RPH-2014 Employee and Healthy Annuity, Generational with MP-2019

2019 PubG H-2010 (general) PubS H-2010 (public safety) Employee and Healthy Annuity, Generational with MP-2019

2020 PubG H-2010 (general) PubS H-2010 (public safety) Employee and Healthy Annuity, Generational with MP-2020

2021 PubG H-2010 (general) PubS H-2010 (public safety) Employee and Healthy Annuity, Generational with MP-2021

2022 PubG H-2010 (general) PubS H-2010 (public safety) Employee and Healthy Annuity, Generational with MP-2021

2023 PubG H-2010 (general) PubS H-2010 (public safety) Employee and Healthy Annuity, Generational with MP-2021

2024 PubG H-2010 (general) PubS H-2010 (public safety) Employee and Healthy Annuity, Generational with MP-2021

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

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

City Court of Houma
Houma, Louisiana

For the ten years ended December 31, 2024

Parochial Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City Court's proportion of the net pension liability (asset)	<u>0.637930^u_o</u>	<u>0.615246^o_o</u>	<u>0.633650^o_n</u>	<u>0.654120^u_o</u>	<u>0.696266^o_o</u>	<u>0.741210^u_n</u>	<u>0.764843^u_o</u>	<u>0.785340^o_o</u>	<u>0.768340^o_n</u>	<u>0.756950^u_o</u>
City Court's proportionate share of the net pension liability (asset)	<u>\$ 6,399</u>	<u>\$ 146,483</u>	<u>\$(354,091)</u>	<u>\$(167,929)</u>	<u>\$ (50,366)</u>	<u>\$ 200,249</u>	<u>\$ (96,233)</u>	<u>\$ 102,021</u>	<u>\$ 137,100</u>	<u>\$ 63,395</u>
City Court's covered-employee payroll	<u>\$ 760,710</u>	<u>\$ 714,068</u>	<u>\$ 743,615</u>	<u>\$ 809,403</u>	<u>\$ 808,605</u>	<u>\$ 783,887</u>	<u>\$ 774,570</u>	<u>\$ 766,092</u>	<u>\$ 734,538</u>	<u>\$ 761,632</u>
City Court's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>0.841^u_o</u>	<u>20.514^o_o</u>	<u>-47.618^o_n</u>	<u>-20.747^u_o</u>	<u>-6.229^o_o</u>	<u>25.546^u_n</u>	<u>-12.424^u_o</u>	<u>13.317^o_o</u>	<u>18.665^o_n</u>	<u>8.324^u_o</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.77^u_o</u>	<u>94.26^o_o</u>	<u>114.20^u_n</u>	<u>106.76^u_o</u>	<u>102.05^o_o</u>	<u>91.93^u_n</u>	<u>104.02^u_o</u>	<u>94.15^o_o</u>	<u>93.48^u_n</u>	<u>99.15^u_o</u>

The schedule is provided beginning with City Court's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

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

City Court of Houma
Houma, Louisiana

For the ten years ended December 31, 2024

Louisiana State Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City Court's proportion of the net pension liability	<u>0.008460%</u>	<u>0.008180%</u>	<u>0.008430%</u>	<u>0.008220%</u>	<u>0.007750%</u>	<u>0.007910%</u>	<u>0.008120%</u>	<u>0.008160%</u>	<u>0.007980%</u>	<u>0.789000%</u>
City Court's proportionate share of the net pension liability	<u>\$ 460,181</u>	<u>\$ 547,724</u>	<u>\$ 637,393</u>	<u>\$ 452,549</u>	<u>\$ 638,640</u>	<u>\$ 587,967</u>	<u>\$ 553,193</u>	<u>\$ 585,658</u>	<u>\$ 638,413</u>	<u>\$ 551,665</u>
City Court's covered-employee payroll	<u>\$ 176,104</u>	<u>\$ 170,100</u>	<u>\$ 163,566</u>	<u>\$ 156,848</u>	<u>\$ 154,650</u>	<u>\$ 152,445</u>	<u>\$ 151,944</u>	<u>\$ 150,018</u>	<u>\$ 149,664</u>	<u>\$ 146,585</u>
City Court's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>261.31%</u>	<u>322.00%</u>	<u>389.69%</u>	<u>288.53%</u>	<u>412.96%</u>	<u>385.69%</u>	<u>364.08%</u>	<u>390.39%</u>	<u>426.56%</u>	<u>376.34%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>74.60%</u>	<u>68.40%</u>	<u>63.70%</u>	<u>72.80%</u>	<u>58.00%</u>	<u>62.90%</u>	<u>64.30%</u>	<u>62.50%</u>	<u>57.70%</u>	<u>62.70%</u>

The schedule is provided beginning with City Court's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF CITY COURT CONTRIBUTIONS**City Court of Houma
Houma, Louisiana**

For the ten years ended December 31, 2024

Parochial Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 61,193	\$ 57,053	\$ 53,555	\$ 55,771	\$ 60,705	\$ 60,645	\$ 58,792	\$ 61,966	\$ 61,287	\$ 70,424
Contributions in relation to the contractually required contribution	<u>(61,193)</u>	<u>(57,053)</u>	<u>(53,555)</u>	<u>(55,771)</u>	<u>(60,705)</u>	<u>(60,645)</u>	<u>(58,792)</u>	<u>(61,966)</u>	<u>(61,287)</u>	<u>(70,424)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Court's covered-employee payroll	<u>\$ 815,908</u>	<u>\$ 760,710</u>	<u>\$ 714,068</u>	<u>\$ 743,615</u>	<u>\$ 809,403</u>	<u>\$ 808,605</u>	<u>\$ 783,887</u>	<u>\$ 774,570</u>	<u>\$ 766,092</u>	<u>\$ 734,538</u>
Contributions as a percentage of covered-employee payroll	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>9.59%</u>

The schedule is provided beginning with City Court's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF CITY COURT CONTRIBUTIONS**City Court of Houma**

Houma, Louisiana

For the ten years ended December 31, 2024

Louisiana State Employees' Retirement System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	* \$ 78,808	* \$ 77,380	* \$ 71,888	* \$ 69,974	* \$ 66,245	* \$ 62,801	* \$ 59,694	* \$ 57,393	* \$ 56,138	* \$ 53,064
Contributions in relation to the contractually required contribution	<u>(78,808)</u>	<u>(77,380)</u>	<u>(71,888)</u>	<u>(69,974)</u>	<u>(66,245)</u>	<u>(62,801)</u>	<u>(59,694)</u>	<u>(57,393)</u>	<u>(56,138)</u>	<u>(53,064)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Court's covered-employee payroll	<u>\$ 191,115</u>	<u>\$ 174,844</u>	<u>\$ 165,621</u>	<u>\$ 161,617</u>	<u>\$ 154,650</u>	<u>\$ 154,992</u>	<u>\$ 151,894</u>	<u>\$ 150,382</u>	<u>\$ 149,664</u>	<u>\$ 146,585</u>
Contributions as a percentage of covered-employee payroll	<u>41.24%</u>	<u>44.26%</u>	<u>43.41%</u>	<u>43.30%</u>	<u>42.84%</u>	<u>40.52%</u>	<u>39.30%</u>	<u>38.16%</u>	<u>37.51%</u>	<u>36.20%</u>

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

The schedule is provided beginning with City Court's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION

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

City Court of Houma
Houma, Louisiana

December 31, 2024

Agency Head Name: Judge Matthew Hagen

Purpose

Salary	\$ 191,115	*
Benefits - insurance	17,041	*
Benefits - retirement	78,807	*
Benefit - other	-	
Car allowance	-	
Vehicle provided by government	-	
Per diem	1,062	
Reimbursements	-	
Travel	-	
Registration fees	-	
Conference travel	3,228	
Continuing professional education fees	-	
Housing	-	
Unvouchered expenses	-	
Meals	-	
	<hr/>	
	<u>\$ 291,253</u>	

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

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

City Court of Houma

Houma, Louisiana

December 31, 2024

	First Six Month Period Ended June 30, 2024	Second Six Month Period Ended December 31, 2024
Beginning balance of amounts collected	<u>\$ 373,219</u>	<u>\$ 393,863</u>
Collections:		
Civil fees	574,211	531,843
Bond fees	30,507	20,485
Criminal court costs/fees	<u>473,978</u>	<u>408,267</u>
Subtotal collections	<u>1,078,696</u>	<u>960,595</u>
Disbursements to Governments and Nonprofits:		
Terrebonne Parish Consolidated Government, Criminal Court Costs/Fees	144,456	118,010
Terrebonne Parish Consolidated Government, Criminal Court Fines - other	20,824	12,109
City Court - General Fund, Criminal Court Costs/Fees	139,399	116,677
City Court - General Fund, Criminal Court Fines - other	8,138	6,793
District Attorney's Office, Criminal Court Costs/Fees	43,147	35,695
District Attorney's Office, Criminal Court Fines - other	6,106	5,097
Terrebonne Parish Indigent Defender Board, Criminal Court Costs/Fees	87,019	72,000
Terrebonne Parish Indigent Defender Board, Criminal Court Fines - other	73	40
Bayou Crime Stopper, Criminal Court Costs/Fees	4,267	3,638
State of Louisiana Treasurer, Criminal Court Fines - other	5,523	4,597
Louisiana Department of Health, Criminal Court Fines - other	1,802	865
Louisiana Commission on Law Enforcement, Criminal Court Fines - other	11,341	7,594

**Schedule 2
(Continued)**

	First Six Month Period Ended <u>June 30, 2024</u>	Second Six Month Period Ended <u>December 31, 2024</u>
Disbursements to Governments and Nonprofits: (Continued)		
Louisiana Supreme Court, Criminal Court Costs/Fees	1,032	1,060
Other, Criminal Court Fines - other	15,368	11,798
Terrebonne Parish Consolidated Government, Civil Court Costs/Fees	81,110	73,836
City Court - General Fund, Civil Court Costs/Fees	265,113	246,906
Secretary of State, Civil Court Costs/Fees	-	-
Housing Authority, Civil Court Costs/Fees	300	150
State of Louisiana Treasurer, Civil Court Costs/Fees	44,391	48,740
Terrebonne Parish Clerk of Court, Civil Court Costs/Fees	49,906	40,913
Louisiana Supreme Court, Civil Court Costs/Fees	756	805
Other, Civil Court Costs/Fees	58,542	46,953
Other, Civil Court Fines - other	599	309
Disbursements to Individuals/3rd Party Collection or Processing Agencies:		
Civil Fee Refunds	38,499	41,368
Bond Fee Forfeited/Refunds	<u>30,341</u>	<u>20,319</u>
Subtotal disbursements/retainage	<u>1,058,052</u>	<u>916,272</u>
Ending balance of amounts collected but not disbursed/retained	<u>\$ 393,863</u>	<u>\$ 438,186</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of City Court of Houma (“City Court”), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City Court’s basic financial statements, and have issued our report thereon dated May 30, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Certified Public Accountants.

Houma, Louisiana,
May 30, 2025.

SCHEDULE OF FINDINGS AND RESPONSES

City Court of Houma Houma, Louisiana

For the year ended December 31, 2024

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes X No

b) Federal Awards

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

Section II Financial Statement Findings

No financial statement findings were reported during the audit for the year ended December 31, 2024.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

City Court of Houma

Houma, Louisiana

For the year ended December 31, 2024

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

No material weaknesses were reported during the audit for the year ended December 31, 2023.

No significant deficiencies were reported during the audit for the year ended December 31, 2023.

Compliance

No compliance findings material to the financial statements were reported during the audit for the year ended December 31, 2023.

Section II Internal Control and Compliance Material to Federal Awards

City Court of Houma did not expend federal awards in excess of \$750,000 during the year ended December 31, 2023 and therefore is exempt from the audit requirements under the *Uniform Guidance*.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2023.

MANAGEMENT'S CORRECTIVE ACTION PLAN

City Court of Houma

Houma, Louisiana

For the year ended December 31, 2024

Section I Internal Control and Compliance Material to the Financial Statements

Internal Control

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

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

Compliance

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

Section II Internal Control and Compliance Material to Federal Awards

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

Section III Management Letter

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