

**CITY COURT OF HAMMOND
HAMMOND, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

City Court of Hammond
Hammond, Louisiana
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For the Year Ended June 30, 2025

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Hammond, Louisiana
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025 the City Court of Hammond adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Schedules; the Schedule of the City Court of Hammond's Proportionate Share of the Net Pension Liability; and the Schedule of the City Court of Hammond's Contributions on pages 5 through 10 and 39 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

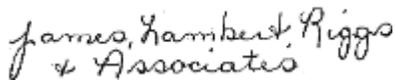
knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Hammond’s basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Justice System Funding Schedule – Receiving Entity; and the Justice System Funding Schedule – Collecting / Disbursing Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Justice System Funding Schedule – Receiving Entity; and the Justice System Funding Schedule – Collecting / Disbursing Entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Justice System Funding Schedule – Receiving Entity; and the Justice System Funding Schedule – Collecting / Disbursing Entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of the City Court of Hammond’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City Court of Hammond’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City Court of Hammond’s internal control over financial reporting and compliance.



James Lambert Riggs and Associates, Inc.

Hammond, Louisiana
December 10, 2025

Required Supplementary Information (Part I):

Management's Discussion and Analysis

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025

Introduction

As management of the City Court of Hammond ("City Court"), we offer readers of the City Court's financial statements this narrative overview and analysis of the financial activities of the City Court, for the fiscal year ended June 30, 2025. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the City Court's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of City Court finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the City Court based on information presented in the financial report and fiscal policies that have been adopted by the City Court. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City Court's financial activity, identify changes in the City Court's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

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

Financial Highlights

- At June 30, 2025, the City Court's assets exceeded its liabilities by \$1,341,143 (net position). Of this amount, \$1,178,180 (unrestricted net position) may be used to meet the City Court's ongoing obligations. This amount increased by \$120,226, or 11.36% from the prior year.
- For the year ended June 30, 2025, the City Court's total net position increased by \$165,711, or 14.10% from the prior year.
- For the year ended June 30, 2025, the City Court's total revenues increased by \$240,609, or 12.63% from the prior year.
- For the year ended June 30, 2025, the City Court's total expenses increased by \$195,677, or 11.15% from the prior year.
- For the year ended June 30, 2025, the City Court's total liabilities increased by \$10,526, or 3.28% from the prior year.

Government-Wide Financial Statements

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

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2025

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

Government-Wide Financial Analysis

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

	Governmental Activities			
	2025	2024	\$ Change	% Change
Assets:				
Current and Other Assets	\$ 1,347,769	\$ 1,214,621	\$ 133,148	10.96%
Capital Assets	59,428	62,951	(3,523)	-5.60%
Restricted Assets	108,640	40,260	68,380	169.85%
Net Pension Asset	124,035	-	124,035	-
Total Assets	<u>\$ 1,639,872</u>	<u>\$ 1,317,832</u>	<u>\$ 322,040</u>	24.44%
Deferred Outflows of Resources	<u>\$ 102,689</u>	<u>\$ 197,250</u>	<u>\$ (94,561)</u>	-47.94%
Liabilities:				
Current Liabilities	\$ 100,432	\$ 91,408	\$ 9,024	9.87%
Non-Current Liabilities	113,246	71,399	41,847	58.61%
Net Pension Liability	117,302	157,647	(40,345)	-25.59%
Total Liabilities	<u>\$ 330,980</u>	<u>\$ 320,454</u>	<u>\$ 10,526</u>	3.28%
Deferred Inflows of Resources	<u>\$ 70,438</u>	<u>\$ 19,196</u>	<u>\$ 51,242</u>	266.94%
Net Position:				
Net Investment in Capital Assets	\$ 59,428	\$ 62,951	\$ (3,523)	-5.60%
Restricted	103,535	54,527	49,008	89.88%
Unrestricted	1,178,180	1,057,954	120,226	11.36%
Total Net Position	<u>\$ 1,341,143</u>	<u>\$ 1,175,432</u>	<u>\$ 165,711</u>	14.10%

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2025

The City Court's assets exceeded its liabilities at the end of the most recent fiscal year by \$1,341,143 (net position). Of this amount, \$1,178,180 is unrestricted net position. The net position increased by \$120,226, or 14.10% from the prior year. This increase was attributable to a change in pension expenses.

A portion of the City Court's net position (4.33%) reflects its investment in capital assets (e.g., office equipment, office furniture and fixtures, etc.), less any outstanding debt used to acquire those assets. The City Court uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City Court's net position (7.72%) represents resources that are designated for particular purposes. The remaining balance of unrestricted net position (87.85%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

	Governmental Activities			
	2025	2024	\$ Change	% Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 984,641	\$ 948,798	\$ 35,843	3.78%
Operating Grants	44,000	40,000	4,000	10.00%
General Revenues:				
Contribution - City of Hammond	515,000	515,000	-	0.00%
Other	601,327	400,562	200,765	50.12%
Total Revenues	<u>2,144,968</u>	<u>1,904,360</u>	<u>240,608</u>	12.63%
Expenses:				
City Court	1,925,136	1,729,138	195,998	11.34%
Depreciation Expense	24,749	25,070	(321)	-1.28%
Total Expenses	<u>1,949,885</u>	<u>1,754,208</u>	<u>195,677</u>	11.15%
Change in Net Position	195,083	150,152	44,931	29.92%
Net Position, Beginning of the Year	<u>1,146,060</u>	<u>1,025,280</u>	<u>120,780</u>	11.78%
Net Position, End of the Year	<u>\$ 1,341,143</u>	<u>\$ 1,175,432</u>	<u>\$ 165,711</u>	14.10%

Total revenues for the City Court increased by \$35,843, or 3.78%. This is attributable to an increase in the monies collected from assessed court costs. General expenses for the City Court of Hammond increased by \$195,998, or 11.34%. This is primarily attributable to an increase in hiring two employees and an increase in the cost of health insurance.

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2025

Fund Financial Statements

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

Governmental Funds

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

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

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

As of the end of the current fiscal year, the City Court's General Fund reported an ending fund balance of \$1,252,442. The Judicial Building Fund reported an ending fund balance of \$103,535.

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

Fiduciary Funds

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

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2025

Notes to the Financial Statements

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

Other Supplementary Information (Budgetary Highlights)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found on Schedule 1 of this report.

A. Budgetary Comparison Schedule – The City Court adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget, beginning on Schedule 1 of this report.

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

General Fund:

1. Revenues:

a. Criminal Docket revenues were over the amounts budgeted by \$ 14,582. This was due to an increase in collections.

2. Expenditures:

a. The Salary expenditures were less than the budgeted amounts by \$8,917. This was attributable to the retirement of two employees before the end of the fiscal year.

Judicial Building Fund

1. Revenues:

a. The Judicial Building Fund Fees were over the amount budgeted by \$ 5,210. This overage was due to an increase in collections.

Capital Assets

The City Court's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$59,428 (net of accumulated depreciation). This investment in capital assets includes computer software, and office equipment and furniture. The total decrease in the City Court's investment in capital assets for the current fiscal year is primarily due to depreciation expense taken on capital assets. Capital asset additions during the current fiscal year included computer software and equipment purchases of \$21,226.

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

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the City Court's budget for the 2025 – 2026 fiscal year:

For fiscal year ending June 30, 2026, there is no budgeted revenue increase in contributions from the City of Hammond or Court Costs.

There is no surplus or deficit budgeted for the fiscal year ending June 30, 2026.

City Court of Hammond
Hammond, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2025

Requests for Information

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

Basic Financial Statements

City Court of Hammond
Hammond, Louisiana
Statement of Net Position
June 30, 2025

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash & Cash Equivalents	\$ 370,144
Investments	847,414
Due from Other Governments	49,700
Due from Agency Funds	80,511
Capital Assets, Net of Accumulated Depreciation	59,428
Restricted Assets:	
Cash & Cash Equivalents	108,640
Net Pension Asset (PERS)	124,035
Total Assets	<u>\$ 1,639,872</u>
Deferred Outflows of Resources	
Differences Between Expected and Actual Experience	\$ 39,547
Change in Assumptions	9,306
Changes in Proportion and Differences Between City	
Court Contributions and Proportionate Share of Contributions	1,892
Contributions Subsequent to the Measurement Date	51,944
Total Deferred Outflows of Resources	<u>\$ 102,689</u>
Liabilities	
Accounts Payable	\$ 34,938
Salaries and Benefits Payable	23,540
Due to Agency Funds	41,954
Net Pension Liability (LASERS)	117,302
Accrued Compensated Absences	113,246
Total Liabilities	<u>\$ 330,980</u>
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 2,498
Net Difference Between Projected and Actual Earnings on	
Pension Plan Investments	67,543
Changes in Proportion and Differences Between City	
Court Contributions and Proportionate Share of Contributions	397
Total Deferred Inflows of Resources	<u>\$ 70,438</u>
Net Position	
Net Investment in Capital Assets	\$ 59,428
Restricted for Judicial Building Fund	103,535
Unrestricted	1,178,180
Total Net Position	<u>\$ 1,341,143</u>

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Statement of Activities
For the Year Ended June 30, 2025

Exhibit B

	<u>Governmental Activities</u>
Governmental Activities:	
City Court Operations:	
Salaries	\$ 1,027,268
Judges Salary and Fees	188,075
Payroll Tax & Employee Benefits	348,555
Ad Hoc Judge Fees	885
Computer Software & Programming	101,011
Educational Conferences & Seminars	21,055
Equipment Repairs & Maintenance	9,273
Insurance	17,418
Juvenile Service Programs	47,130
Legal and Professional Fees	24,611
Miscellaneous	58,581
Credit Card Service Charges	10,254
Office Supplies	42,521
Telephone	28,499
Depreciation Expense	<u>24,749</u>
Total Expenses	1,949,885
Program Revenues:	
Charges for Services	984,641
Operating Grants	<u>44,000</u>
Total Program Revenues	<u>1,028,641</u>
Net Program (Expense) / Revenue	(921,244)
General Revenues:	
Contributions from Other Governments	793,674
On-Behalf Payments	102,041
Interest Income	26,018
Other Income	116,794
Transfers from Civil Reserve	64,008
Contributions from Non-Employer Contributing Entities	<u>13,792</u>
Total General Revenues	<u>1,116,327</u>
Change in Net Position	195,083
Net Position - Beginning of the Year, as Previously Reported	1,175,432
Change in Accounting Principle - GASB 101 (See Note 13)	<u>(29,372)</u>
Net Position - Beginning of the Year, as Restated	<u>1,146,060</u>
Net Position - End of the Year	<u>\$ 1,341,143</u>

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Governmental Funds Balance Sheet
June 30, 2025

Exhibit C

	General Fund	Judicial Building Fund	Total
Assets			
Cash & Cash Equivalents	\$ 370,144	\$ -	\$ 370,144
Investments	847,414	-	847,414
Due from Other Governments	35,219	14,481	49,700
Due from Agency Funds	80,511	-	80,511
Restricted Assets:			
Cash & Cash Equivalents	-	108,640	108,640
 Total Assets	\$ 1,333,288	\$ 123,121	\$ 1,456,409
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 15,352	\$ 19,586	\$ 34,938
Salaries and Benefits Payable	23,540	-	23,540
Due to Agency Funds	41,954	-	41,954
Total Liabilities	80,846	19,586	100,432
Fund Balance:			
Restricted for:			
Judicial Building Fund	-	103,535	103,535
Unassigned	1,252,442	-	1,252,442
Total Fund Balance	1,252,442	103,535	1,355,977
 Total Liabilities and Fund Balance	\$ 1,333,288	\$ 123,121	\$ 1,456,409

The accompanying notes are an integral part of this statement.

**City Court of Hammond
Hammond, Louisiana**

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended June 30, 2025

Total Fund Balances, Governmental Funds (Exhibit C) \$ 1,355,977

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

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

Governmental Capital Assets, Net of Depreciation 59,428

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

Accrued Compensated Absences (113,246)

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

Net Pension Asset (PERS)	124,035
Net Pension Liability (LASERS)	(117,302)
Deferred Outflows of Resources	102,689
Deferred Inflows of Resources	<u>(70,438)</u>

Net Position of Governmental Activities (Exhibit A) \$ 1,341,143

The accompanying notes are an integral part of this statement.

**City Court of Hammond
Hammond, Louisiana**

Exhibit E

Statement of Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2025

	General Fund	Judicial Building Fund	Total
Revenues:			
Contributions:			
Criminal Docket	\$ 632,267	\$ -	\$ 632,267
Civil Fees	67,231	-	67,231
Judicial Building Fund	-	165,710	165,710
City of Hammond	600,681	-	600,681
City of Ponchatoula	24,000	-	24,000
Tangipahoa Parish Government	168,993	-	168,993
Grant Revenue	44,000	-	44,000
On-Behalf Payments	102,041	-	102,041
Civil Docket - Judges Fees	118,207	-	118,207
Ad Hoc Judge Fees	1,226	-	1,226
Interest Income	25,817	201	26,018
Other Fees	116,794	-	116,794
Total Revenues	1,901,257	165,911	2,067,168
Expenditures:			
Salaries	1,014,793	-	1,014,793
Judges Salary and Fees	188,075	-	188,075
Payroll Tax & Employee Benefits	353,340	-	353,340
Ad Hoc Judge Fees	885	-	885
Computer Software & Programming	6,424	94,587	101,011
Educational Conferences & Seminars	21,055	-	21,055
Equipment Repairs & Maintenance	8,183	1,090	9,273
Insurance	17,418	-	17,418
Juvenile Service Programs	47,130	-	47,130
Legal and Professional Fees	24,611	-	24,611
Miscellaneous	58,581	-	58,581
Office Supplies	42,521	-	42,521
Telephone	28,499	-	28,499
Credit Card Service Charges	10,254	-	10,254
Capital Outlay	-	21,226	21,226
Total Expenditures	1,821,769	116,903	1,938,672
Excess (Deficiency) of Revenues over Expenditures	79,488	49,008	128,496

(Continued)

**City Court of Hammond
Hammond, Louisiana**
Statement of Governmental Funds Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended June 30, 2025

Exhibit E
(Continued)

	General Fund	Judicial Building Fund	Total
Other Financing Sources:			
Transfers from Civil Reserve	64,008	-	64,008
Total Other Financing Sources	64,008	-	64,008
 Excess (Deficiency) Revenues and Other Sources over Expenditures	143,496	49,008	192,504
 Fund Balance - Beginning of the Year	 1,108,946	 54,527	 1,163,473
Fund Balance - End of the Year	\$ 1,252,442	\$ 103,535	\$ 1,355,977

The accompanying notes are an integral part of this statement.

**City Court of Hammond
Hammond, Louisiana**

Exhibit F

Reconciliation of the Governmental Funds Statement of Revenue, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances, Governmental Funds (Exhibit E) \$ 192,504

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

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

Capital Outlay	21,226
Depreciation Expense	(24,749)

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

Change in Accrued Compensated Absences	(12,475)
--	----------

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

Net Change in Pension Expense	4,785
Contributions from Non-Employer Contributing Entities	<u>13,792</u>

Change in Net Position of Governmental Activities (Exhibit B) \$ 195,083

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Statement of Fiduciary Net Position
June 30, 2025

Exhibit G

	Agency Funds		Total
	Civil Docket	Criminal Docket	
Assets			
Cash on Hand and in Banks	\$ 351,673	\$ 155,175	\$ 506,848
Accounts Receivable	-	-	-
Due from General Fund	-	41,954	41,954
 Total Assets	 \$ 351,673	 \$ 197,129	 \$ 548,802
 Liabilities			
Accounts Payable	\$ 15,373	\$ 78,484	\$ 93,857
Due to General Fund	18,496	62,015	80,511
Due to Judicial Building Fund	5,840	8,641	14,481
Due to Others	311,964	47,989	359,953
 Total Liabilities	 \$ 351,673	 \$ 197,129	 \$ 548,802
 Net Position	 \$ -	 \$ -	 \$ -

The accompanying notes are an integral part of this statement.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements
For the Year Ended June 30, 2025

Narrative Profile

The City Court of Hammond (the “City Court”) was created under the authority of Louisiana Revised Statutes (“LRS”) 13:1952. The City Court has jurisdiction throughout the Seventh Ward of Tangipahoa Parish and has the authority to decide certain juvenile, traffic and criminal matters, as well as civil disputes up to \$50,000. The City Court collects fines and court costs and remits these fines to the City of Hammond (the “City”) and to the Tangipahoa Parish Council. The City Court presently employs twenty people including the Judge, Clerk of Court, and sixteen full-time and part-time Deputy Clerks of Court. The City Court maintains a courtroom and offices in the Judge Leon Ford, III Memorial Justice Building. City Court revenues include court costs on civil and criminal cases, appropriations from the City, intergovernmental grants, and other revenues. City Court expenditures include salaries and benefits, data processing, telephone and utilities, and other expenditures.

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

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

B. Fund Accounting

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

Governmental Funds

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

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

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

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

Fiduciary Funds

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

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

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

C. Measurement Focus / Basis of Accounting

Basic Financial Statements – Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all the non-fiduciary activities of the City Court. These statements include all the non-fiduciary activities of the City Court with most of the interfund activities removed. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Basic Financial Statements – Governmental Funds

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

The amounts reflected in the General Fund and the Judicial Building Fund use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Revenues are generally recognized when they become measurable and available as net current assets. Criminal Court fees, appropriations from the City, and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

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

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

D. Budgets and Budgetary Accounting

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

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

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

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget was published on May 14, 2024.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing was held on May 30, 2024.
4. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted prior to the commencement of the fiscal year for which the budget is being adopted. The proposed budget was adopted on June 1, 2024.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Judge and Clerk of Court. The budget was amended on May 30, 2025.
6. The budgets for the General Fund and Judicial Building Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Judge and Clerk of Court.
7. The budgets are integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedules for the General Fund and the Judicial Building Fund present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

E. Cash and Investments

Cash includes cash on hand, demand deposits, interest bearing demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the City Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments for the City Court are stated at cost.

F. Inventory

The City Court utilizes the “purchase method” of accounting for supplies, whereby expendable operating supplies are recognized as expenditures when purchased. The City Court did not record any inventory on June 30, 2025, as the amount is immaterial.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

G. Capital Assets

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

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

Depreciation expense amounted to \$24,749, for the year ended June 30, 2025.

H. Compensated Absences

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

Employees earn from five days to twenty days of annual leave each year depending on length of service. An employee may accumulate up to one week of annual leave each year up to a maximum of thirty days. All days accumulated over thirty days are lost. The employee's rights to annual leave vest with a maximum of thirty days unused annual leave payable upon termination. Sick leave has been accrued in accordance with GASB Statement No 101, *Compensated Absences*. The cost of compensated absences is reported on the government-wide financial statements.

I. Pension Plans

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

J. Net Position

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

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

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

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

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

K. Fund Balance

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

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

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

As of June 30, 2025, the City Court did not have any nonspendable, committed, or assigned fund balances.

L. 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.

M. Newly Adopted Accounting Pronouncements

The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is 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 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The City Court adopted the provisions of GASB Statement No. 101 during 2025. Beginning net position has been restated as a result of the adoption of this standard. See Footnote 13 for further disclosure on the effect of the adoption of GASB Statement No. 101.

2. Stewardship, Compliance and Accountability

A. Budgetary Information

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

B. Deposits, Investment Laws and Regulations

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

C. Deficit Fund Equity

As of June 30, 2025, no City Court funds had deficit fund balances.

3. Cash, Cash Equivalents, and Investments

As reflected on Exhibit A, the City Court has cash totaling \$478,784 (of which \$108,640 is restricted) and investments totaling \$847,414 (of which \$-0- is restricted) on June 30, 2025. Total cash from fiduciary responsibilities not reported on the government-wide financial statements was \$548,802.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must equal the amount on deposit with the bank at all times. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

The following is a summary of cash, cash equivalents, and investments (bank balances) on June 30, 2025, with the related Federal deposit insurance and pledged securities:

Bank Balances:	
Insured (FDIC Insurance)	\$ 1,013,836
Uninsured and Collateralized:	
Collateral held by pledging bank's trust department not in the City Court's name	794,591
Uninsured and Uncollateralized	<u>63,269</u>
Total Deposits	<u>\$ 1,871,696</u>

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

Deposits collateralized by pledged securities are considered exposed to credit risk (Category 3) under the provisions of GASB Statement 40. Custodial credit risk is the risk that in the event of a bank failure, the City Court's deposits may not be returned to it. The City Court does not have a deposits policy for custodial risk. As of June 30, 2025, the City Court complied with state law which requires any uninsured cash balances with the fiscal agent bank to be adequately collateralized by a pledge of securities.

4. Due from Other Governments

Amounts due from other governmental units on June 30, 2025, consisted of the following:

City of Hammond	28,592
Tangipahoa Parish Government	5,880
Other	747
Less: Allowance for Uncollectible Accounts	<u>-</u>
	<u>\$ 35,219</u>

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

5. Interfund Receivables / Payables

The following is a summary of interfund receivables / payables on June 30, 2025:

	<u>Due From</u>	<u>Due To</u>
General Fund:		
Criminal Agency Fund	\$ 62,015	\$ -
Civil Agency Fund	18,496	-
Criminal Agency Fund	-	41,954
Judicial Building Fund:		
Due from Other Funds	14,481	\$ -
Civil Agency Fund:		
General Fund	-	18,496
Judicial Building Fund	-	5,840
Criminal Agency Fund:		
General Fund	41,954	62,015
Judicial Building Fund	-	8,641
	<u>\$ 136,946</u>	<u>\$ 136,946</u>

6. Capital Assets

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

<u>Governmental Activities</u>	<u>Balance</u> June 30, 2024	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> June 30, 2025
Building Improvements	\$ 40,954	\$ -	\$ -	\$ 40,954
Furniture & Fixtures	95,142	-	7,576	87,566
Software	332,800	-	-	332,800
Equipment	441,862	21,226	310	462,778
Total	910,758	21,226	7,886	924,098
Accumulated Depreciation	847,807	24,749	7,886	864,670
Capital Assets, Net	<u>\$ 62,951</u>	<u>\$ (3,523)</u>	<u>\$ -</u>	<u>\$ 59,428</u>

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

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

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

7. Accounts, Salaries, and Other Payables

Accounts payable on June 30, 2025, consisted of the following:

	General Fund	Judicial Building Fund	Total
Accounts Payable	\$ 15,352	\$ 19,586	\$ 34,938
Salaries & Benefits Payable	23,540	-	23,540
Due to Criminal Fund	41,954	-	41,954
	<u>\$ 80,846</u>	<u>\$ 19,586</u>	<u>\$ 100,432</u>

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

General Information about the Pension Plan

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

Benefits Provided – The System provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0% of the employee’s final average compensation multiplied by the employee’s years of creditable service.

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

Contributions – Per Act 765 of the 1979 Regular Session of the Louisiana Legislature, contribution rates for employees are established by state law and employer contribution rates are actuarially determined each year by the System’s Board of Trustees. Employees are required to contribute 5.50% of their annual pay. The City Court’s contractually required contribution rate was 7.50% for the period July 1, 2024 to June 30, 2025. Contributions to the System from the City Court were \$69,209 for the year ended June 30, 2025.

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

At June 30, 2025, the City Court reported a liability of \$124,035 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

to calculate the net pension liability was determined by an actuarial valuation as of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's June 30, 2025, contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2024, the City Court's proportion was 0.726650%, which was an decrease of 0.002055% from its proportion measured as of December 31, 2023.

For the year ended June 30, 2025, the City Court recognized pension expense of \$6,834. At June 30, 2025, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 39,547	\$ 1,979
Changes of Assumptions	8,486	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	53,557
Changes in Proportion and Differences Between City Court Contributions and Proportionate Share of Contributions	1,786	397
City Court Contributions Subsequent to the Measurement Date	33,900	-
	\$ 83,719	\$ 55,933

\$33,900 reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 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:

Year Ended:	
December 31, 2025	33,395
December 31, 2026	64,159
December 31, 2027	(68,839)
December 31, 2028	(34,829)
Thereafter	-

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Actuarial Assumptions – The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service Lives	4 Years
Projected Salary Increases	4.25% (1.95% Merit / 2.30% Inflation)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using 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.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2018 through December 31, 2022. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational protection using the MP2021 scale. For Disabled annuitants, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2021 scale.

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

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

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, 2024.

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

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

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

	1.0% Decrease (5.40%)	Current Discount Rate (6.40%)	1.0% Increase (7.40%)
City Court's Proportionate Share of the Net Pension Liability	\$ 309,169	\$ (124,035)	\$ (486,780)

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

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Payables to the Pension Plan – As of June 30, 2025, the City Court owed \$23,880 to the System for the City Court's 2nd quarter 2025 payroll contribution.

9. Employee Pension Plan – Louisiana State Employees Retirement System

General Information about the Pension Plan

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

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

The basic annual retirement benefit for substantially all members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest sixty consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

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

Contributions – Contribution rates are established annually under LRS 11:101 – 11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of LASER's actuary. Rates are different for each class of members; however, the City Court's contractually required contribution rate for the year ended June 30, 2025, was 38.31%. Employees are required to contribute 13.00% of their annual pay. Contributions to LASERS from the City Court were \$18,044 for the year ended June 30, 2025.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

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

At June 30, 2025, the City Court reported a liability of \$117,302 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City Court's proportion of the net pension liability was based on a projection of the City Court's June 30, 2024 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the City Court's proportion was 0.00216%, which was an decrease of 0.00009% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City Court recognized pension expense of \$11,619. At June 30, 2024, the City Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 519
Changes of Assumptions	820	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	13,986
Changes in Proportion and Differences Between City Court Contributions and Proportionate Share of Contributions	106	-
City Court Contributions Subsequent to the Measurement Date	18,044	-
	\$ 18,970	\$ 14,505

\$18,044 reported as deferred outflows of resources related to pensions resulting from City Court contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

Year Ended:		
June 30, 2025	\$	(8,410)
June 30, 2026		3,614
June 30, 2027		(5,390)
June 30, 2028		(3,498)
Thereafter		-

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

Actuarial Assumptions – The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Expected Remaining Service Lives	2 Years
Investment Rate of Return	7.25% per annum, net of investment expenses
Inflation Rate	2.40% per annum
Mortality	<p>Non-disabled members - The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP- 2021.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
Termination, Disability, and Retirement	Termination, disability, & retirement assumptions were projected based on a 5-year (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 specific types of members are:

<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>
Regular	3.30%	14.00%
Judges	2.40%	4.80%
Corrections	4.40%	15.30%
Hazardous Duty	4.40%	15.30%
Wildlife	4.40%	15.30%

Cost of Living Adjustments	<p>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.</p>
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**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% and an adjustment for the effect of rebalancing / diversification. The resulting expected long-term rate of return is 8.15% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
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%
Risk Parity	0.00%
Total	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 contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the PRSAC taking into consideration the recommendation of LASERS's actuary. Based on those assumptions, LASERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1.0% Decrease (6.25%)	Current Discount Rate (7.25%)	1.0% Increase (8.25%)
City Court's Proportionate Share of the Net Pension Liability	\$ 162,217	\$ 117,466	\$ 79,437

**City Court of Hammond
Hammond, Louisiana**
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

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

Payables to the Pension Plan – As of June 30, 2025, the City Court did not have any payables due to LASERS.

10. On-Behalf Payments for Salaries and Benefits

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

Supplementary salary payments are made by the State directly to the City Court Judge and from the Parish Council to the Judge and the City Court’s employees. The City Court is not legally responsible for these salaries; therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the Parish Council. For the fiscal year ended June 30, 2025, the State and Parish Council paid \$72,391 in supplemental salary payments to the City Court Judge and the Parish Council made supplementary salary and benefit payments of \$46,600 to the City Court’s employees.

11. Compensated Absences

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

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

The City Court’s present written policy provides annual leave hours may be accumulated up to 30 days and is paid upon separation from service in good standing. An unlimited amount of sick leave may be accumulated but is not paid upon separation from service.

On June 30, 2025, employees of the City Court have accumulated and vested \$113,246 of employee leave benefits, which was computed in accordance with GASB Statement 101, *Compensated Absences*. This amount is recorded as an obligation of the government-wide liabilities.

City Court of Hammond
Hammond, Louisiana
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2025

12. Judges' Supplemental Compensation Fund

The Judges' Supplemental Compensation Fund was created to be used solely and exclusively for salary supplements to Judges and commissioners, for related costs of state or municipal retirement funds, and for necessary and associated administrative expenses. A non-refundable fee has been set for every civil filing. The Clerk of Court is required to remit these fees collected to the state treasurer on a monthly basis. The total fees paid for the year ended June 30, 2025, were \$55,441.

13. Restated Net Position

The City Court of Hammond adopted and implemented GASB Statement No. 101 for the year ended June 30, 2025. In accordance with GASB Statement No. 101, the standard was adopted retrospectively at the beginning of the period of adoption (July 1, 2024) through a cumulative-effect adjustment to Beginning Net Position for Governmental Activities:

Net Position - Beginning of the Year, as Previously Reported	\$ 1,175,432
Change in Accounting Principle (GASB 101)	<u>(29,372)</u>
Net Position - Beginning of the Year, as Adjusted and Restated	<u>\$ 1,146,060</u>

14. Subsequent Events

Management has evaluated the subsequent events through the date that the financial statements were available to be issued, December 10, 2025, and determined no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information (Part II):

Budgetary Comparison Schedules

City Court of Hammond
Hammond, Louisiana
 Budgetary Comparison Schedule – General Fund
 For the Year Ended June 30, 2025

Schedule 1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Contributions:				
Criminal Docket	\$ 593,850	\$ 617,685	\$ 632,267	\$ 14,582
Civil Fees	63,250	58,000	67,231	9,231
City of Hammond	586,832	586,832	600,681	13,849
City of Ponchatoula	24,000	24,000	24,000	-
Tangipahoa Parish Government	120,167	167,883	168,993	1,110
Grant Revenue	44,000	44,000	44,000	-
On-Behalf Payments	102,358	102,358	102,041	(317)
Civil Docket - Judges Fees	115,000	115,000	118,207	3,207
Ad Hoc Judge Fees	1,275	1,275	1,226	(49)
Interest Income	23,000	25,750	25,817	67
Other Fees	64,825	125,675	116,794	(8,881)
Total Revenues	<u>1,738,557</u>	<u>1,868,458</u>	<u>1,901,257</u>	<u>32,799</u>
Expenditures:				
Salaries	994,121	1,023,710	1,014,793	8,917
Judges Salary and Fees	173,825	188,266	188,075	191
Payroll Tax & Employee Benefits	337,350	353,360	353,340	20
Ad Hoc Judge Fees	1,200	1,200	885	315
Computer Software & Programming	7,000	7,000	6,424	576
Educational Conferences & Seminars	26,525	21,990	21,055	935
Equipment Repairs & Maintenance	7,495	8,305	8,183	122
Insurance	15,685	17,284	17,418	(134)
Juvenile Service Programs	6,325	47,585	47,130	455
Legal and Professional Fees	37,225	26,100	24,611	1,489
Miscellaneous	51,010	59,275	58,581	694
Office Supplies	43,600	43,535	42,521	1,014
Records Retention Management			-	-
Telephone	29,980	28,605	28,499	106
Uniforms	-	-	-	-
Secure Deposit Pickup	9,400	10,000	10,254	(254)
Capital Outlay	850	250	-	250
Total Expenditures	<u>1,741,591</u>	<u>1,836,465</u>	<u>1,821,769</u>	<u>14,696</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>(3,034)</u>	<u>31,993</u>	<u>79,488</u>	<u>47,495</u>

(Continued)

**City Court of Hammond
Hammond, Louisiana**
Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2025

Schedule 1
(Continued)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Other Financing Sources:				
Transfers from Civil Reserve	30,000	64,008	64,008	-
Total Other Financing Sources	30,000	64,008	64,008	-
 Excess (Deficiency) of Revenues and Other Sources over Expenditures	 26,966	 96,001	 143,496	 47,495
Fund Balance - Beginning of the Year	957,899	1,108,946	1,108,946	-
Fund Balance - End of the Year	\$ 984,865	\$ 1,204,947	\$ 1,252,442	\$ 47,495

See auditor's report.

City Court of Hammond
Hammond, Louisiana
 Budgetary Comparison Schedule – Judicial Building Fund
 For the Year Ended June 30, 2025

Schedule 2

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Judicial Building Fund Fees	\$ 124,000	\$ 160,500	\$ 165,710	\$ 5,210
Interest Income	100	173	201	28
Total Revenues	124,100	160,673	165,911	5,238
Expenditures:				
Computer Software & Programming	93,900	96,500	94,587	1,913
Equipment Repairs & Maintenance	6,300	1,390	1,090	300
Capital Outlay	23,000	23,000	21,226	1,774
Total Expenditures	123,200	120,890	116,903	3,987
Excess (Deficiency) of Revenues over Expenditures	900	39,783	49,008	9,225
Other Financing Sources:				
Transfer of Investment Earnings	-	-	-	-
Total Other Financing Sources	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	900	39,783	49,008	9,225
Fund Balance - Beginning of the Year	37,258	83,596	54,527	(29,069)
Fund Balance - End of the Year	\$ 38,158	\$ 123,379	\$ 103,535	\$ (19,844)

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 3

Schedule of the City Court's Proportionate Share of the Net Pension Liability / Asset –
Parochial Employees Retirement System of Louisiana
For the Year Ended June 30, 2025

Fiscal Year*	City Court's Proportion of the Net Pension Liability / (Asset)	City Court's Proportionate Share of the Net Pension Liability / (Asset)	City Court's Covered Employee Payroll	City Court's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability / (Asset)
2025	0.726650%	\$ (124,035)	\$ 955,077	-12.99%	103.63%
2024	0.728705%	\$ 7,310	\$ 910,185	0.80%	99.77%
2023	0.758361%	\$ 180,558	\$ 889,403	20.30%	94.26%
2022	0.748954%	\$ (418,524)	\$ 867,207	-48.26%	114.20%
2021	0.744316%	\$ (191,085)	\$ 860,171	-22.21%	106.76%
2020	0.748685%	\$ (54,165)	\$ 840,347	-6.45%	102.05%
2019	0.785389%	\$ 212,185	\$ 829,294	25.59%	91.93%
2018	0.772260%	\$ (97,166)	\$ 736,333	-13.20%	104.02%
2017	0.798868%	\$ 103,779	\$ 720,982	14.39%	96.54%
2016	0.822531%	\$ 146,448	\$ 615,668	23.79%	93.48%

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 4

Schedule of the City Court's Proportionate Share of the Net Pension Liability –
Louisiana State Employees' Retirement System
For the Year Ended June 30, 2025

<u>Fiscal Year*</u>	<u>City Court's Proportion of the Net Pension Liability</u>	<u>City Court's Proportionate Share of the Net Pension Liability</u>	<u>City Court's Covered Employee Payroll</u>	<u>City Court's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2024	0.00216%	\$ 117,466	\$ 47,100	249.40%	74.59%
2023	0.00225%	\$ 150,337	\$ 47,100	319.19%	68.42%
2022	0.00240%	\$ 181,509	\$ 47,100	385.37%	63.65%
2021	0.00238%	\$ 196,842	\$ 48,211	408.29%	58.00%
2020	0.00247%	\$ 178,732	\$ 49,289	362.62%	62.90%
2019	0.00257%	\$ 175,613	\$ 47,100	372.85%	64.30%
2018	0.00000%	\$ -	\$ 23,550	0.00%	62.54%
2017	0.00000%	\$ -	\$ -	-	-
2016	0.00000%	\$ -	\$ -	-	-
2015	0.00262%	\$ 163,826	\$ 23,550	695.65%	65.02%

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

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 5

Schedule of the City Court's Contributions –
Parochial Employees Retirement System of Louisiana
For the Year Ended June 30, 2025

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>City Court's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2025	\$ 69,424	\$ (69,424)	\$ -	\$ 955,077	7.27%
2024	\$ 68,914	\$ (68,914)	\$ -	\$ 910,185	7.57%
2023	\$ 67,204	\$ (67,204)	\$ -	\$ 889,403	7.56%
2022	\$ 65,041	\$ (65,041)	\$ -	\$ 867,207	7.50%
2021	\$ 65,013	\$ (65,013)	\$ -	\$ 860,171	7.56%
2020	\$ 63,526	\$ (63,526)	\$ -	\$ 840,347	7.56%
2019	\$ 62,697	\$ (62,697)	\$ -	\$ 829,294	7.56%
2018	\$ 58,907	\$ (58,907)	\$ -	\$ 736,333	8.00%
2017	\$ 57,679	\$ (57,679)	\$ -	\$ 720,982	8.00%
2016	\$ 55,410	\$ (55,410)	\$ -	\$ 615,668	9.00%

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

See auditor's report.

**City Court of Hammond
Hammond, Louisiana**

Schedule 6

Schedule of the City Court's Contributions –
Louisiana State Employees' Retirement System
For the Year Ended June 30, 2025

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency / (Excess)</u>	<u>City Court's Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2024	\$ 18,044	\$ (18,044)	\$ -	\$ 47,100	38.31%
2023	\$ 21,054	\$ (21,054)	\$ -	\$ 47,100	44.70%
2022	\$ 20,630	\$ (20,630)	\$ -	\$ 47,100	43.80%
2021	\$ 19,335	\$ (19,335)	\$ -	\$ 48,211	40.10%
2020	\$ 19,970	\$ (19,970)	\$ -	\$ 49,289	40.52%
2019	\$ 18,887	\$ (18,887)	\$ -	\$ 47,100	40.10%
2018	\$ 9,444	\$ (9,444)	\$ -	\$ 23,550	40.10%
2017	\$ -	\$ -	\$ -	\$ -	-
2016	\$ -	\$ -	\$ -	\$ -	-
2015	\$ 9,773	\$ (9,773)	\$ -	\$ 23,550	41.50%

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

See auditor's report.

Other Supplemental Information

City Court of Hammond
Hammond, Louisiana
Schedule of the Compensation, Benefits, and
Other Payments to Agency Head
For the Year Ended June 30, 2025

Schedule 7

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

Purpose	Amount
Salary	\$ 118,534
Benefits - Insurance	-
Benefits - Retirement	18,044
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	1,298
Per Diem	-
Reimbursements	-
Travel	130
Registration Fees	1,140
Conference Travel	1,076
Housing	174
Unvouchered Expenses	-
Special Meals	-
Other	-
	\$ 140,396

See auditor's report.

City Court of Hammond
Hammond, Louisiana
 Justice System Funding Schedule – Receiving Entity
 For the Year Ended June 30, 2025

Schedule 8

	First Six- Month Period Ended <u>12/30/24</u>	Second Six- Month Period Ended <u>06/30/25</u>
Receipts From:		
Advent Online Services, Probation / Parole / Supervision Fees	\$ 1,585	\$ 1,760
	<u>\$ 1,585</u>	<u>\$ 1,760</u>
 Ending Balance of Amounts Assessed but Not Received	 <u>\$ -</u>	 <u>\$ -</u>

See auditor's report.

City Court of Hammond
Hammond, Louisiana
Justice System Funding Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2025

Schedule 9

	First Six- Month Period Ended 12/30/24	Second Six- Month Period Ended 06/30/25
Beginning Balance of Amounts Collected	\$ 357,143	\$ 493,625
Add: Collections		
Civil Fees	309,673	370,541
Bond Fees	-	-
Asset Forfeiture / Sale	-	-
Pre-Trial Diversion Program Fees	190,080	211,503
Criminal Court Costs / Fees	343,723	353,956
Criminal Fines - Contempt	87,213	115,683
Criminal Fines - Other	177,051	178,104
Restitution	5,840	2,647
Probation / Parole / Supervision Fees	15,348	14,662
Service / Collection Fees	54,342	51,433
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	1,183,270	1,298,528
Less: Disbursements To Governments & Nonprofits:		
21st Judicial District Indigent Defender, Criminal Court Costs	78,676	81,326
Acadia Parish Sheriff, Service Fees	35	-
Ascension Parish Sheriff, Service Fees	197	274
Assumption Parish Sheriff, Service Fees	7	-
Avoyelles Parish Sheriff, Service Fees	66	-
Beauregard Parish Sheriff, Service Fees	-	59
Bossier Parish Sheriff, Service Fees	231	251
Calcasieu Parish Sheriff, Service Fees	-	44
City of Hammond, Criminal Court Costs	10,791	11,184
City of Hammond, Criminal Fines - Other	177,051	178,103
Denham Springs City Marshal, Service Fees	210	150
Department of Public Safety and Corrections Public Safety Services	2,050	2,833
East Baton Rouge Parish Sheriff, Service Fees	3,991	3,780
East Feliciana Parish Sheriff, Service Fees	16	-
Florida Parishes Juvenile Justice Commission, Criminal Court Costs	10,082	10,472
Iberville Parish Sheriff, Service Fees	129	50
Jefferson Parish Sheriff, Service Fees	120	-
Jefferson Davis Parish Sheriff, Service Fees	330	600
LA Commission on Law Enforcement, Criminal Court Costs	5,184	5,075
LA Commission on Law Enforcement, Probation / Parole / Supervision Fees	666	714
LA Judicial College, Criminal Court Costs	1,360	1,376
LA State Police, Criminal Fines - Other	375	572

(Continued)

City Court of Hammond
Hammond, Louisiana
Justice System Funding Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2025

Schedule 9

	First Six- Month Period Ended 12/30/24	Second Six- Month Period Ended 06/30/25
(Continued from Previous Page)		
LA Treasurer, Criminal Court Costs	6,705	6,733
Lafayette City Marshal, Service Fees	-	30
Lafayette Parish Sheriff, Service Fees	34	175
Livingston Parish Sheriff, Service Fees	3,204	3,161
Orleans Parish Civil Sheriff, Service Fees	210	367
Rapides Parish Sheriff, Service Fees	41	-
Seventh Ward Marshal, Service Fees	37,691	31,186
Seventh Ward Marshal, Civil Fees	58,954	60,520
St Charles Parish Sheriff, Service Fees	38	202
St Helena Parish Sheriff, Service Fees	1,587	1,568
St John the Baptist Parish Sheriff, Service Fees	122	195
St. Mary Parish Sheriff, Service Fees	15	-
St. Martin Parish Sheriff, Service Fees	-	51
St Tammany Parish Sheriff, Service Fees	1,634	1,352
Tangipahoa Parish Clerk of Court, Civil Fees	19,559	17,495
Tangipahoa Parish Coroner, Criminal Court Costs	271	244
Tangipahoa Parish Sheriff, Service Fees	17,103	15,102
Terrebonne Parish Sheriff, Service Fees	-	21
Washington Parish Sheriff, Service Fees	139	630
West Baton Rouge Sheriff, Service Fees	-	138
Winn Parish Sheriff, Service Fees	35	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting / Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting / Disbursing to Others Based on Fixed Amount Amount "Self-Disbursed" to Collecting Agency:	-	-
Pre-Trial Diversion Program Fees	98,554	109,580
Criminal Court Costs / Fees	148,286	113,573
Criminal Fines - Contempt	87,263	108,423
Criminal Fines - Other / Non-Contempt	50,230	54,801
Probation / Parole / Supervision Fees	15,673	14,662

(Continued)

City Court of Hammond
Hammond, Louisiana
Justice System Funding Schedule – Collecting / Disbursing Entity
For the Year Ended June 30, 2025

Schedule 9

	First Six- Month Period Ended 12/31/24	Second Six- Month Period Ended 06/30/25
(Continued from Previous Page)		
Service Fees	25,485	23,334
Judges Fees, City Court, Civil Filings	-	-
Judicial Building Fee, City Court, Civil	-	-
Civil Fees	126,292	130,206
Civil Fees - Postage	-	-
Less: Disbursements to Individuals / 3rd Party Collection or Processing Agencies		
Civil Fee Refunds	5,544	5,206
Bond Fee Refunds	15,856	15,713
Restitution Payments to Individuals	5,840	2,647
Other Disbursements to Individuals	-	-
Payments to 3rd Party Collection / Processing Agencies	28,856	23,334
Subtotal Disbursements / Retainage	1,046,788	1,037,512
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 493,625	\$ 754,641
Ending Balance of "Partial" Payments Collected but not Disbursed	\$ -	\$ -
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers During the Fiscal Period	\$ -	\$ -

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

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehrlich, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA
Lauren Kimble Smith, CPA
Lyle E. Lambert, CPA



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Society of Louisiana CPAs

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City Court of Hammond's basic financial statements, and have issued our report thereon dated December 10, 2025.

Report on Internal Control over Financial Reporting

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

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

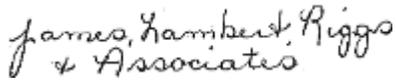
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



James Lambert Riggs and Associates, Inc.

Hammond, Louisiana
December 10, 2025

**City Court of Hammond
Hammond, Louisiana**

Schedule of Current Year Audit Findings, Recommendations, and Responses
For the Year Ended June 30, 2025

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Hammond, a component unit of the City of Hammond, Louisiana as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City Court's basic financial statements, and have issued our report thereon dated December 10, 2025. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control:

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

Compliance:

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

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

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

City Court of Hammond
Hammond, Louisiana
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

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

None

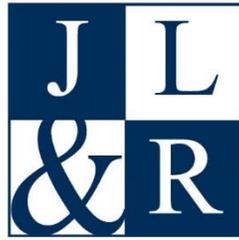
Compliance and Other Matters

None

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

CITY COURT OF HAMMOND
STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED JUNE 30, 2025

Dennis E. James, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehrlich, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA
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Independent Accountants' Report on Applying Agreed-Upon Procedures

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

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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

The City Court of Hammond has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are detailed in Schedule "A."

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

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

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

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

December 10, 2025

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - iv. ***Receipts / Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - v. ***Payroll / Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - **Results:** No exceptions were noted as a result of the above-mentioned procedures.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- **Results:** No exceptions were noted as a result of the above-mentioned procedures.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure / EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- **Results:** No exceptions were noted as a result of the above-mentioned procedures.
- xi. ***Information Technology Disaster Recovery / Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing / verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches / updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- **Results:** No exceptions were noted as a result of the above-mentioned procedures.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- **Results:** No exceptions were noted as a result of the above-mentioned procedures.