

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Annual Financial Report and Independent Auditors' Report

Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

October 9, 2025

Honorable Charles Schrupf, Judge
City Court of Sulphur in and for Ward Four
Sulphur, Louisiana

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 Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, 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 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 Sulphur in and for Ward Four, Sulphur, Louisiana 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 Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of City Court and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements 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.

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

Auditors' 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 of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but it 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 judgment 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'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'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 and findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension schedules, on pages 36 through 39 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the 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.

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our audit report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025, on our consideration of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana'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 Court's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City Court of Sulphur in and for Ward Four's internal control over financial reporting and compliance.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Statement of Net Position

June 30, 2025

ASSETS	
Cash	\$ 403,914
Restricted Cash	1,129,310
Accounts Receivable	-
Capital assets, net	102,071
Total assets	<u>1,635,295</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>62,906</u>
LIABILITIES	
Accounts and other accrued payables	28,811
Net pension liability	216,800
Total liabilities	<u>245,611</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>17,244</u>
NET POSITION	
Net investment in capital assets	102,071
Restricted	1,395,724
Unrestricted	(62,449)
Total net position	<u><u>\$ 1,435,346</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Statement of Activities

Year Ended June 30, 2025

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General government	\$ 625,389	\$ 477,436	\$ -	\$ (147,953)
		General Revenues:		
				\$ 277,743
				6,739
			Total General Revenues	<u>284,482</u>
			Change in Net Position	136,529
			Net Position, beginning	<u>1,298,817</u>
			Net Position, ending	<u>\$ 1,435,346</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Balance Sheet - Governmental Fund

June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash	137,500	266,414	\$ 403,914
Due from other funds	-	-	-
Restricted assets:			
Cash	1,129,310	-	1,129,310
Total Assets	<u>1,266,810</u>	<u>266,414</u>	<u>1,533,224</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	<u>\$ 1,266,810</u>	<u>\$ 266,414</u>	<u>\$ 1,533,224</u>
LIABILITIES			
Accounts payable	28,811	\$ -	\$ 28,811
Due to other funds	-	-	-
Total Liabilities	<u>28,811</u>	<u>-</u>	<u>28,811</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Restricted	1,129,310	266,414	1,395,724
Unassigned	108,689	-	108,689
	<u>1,237,999</u>	<u>266,414</u>	<u>1,504,413</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
	<u>\$ 1,266,810</u>	<u>\$ 266,414</u>	<u>\$ 1,533,224</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Reconciliation of the Balance Sheet-Governmental Fund to the
Statement of Net Position

June 30, 2025

Total fund equity of governmental activities at June 30			\$ 1,504,413
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Capital assets, net of \$195,352 accumulated depreciation			102,071
Deferred outflow and inflows are not financial resources or currently payable:			
Deferred outflows	\$	62,906	
Deferred inflows		<u>(17,244)</u>	45,662
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Net pension liability			<u>(216,800)</u>
Total net position of governmental activities at June 30			<u><u>\$ 1,435,346</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund

Year Ended June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES			
Court costs and fines	\$ 198,780	\$ 278,656	\$ 477,436
Intergovernmental	277,743	-	277,743
Interest income	6,739	-	6,739
TOTAL REVENUES	<u>483,262</u>	<u>278,656</u>	<u>761,918</u>
EXPENDITURES			
General Government	416,404	212,574	628,978
Capital Outlay	100,000	-	100,000
TOTAL EXPENDITURES	<u>516,404</u>	<u>212,574</u>	<u>728,978</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	(33,142)	66,082	32,940
OPERATING TRANSFERS IN (OUT)	<u>(18,452)</u>	<u>18,452</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(51,594)	84,534	32,940
FUND BALANCE - BEGINNING OF YEAR	<u>1,289,593</u>	<u>181,880</u>	<u>1,471,473</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,237,999</u></u>	<u><u>\$ 266,414</u></u>	<u><u>\$ 1,504,413</u></u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended June 30, 2025

Total net changes in fund balance at June 30 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 32,940
<p>The change in net assets reported for governmental activities in the statement of activities different because: Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 100,000	
Depreciation expense for the year ended June 30	<u>(6,416)</u>	93,584
<p>Net pension expense is reported in the governmental funds as expenditures as they are paid, however, in the statement of activities the net position expense is reported according to estimates required by GASB 68:</p>		
Pension expenses paid	37,700	
Pension expenses per GASB 68	<u>(27,695)</u>	<u>10,005</u>
Total changes in net position at June 30 per Statement of Activities		<u>\$ 136,529</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Statement of Net Position - Fiduciary Funds

June 30, 2025

ASSETS	
Cash	\$ 68,356
DEFERRED OUTFLOWS OF RESOURCES	-
	<u>\$ 68,356</u>
LIABILITIES	
Bonds held for disposition of civil cases	\$ 11,727
Due to other agencies	<u>56,629</u>
	68,356
DEFERRED INFLOWS OF RESOURCES	-
	<u>\$ 68,356</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Sulphur in and for Ward Four was created under the authority of LSA-RS 13:1871-2512 and is a City/Ward Court handling traffic and misdemeanor criminal matters, civil matters with money jurisdiction not exceeding \$25,000 and juvenile matters.

1. Reporting Entity

The City Court judge is an independently elected official. However, the City Court is fiscally dependent on the City of Sulphur, Louisiana for office space, court rooms, partial funding of salary costs and other operating expenses. Because the City Court is fiscally dependent on the City, the City Court was determined to be a component unit of the City of Sulphur, Louisiana, 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 of Sulphur, Louisiana, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City Court as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through costs, intergovernmental revenues, and other nonexchange revenues.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the City Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the City Court; and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The City Court uses funds to maintain its financial records during the year. 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. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund (Major Fund) – The general fund is the general operating fund of the City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund (Major Fund) – Special Revenue Funds are used to account for all specific revenue sources that are legally restricted to expenditures for specified purposes.

FIDUCIARY FUND TYPE

Agency Fund – The Agency Fund is used to account for assets held by the City Court as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results in operations.

3. Measurement Focus/Basis of Accounting

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

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus

On the government-wide statement of net position and the statement of activities, the activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

4. Cash Deposits

The cash and cash equivalents of the City Court are subject to the following risks.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City Court will not be able to recover its deposits. 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 financial agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal bank. These 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. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court that the fiscal agent

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the City Court's name.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The City Court does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the City Court diversifies its investments by security type and institution.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City Court's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the City Court may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The City Court may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates of time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Deposits include amounts in demand deposits and interest-bearing demand deposits, as well as short-term investments with an original maturity date of 90 days or less. State statutes authorize the City Court to invest in obligations of the U.S. Treasury, U.S. Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or any other federally insured investment. 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 at all times equal the amount on deposit with the fiscal agent. These 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. At June 30, 2025, the City Court has \$1,694,951 in deposits (collected bank balances). These deposits are secured from risk by \$750,000 of federal deposit insurance and \$944,951 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Restricted Assets

Restricted assets on the balance sheet represent amounts which have accumulated in accordance with the following:

Building fund	\$ 693,667
Judicial expense fund	347,538
Accrued judicial fund	<u>88,105</u>
Total restricted cash	<u>\$ 1,129,310</u>

Building Fund – In accordance with Louisiana Statute RS 13.1899, the City Court collects a fee and places it in a fund dedicated exclusively to the acquisition, leasing, construction, equipping and/or maintenance of new and existing city courts.

Judicial Expense Fund – In accordance with Louisiana Statute RS 13.996, the City Court collects court costs to be placed in a separate account designated as the Judicial Expense Fund. This fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration or function of the City Court. No salary may be paid from the Judicial Expense Fund to any of the judges of the City Court.

Accrued Judicial Fund – The City Court transfers excess earnings from the civil fund into this fund. Funds are accumulated and used only to pay the Judges in years their salary falls below the legal maximum allowed.

6. Budgets

A general fund and special revenue fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

On or before the end of each year, the budget is prepared by function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The City Court holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

Expenditures may not legally exceed budgeted appropriations at the activity level.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Capital Assets

Capital assets, which include equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment and improvements	3-15 years
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In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

8. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Governmental Fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. In accordance with the provisions of Statement Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At June 30, 2025 the City Court's liability for compensated absences was \$28,807.

9. Equity Classification

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “Net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows.

- a. Restricted Fund Balance – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Assigned fund balance – includes fund balance amounts that are intended to be used for specific purposes which are internally imposed
- c. Unassigned fund balance – includes fund balance within the general fund which has not been classified within the above-mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balance shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

10. Use of Estimates

The preparation of the 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.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Subsequent Events

Management has evaluated subsequent events through October 9, 2025, which is the date the financial statements were available to be issued. The City Court is not aware of any subsequent events which required recognition or disclosure in the financial statements.

NOTE B – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2025 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities: Equipment	\$ 197,423	\$ 100,000	\$ -	\$ 297,423
Less accumulated depreciation for: Equipment	<u>188,936</u>	<u>6,416</u>	<u>-</u>	<u>195,352</u>
Governmental activities capital assets, net	<u>\$ 8,487</u>	<u>\$ 93,584</u>	<u>\$ -</u>	<u>\$ 102,071</u>

NOTE C – PENSION PLANS

Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System. The Judge is eligible to participate in the Louisiana State Employees' Retirement System.

1. Municipal Employees Retirement System of Louisiana (System)

Plan Description. Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Court are members of Plan A.

Any member of Plan A who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with twenty-five (25) or more years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Any age with twenty (20) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS - CONTINUED

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal. See Plan Booklet for further details.

Any member of Plan A Tier 2 can retire, providing he meets one of the following requirements:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 10.00% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current rate is 29.50% of annual covered payroll. The City Court contributions to the System under Plan A for the year ended June 30, 2025 was \$18,708.

At June 30, 2025, the Court reported a liability of \$93,352 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2025, the District's proportion was .0331740%.

For the year ended June 30, 2025, the District recognized pension expense (benefit) of \$(2,401) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$0.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS - CONTINUED

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,090
Difference between expected and actual investment	1,258	-
Difference between expected and actual assumption	20,438	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	-	-
Amortization	-	(1,111)
Contributions subsequent to the measurement date	18,708	-
Total	\$ 40,404	\$ 1,979

\$18,708 reported as deferred outflows of resources related to pensions resulting from 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 accounts 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:	Amount
2025	\$ 14,562
2026	9,755
2027	(2,834)
2028	(1,948)
2029	-
Thereafter	-

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS – CONTINUED

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2024 are as follows:

	Plan A	Plan B
Total Pension Liability	\$1,343,032,392	\$ 304,909,334
Plan Fiduciary Net Pension	1,061,632,500	244,232,011
Total Net Pension Liability	\$ 281,399,892	\$ 60,677,323

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

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation
Inflation rate	2.5%
Expected Remaining Service Lives	3 years
Salary Increases, including inflation and merit increases:	
-1 to 2 years of service	9.0%-Plan A and 9.5%-Plan B
-More than 2 years of service	4.4% Plan A and 4.6%-Plan B
Annuitant and beneficiary Mortality	PubG-2010(B) Healthy Retiree Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS – CONTINUED

Disabled lives mortality PubNS-2010(B) Disabled Retiree Table set equal 115% for males and females with the full generational MP2021 scale.

Employee mortality PubG-2010(B) Employee Table set equal to 115% for males and females, each adjusted using their respective male and female MP2021 scales.

The discount rate used to measure the total pension liability was 6.85% for Plan A. 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.

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

	Changes in Discount Rate 2024		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability (Asset)	\$140,574	\$93,352	\$53,488

2. Louisiana State Employees' Retirement System

Plan Description. The Judge of the City Court of Sulphur, is a member of the Louisiana State Employees' Retirement System, a cost-sharing, single-employer defined benefit pension plan administered by a separate board of trustees.

Any person legally occupying a position in state service except those specifically excepted from participation are eligible to participate in the System.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS - CONTINUED

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 among completing 25 years of creditable service, and at age 60 upon completing ten (10) years of accredited service, depending on their plan.

The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA, 70804-4213.

Funding Policy. Members are required by state statute to contribute 11.5 percent of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current rate is 40.17 percent of annual covered payroll. The City Court's contributions to the System for the year ending June 30, 2025 were \$18,992.

At June 30, 2025, the Court reported a liability of \$123,448 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Court's proportion of the net pension liability was based on a projection of the Court's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2025, the District's proportion was .00227%.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS – CONTINUED

For the year ended June 30, 2025, the District recognized pension expense (benefit) of \$(7,602) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions is \$0. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 546
Difference between expected and actual investment		14,719
Difference between expected and actual assumption	863	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	(73)	-
Amortization	2,720	-
Contributions subsequent to the measurement date	18,992	-
Total	\$ 22,502	\$ 15,265

\$18,992 reported as deferred outflows of resources related to pensions resulting from 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 accounts 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:	Amount
2025	\$ (7,945)
2026	4,710
2027	(4,767)
2028	(2,775)
2029	-
Thereafter	-

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS – CONTINUED

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2024 are as follows:

Total Pension Liability	\$ 21,404,414,095
Plan Fiduciary Net Pension	<u>15,966,194,298</u>
Total Net Pension Liability	<u>\$ 5,438,219,797</u>

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

Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.25% per annum, net of investment expenses.
Expected Remaining Service Lives	2 years.
Inflation Rate	2.4% per annum.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS – CONTINUED

Mortality Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021.

Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability, and Retirement Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023) experience study of the System’s members.

Salary Increases Salary increases were projected based on a 2019-2023 experience study of the System’s members. The salary increase rages for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates approved by 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.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE C – PENSION PLANS – CONTINUED

	Changes in Discount Rate 2022		
	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$170,478	\$123,448	\$83,483

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 7.25%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.25% or one percentage point higher 8.25% than the current rate.

NOTE D – RISK MANAGEMENT

The City Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City Court maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City Court. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE E – CHANGES IN CUSTODIAL FUND BALANCE

A summary of changes custodial fund unsettled deposits follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Cash Appearance Bond	\$ -	\$ -	\$ -	\$ -
Fines	-	376,189	376,189	-
Court Costs	-	1,157,248	1,157,248	-
Total	\$ -	\$1,533,437	\$1,533,437	\$ -

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Notes to Financial Statements

June 30, 2025

NOTE F – ON-BEHALF PAYMENTS

Employees receive payments directly from the City of Sulphur, LA, the Calcasieu Parish Government, and the State of Louisiana for salaries, payroll taxes, health insurance, unemployment benefits, retirement plan contributions and workers' compensation. Salaries paid to these employees include \$184,298 from the City, \$32,844 from the Calcasieu Parish Government, and \$60,601 from the State of Louisiana.

REQUIRED SUPPLEMENTAL INFORMATION

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Budgetary Comparison-General Fund

Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Court costs and fines	\$ 266,000	\$ 198,780	\$ (67,220)
Intergovernmental	277,000	277,743	743
Interest	5,800	6,739	939
Total Revenues	<u>548,800</u>	<u>483,262</u>	<u>(65,538)</u>
EXPENDITURES			
General and administrative	464,725	416,404	48,321
Capital outlay	101,500	100,000	1,500
Total Expenditures	<u>566,225</u>	<u>516,404</u>	<u>49,821</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,425)	(33,142)	(15,717)
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>(19,420)</u>	<u>(18,452)</u>	<u>968</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(36,845)	(51,594)	(14,749)
FUND BALANCE - BEGINNING	<u>1,289,593</u>	<u>1,289,593</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 1,252,748</u>	<u>\$ 1,237,999</u>	<u>\$ (14,749)</u>

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Budgetary Comparison-Special Revenue Fund

Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Court costs and fines	\$ 280,000	\$ 278,656	\$ (1,344)
Interest	-	-	-
Total Revenues	<u>280,000</u>	<u>278,656</u>	<u>(1,344)</u>
EXPENDITURES			
General and administrative	<u>212,980</u>	<u>212,574</u>	<u>406</u>
Total Expenditures	<u>212,980</u>	<u>212,574</u>	<u>406</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	67,020	66,082	(938)
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>19,420</u>	<u>18,452</u>	<u>(968)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	86,440	84,534	(1,906)
FUND BALANCE - BEGINNING	<u>181,880</u>	<u>181,880</u>	<u>-</u>
FUND BALANCE - ENDING	<u><u>\$ 268,320</u></u>	<u><u>\$ 266,414</u></u>	<u><u>\$ (1,906)</u></u>

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Schedule of Employer's Proportionate Share of Net Pension Liability

Year Ended June 30, 2025

Municipal Employees Retirement System of Louisiana (System):

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Employer's portion of the net pension liability (asset)	0.03317%	0.03029%	0.01792%	0.02249%	0.02721%	0.02721%	0.04484%	0.03922%	0.03537%	0.03351%
Employer's proportionate share of the net pension liability (asset)	\$ 93,352	\$ 110,709	\$ 74,405	\$ 62,553	\$ 117,623	\$ 117,623	\$ 185,680	\$ 164,075	\$ 144,987	\$ 119,696
Employer's covered payroll	\$ 66,813	\$ 62,944	\$ 60,883	\$ 35,024	\$ 44,532	\$ 52,066	\$ 65,348	\$ 81,872	\$ 71,227	\$ 63,189
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	139.72%	175.88%	122.21%	178.60%	264.13%	225.91%	284.14%	200.40%	203.56%	189.43%
Plan fiduciary net position as a percentage of the total pension liability	58.84%	51.78%	80.62%	144.42%	104.43%	104.96%	67.00%	63.49%	76.68%	66.17%

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Louisiana State Employees' Retirement System:

Employer's portion of the net pension liability (asset)	0.22700%	0.00231%	0.00247%	0.00248%	0.00239%	0.00239%	0.00260%	0.00257%	0.00254%	0.00256%
Employer's proportionate share of the net pension liability (asset)	\$ 123,448	\$ 154,621	\$ 186,348	\$ 136,223	\$ 197,586	\$ 197,586	\$ 176,977	\$ 180,968	\$ 199,612	\$ 150,666
Employer's covered payroll	\$ 47,280	\$ 47,280	\$ 47,280	\$ 47,280	\$ 47,280	\$ 49,395	\$ 47,835	\$ 47,460	\$ 46,416	\$ 45,348
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	261.10%	327.03%	394.14%	288.12%	417.91%	400.01%	369.97%	381.31%	430.05%	332.24%
Plan fiduciary net position as a percentage of the total pension liability	94.14%	80.08%	78.60%	104.62%	76.16%	76.05%	87.01%	62.50%	88.46%	62.66%

*The amounts presented have a measurement date of June 30, 2024.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Schedule of Employer Contributions

Year Ended June 30, 2025

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Municipal Employees Retirement System of Louisiana (System):					
2016	\$ 12,480	\$ 12,480	\$ -	\$63,189	19.8%
2017	\$ 16,204	\$ 16,204	\$ -	\$71,227	22.7%
2018	\$ 20,263	\$ 20,263	\$ -	\$81,872	24.7%
2019	\$ 16,990	\$ 16,990	\$ -	\$65,348	26.0%
2020	\$ 14,430	\$ 14,430	\$ -	\$52,066	27.7%
2021	\$ 13,137	\$ 13,137	\$ -	\$44,532	29.5%
2022	\$ 10,332	\$ 10,332	\$ -	\$35,024	29.5%
2023	\$ 17,960	\$ 17,960	\$ -	\$60,883	29.5%
2024	\$ 18,568	\$ 18,568	\$ -	\$62,944	29.5%
2025	\$ 18,708	\$ 18,708	\$ -	\$66,813	28.0%
Louisiana State Employees' Retirement System:					
2016	\$ 17,407	\$ 17,407	\$ -	\$45,348	38.4%
2017	\$ 17,638	\$ 17,638	\$ -	\$46,416	38.0%
2018	\$ 19,032	\$ 19,032	\$ -	\$47,460	40.1%
2019	\$ 19,182	\$ 19,182	\$ -	\$47,835	40.1%
2020	\$ 20,943	\$ 20,943	\$ -	\$49,395	42.4%
2021	\$ 20,094	\$ 20,094	\$ -	\$47,280	42.5%
2022	\$ 20,661	\$ 20,661	\$ -	\$47,280	43.7%
2023	\$ 21,181	\$ 21,181	\$ -	\$47,280	44.8%
2024	\$ 21,654	\$ 21,654	\$ -	\$47,280	45.8%
2025	\$ 18,992	\$ 18,992	\$ -	\$47,280	40.2%

OTHER SUPPLEMENTAL INFORMATION

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Schedule of General Government Expenditures-Governmental Fund

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Total
Attorney, witness and curator fees	\$ 1,898	\$ 1,949	\$ 3,847
Audit fees	14,300	-	14,300
Bank charges	1,213	369	1,582
Civil fees-Judge and Marshall	-	91,013	91,013
Clerical	315,024	-	315,024
Conventions and seminars	4,636	-	4,636
Court cost refunds	-	21,507	21,507
Dues	1,318	-	1,318
Judge ad hoc	462	-	462
Library	443	5,848	6,291
Miscellaneous	1,693	1,951	3,644
Miscellaneous services	7,877	21,938	29,815
Office supplies and postage	17,424	1,307	18,731
Recordation of judgment	215	23,030	23,245
Repairs and maintenance	29,596	-	29,596
Retirement funds - Clerical	18,708	-	18,708
Retirement funds - Judge	-	18,992	18,992
Supplementary state fees	-	23,978	23,978
Taxes	993	692	1,685
Utilities	604	-	604
	<u>\$ 416,404</u>	<u>\$ 212,574</u>	<u>\$ 628,978</u>

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
 Suphur, Louisiana
 JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
 AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2025

	<u>First Six Month Period Ended December 31, 2024</u>	<u>Second Six Month Period Ended June 30, 2025</u>
Cash Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 353,163	\$ 350,005
Add: Collections		
Civil Fees <i>(including refundable amounts such as garnishments or advance deposits)</i>	144,683	132,688
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	400,480	494,516
Criminal Fines - Contempt	-	-
Criminal Fines - Other	171,460	204,729
Restitution	10,735	13,744
Probation/Parole/Supervision Fees	550	894
Service/Collection Fees <i>(e.g. credit card fees, report fees, 3rd party service fees)</i>	40,590	55,367
Interest Earnings on Collected Balances	296	48
Other	-	-
Subtotal Collections	768,794	901,986
Less: Disbursements To Governments & Nonprofits:		
<i>City of Sulphur, Criminal Court Costs/Fees</i>	240	185
<i>City of Sulphur, Criminal Fines - Other</i>	51,705	69,387
<i>Parish of Calcasieu, Criminal Court Costs/Fees</i>	6,850	8,105
<i>Parish of Calcasieu, Criminal Fines - Other</i>	119,332	133,819
<i>Calcasieu Clerk of Court, Criminal Court Costs/Fees</i>	105	110
<i>Calcasieu Clerk of Court, Civil Fees</i>	12,235	11,018
<i>Calcasieu Parish DA, Criminal Court Costs/Fees</i>	27,280	32,340
<i>Calcasieu Parish DA, Criminal Fines - Other</i>	-	75
<i>Calcasieu Parish Sheriff's Office, Criminal Court Costs/Fees</i>	6,909	8,480
<i>Calcasieu Parish Sheriff's Office, Civil Fees</i>	6,386	4,874
<i>Calcasieu Parish Police Jury, Civil Fees</i>	3,088	2,760
<i>Crimestoppers, Criminal Court Costs/Fees</i>	3,500	4,386
<i>Department of Public Safety & Correction, Criminal Court Costs/Fees</i>	1,800	2,900
<i>Department of Motor Vehicles, Civil Fees</i>	16	-
<i>DHH-THSCI, Criminal Court Costs/Fees</i>	5,685	6,990
<i>Judicial Administrator's Office, Criminal Court Cost/Fees</i>	876	1,091
<i>Judicial Administrator's Office, Civil Fees</i>	205	184
<i>La. Commission on Law Enforcement, Criminal Court Costs/Fees</i>	4,710	5,829
<i>Keep Louisiana Beautiful Litter Fund, Criminal Court Costs/Fees</i>	50	125
<i>Keep Louisiana Beautiful Litter Fund, Criminal Fines - Other</i>	15	98
<i>Louisiana State Treasurer, Criminal Court Costs/Fees</i>	5,312	6,571
<i>Louisiana State Treasurer, Criminal Fines - Other</i>	183	-
<i>Public Defenders Office, Criminal Court Costs/Fees</i>	78,208	97,040
<i>Southwest Louisiana Regional Crime Lab, Criminal Court Costs/Fees</i>	59,307	72,780
<i>Ward 4 Marshal's Office, Criminal Court Costs/Fees</i>	80,233	100,708
<i>Ward 4 Marshal's Office, Criminal Fines - Other</i>	225	1,350
<i>Ward 4 Marshal's Office, Civil Fees</i>	23,675	20,058
<i>Allen Parish Sherrif's Dept, Civil Fees</i>	-	46
<i>Beauregard Parish Sheriff, Civil Fees</i>	1,210	953
<i>Bossier Parish Sheriff's Office, Civil Fees</i>	110	-
<i>Caddo Parish Sheriff, Civil Fees</i>	-	35

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION - CONTINUED

Year Ended June 30, 2025

	<u>First Six Month Period Ended December 31, 2024</u>	<u>Second Six Month Period Ended June 30, 2025</u>
Less: Disbursements To Governments & Nonprofits - Continued:		
<i>East Baton Rouge Parish Sheriff's Office, Civil Fees</i>	\$ 3,389	\$ 2,317
<i>Iberia Parish Sheriff, Civil fees</i>	35	-
<i>Jefferson Davis Parish Sheriff, Civil Fees</i>	317	180
<i>Jefferson Parish Sheriff, Civil Fees</i>	60	30
<i>Lafayette Parish Sheriff, Civil Fees</i>	195	195
<i>Livingston Parish Sheriff, Civil Fees</i>	-	27
<i>Orleans Parish Civil Sheriff, Civil Fees</i>	30	-
<i>Ouachita Parish Sheriff, Civil Fees</i>	126	-
<i>Pointe Coupee Sheriff, Civil Fees</i>	37	-
<i>Sabine Parish Sheriff, Civil Fees</i>	40	-
<i>Secretary of State, Civil Fees</i>	150	450
<i>St. Tammany Parish Sheriff, Civil Fees</i>	224	-
<i>State Treasurer, Civil Fees</i>	12,642	11,336
<i>Tangipahoa Parish Sheriff, Civil Fees</i>	108	-
<i>Vernon Parish Sheriff's Office, Civil Fees</i>	54	37
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	70	90
Amounts "Self-Disbursed" to Collecting Agency:		
- Civil Fees	63,493	71,208
- Criminal Court Costs/Fees	118,681	145,958
- Probation/Parole/Supervision Fees	550	894
- Service/Collection Fees	-	-
- Interest Earnings on Collected Balances	296	46
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	14,824	6,682
Restitution Payments to Individuals (additional detail is not required)	10,424	13,723
Other Disbursements to Individuals (additional detail is not required)	3,008	1,150
Payments to 3rd Party Collection/Processing Agencies	43,749	57,810
Subtotal Disbursements/Retainage	<u>771,952</u>	<u>904,430</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 350,005</u>	<u>\$ 347,561</u>
 Ending Balance of "Partial Payments" Collected but not Disbursed	 441	 876
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	52,643	72,253
Total Waivers During the Fiscal Period	23,480	28,924

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

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

Year Ended June 30, 2025

	<u>First Six Month Period Ended December 31, 2024</u>	<u>Second Six Month Period Ended June 30, 2025</u>
Cash Basis Presentation		
Receipts From:		
<i>Ward 4 Marshal's Office, Criminal Fines - Other</i>	\$ 3,426	\$ 1,171
<i>Ward 4 Marshal's Office, Criminal Court Costs/Fees</i>	8,531	3,014
<i>State of Louisiana, Criminal Fines - Other</i>	354	2,753
<i>State of Louisiana, Criminal Court Costs/Fees</i>	1,605	17,905
Subtotal Receipts	13,916	24,843
Ending Balance of Amounts Assessed but Not Received	-	-

OTHER INFORMATION

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
 Sulphur, Louisiana
 Schedule of Compensation, Benefits and Other Payments
 To Chief Executive Officer

Year Ended June 30, 2025

Chief Executive Officer: Charles Schrumpf, Judge

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 47,280
Benefits - insurance	-
Benefits - retirement	18,992
Benefits - cell phone	-
Mileage	1,064
Vehicle provided by government	-
Per diem	585
Reimbursements-tolls/parking	116
Conference Travel - rooms	1,646
Conference registration	1,025
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meal reimbursements	-
Dues	868

INDEPENDENT AUDITORS' 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

October 9, 2025

Honorable Charles Schrupf, Judge
City Court of Sulphur in and for Ward Four
Sulphur, Louisiana

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 Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City Court of Sulphur in and for Ward Four's basic financial statements and have issued our report thereon dated October 9, 2025.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of 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.

Honorable Charles Schrupf, Judge
City Court of Sulphur in and for Ward Four
Sulphur, Louisiana
October 9, 2025
Page 2

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Sulphur in and for Ward Four's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses..

City Court of Sulphur in and for Ward Four's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City Court of Sulphur in and for Ward Four's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. City Court of Sulphur in and for Ward Four's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Schedule of Findings and Responses

Year Ended June 30, 2025

I. Summary of Auditors' Results

Auditor issued an unmodified opinion on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Control deficiency(s) identified that are not considered to be material weakness(es)?	<input checked="" type="checkbox"/> yes	<input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

II. Financial Statement Findings

Finding 2025-001:

Inadequate Segregation of Duties

Condition: Because of the small size of the City Court's office staff, the opportunity for segregation of duties is limited. Effective internal control requires adequate segregation of duties among entity personnel.

Effect: Without proper segregation of duties, misstatements in amounts may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

Corrective Action Planned/ Management Response: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
Sulphur, Louisiana

Schedule of Findings and Responses - Continued

Year Ended June 30, 2025

II. Financial Statement Findings – Continued

Finding 2025-002:

Budgetary Authority and Control

Condition: Inadequate budgeting procedures resulted in the general fund revenues being under budget by 5% or more.

Criteria: Inadequate budgeting procedures.

Effect: Violation of Louisiana Revised Statute 39:1310.

Recommendation: The City Court should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/ Management Response: The City Court agrees with the finding and will implement the recommendations.

III. Federal Award Findings and Questioned Costs

N/A

IV. Prior Year Audit Findings

Item 2024-001: Segregation of duties –due to lack of sufficient financial resources, this cannot be resolved. This is a repeat finding in 2025.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2025

September 22, 2025

Honorable Charles Schruppf, Judge
City Court of Sulphur in and for Ward Four
Sulphur, 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 year July 1, 2024 through June 30, 2025. The City Court's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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 confirmations with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- vii. *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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).

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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) requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- x. *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- 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.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared. (e.g., initialed and dated, electronically logged); and

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

4) Collections

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supported documentation for each of the deposits and:

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder; and

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

9) Payroll and Personnel

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

11) Debt Service

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

12) Fraud Notice

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

14) Prevention of Sexual Harassment

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

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

No category exceptions noted nor late submission in 2024, therefore, no testing applied in 2025.

We were engaged by City Court of Sulphur in and for Ward Four 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 City Court of Sulphur in and for Ward Four 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.