

City Court of Bogalusa
(A Component Unit of the City of
Bogalusa, Louisiana)

Annual Financial Statements

As of and for the Year Ended December 31, 2024

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue

Franklinton, Louisiana 70438

(985) 839-4413

Fax (985) 839-4402

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	3
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
 Fund Financial Statements—	
Balance Sheet	10
Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Funds	11
Reconciliation of the Governmental Fund—Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	12
 Fiduciary Fund Financial Statements—	
Combining Statement of Fiduciary Net Position	13
Combining Statement of changes in Fiduciary Net Position	14
 NOTES TO FINANCIAL STATEMENTS.....	15
 REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance–Budget (GAAP Basis) and Actual—General Fund	30
Schedule of the Court’s Proportionate Share of the Net Pension Liability	31
Schedule of the Court’s Contributions	32
 OTHER SUPPLEMENTAL INFORMAITON	
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	34
Justice System Funding Schedule-Collecting/Disbursing Entity	35
 ADDITIONAL REPORTS	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36
Summary of Current Year Audit Findings.....	38
Summary Schedule of Prior Audit Findings	39

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.net

Member
AICPA

Member
LCPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable David Merlin Duke, Judge
City Court of Bogalusa
Bogalusa, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Bogalusa (the Court), a component unit of the City of Bogalusa, Louisiana as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Court's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the Court as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 judgment 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 Court's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Court's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of the Court's Proportionate Share of the Net Pension Liability, and the Schedule of the Court's Contributions to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basis 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 appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

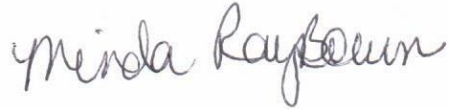
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Court's basic financial statements. The schedule of compensation, benefits, and other payments to the agency head and the justice funding schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to the agency head and justice funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head and justice funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued my report dated June 15, 2025, on my consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Minda Rayburn".

Franklinton, La
June 15, 2025

Financial Statements

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash	\$ 48,248
Capital assets, net of accumulated depreciation	<u>72,372</u>
Total assets	<u>120,620</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related	<u>6,550</u>
Total deferred outflows	<u>6,550</u>
LIABILITIES	
Accounts payable	-
Accrued payroll liabilities	10,448
Net pension liability	<u>65,748</u>
Total liabilities	<u>76,196</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	<u>9,423</u>
Total deferred inflows	<u>9,423</u>
NET POSITION	
Net investment in capital assets	72,372
Unrestricted	<u>(30,821)</u>
Total net position	<u><u>\$ 41,551</u></u>

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

		Program Revenues		Net (Expenses)
		Fees, Fines, & Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
	Expenses			Governmental Activities
Functions/Programs				
Governmental activities:				
Judicial	\$ 513,916	\$ 209,020	\$ -	\$ (304,896)
General Revenues				
				306,422
				-
				306,422
				1,526
				40,025
				\$ 41,551

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	<u>General Fund</u>
ASSETS	
Cash	<u>\$ 48,248</u>
Total assets	<u><u>48,248</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	-
Accrued payroll liabilities	<u>10,448</u>
Total liabilities	<u>10,448</u>
Fund Balance:	
Unassigned	<u>37,800</u>
Total fund balance	<u>37,800</u>
Total liabilities and fund balance	<u><u>\$ 48,248</u></u>
 Amounts reported for net position in the <i>governmental activities</i> statement of net position are different from fund balance reported above because:	
Fund balance as reported above	\$ 37,800
Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements.	72,372
Long-term liabilities including amounts that are not due in the current period and, therefore are not reported in governmental funds	
Net Pension Liability	(65,748)
Deferred Outflows of Resources	6,550
Deferred Inflows of Resources	(9,423)
Net position of governmental activities.	<u><u>\$ 41,551</u></u>

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>General Fund</u>
REVENUES	
Court fees	\$ 209,020
Intergovernmental - on behalf payments	<u>306,422</u>
Total revenues	<u>515,442</u>
EXPENDITURES	
Judicial:	
Salaries	335,371
Fringe benefits and payroll taxes	91,753
Continuing education	990
Telephone and postage	4,049
Travel	14,801
Office expense and supplies	22,228
Dues and subscriptions	6,396
Meals	332
Other	3,147
Auto expense	5,600
Seminars and conventions	<u>425</u>
Total expenditures	<u>485,092</u>
Net change in fund balance	<u>30,350</u>
 Fund balances - beginning	 <u>7,450</u>
Fund balances - ending	<u><u>\$ 37,800</u></u>

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - governmental funds	\$	30,350
--	----	--------

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

Governmental funds report capital outlays as expenditures.

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

Expenditures for Capital assets

Current year's depreciation

-

(28,322)

(28,322)

Pension Expense

(502)

Change in net position of governmental activities

\$ 1,526

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2024

	<u>Bond Fund</u>	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Total Custodial Funds</u>
ASSETS				
Cash	<u>\$ 6,889</u>	<u>\$ 6,554</u>	<u>\$ 57,141</u>	<u>\$ 70,584</u>
Total assets	<u>6,889</u>	<u>6,554</u>	<u>57,141</u>	<u>70,584</u>
LIABILITIES				
Liabilities:				
Due to litigants and others	<u>6,889</u>	<u>6,554</u>	<u>57,141</u>	<u>70,584</u>
Total liabilities	<u>\$ 6,889</u>	<u>\$ 6,554</u>	<u>\$ 57,141</u>	<u>\$ 70,584</u>

The accompanying notes are an integral part of this financial statement.

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2024

	<u>Bond Fund</u>	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Individuals for bonds	\$ 82,852	\$ -	\$	\$ 82,852
Individuals for civil deposits and garnishments	-	-	123,236	123,236
Fines and fees collected for other agencies	-	283,511		283,511
Total Additions	<u>82,852</u>	<u>283,511</u>	<u>123,236</u>	<u>489,599</u>
DEDUCTIONS:				
Payments to individuals	30,598	-	55,133	85,731
Payments to agencies	50,229	273,975	53,929	378,133
Total Deductions	<u>80,827</u>	<u>273,975</u>	<u>109,062</u>	<u>463,864</u>
CHANGES IN NET POSITION	2,025	9,536	14,174	25,735
Net Position-Beginning of Year	<u>4,864</u>	<u>(2,982)</u>	<u>42,967</u>	<u>44,849</u>
Net Position-End of Year	\$ <u><u>6,889</u></u>	\$ <u><u>6,554</u></u>	\$ <u><u>57,141</u></u>	\$ <u><u>70,584</u></u>

The accompanying notes are an integral part of this financial statement.

Notes Financial Statements

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

1. Summary of Significant Accounting Policies

The City Court of Bogalusa (a component unit of the City of Bogalusa) is a court of limited jurisdiction created under the authority of Louisiana Revised Statutes (RS) 13:1952 and serves Ward 4 of Washington Parish, Louisiana, in civil, criminal, and juvenile judicial proceedings.

The Court's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Court are discussed below.

Reporting Entity

According to Governmental Accounting Standards Board Statement (GASBS) No. 14 as amended by GASBS No. 61, the City of Bogalusa (the City) is the financial reporting entity for the Court. The financial reporting entity consists of (a) the primary government (the City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Even though the City Court Judge is an independently elected official, and is legally separate from the City, the Court is considered a component unit of the City because of fiscal dependence. The City provides the courtroom and office space for the Court. The City also pays retirement and a portion of the salaries for the Court's clerks. The accompanying financial statements present information only on the funds maintained by the Court, and do not present information on the City, the general governmental services provided by the City, or the other governmental units that comprise the financial reporting entity of the City.

Basic Financial Statements – Government-Wide Statements

The Court's basic financial statements include both government-wide and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Court's general operations are classified as governmental activities. The Court's collections specifically related to civil, criminal, and bonding cases are classified as fiduciary activities and are not included in the government-wide financial statements.

In the government-wide Statement of Net Position, the Court's operating activities are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Basic Financial Statements – Government-Wide Statements

The government-wide Statement of Activities reports both the gross and net cost of the Court's functions. The functions are also supported by general government revenues (fees, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, operating and capital grants. Program revenues must be directly associated with the function (court operations). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs (by function) are normally covered by general revenue (fees, intergovernmental revenues, interest income, etc.) and the Court does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Court as an entity and the change in the Court's net position resulting from the current year's activities.

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its applicable assets, liabilities, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Court's only major fund is the general fund. There are no non-major funds in the fund financial statements. A description of the types of funds utilized by the Court is as follows:

Governmental Funds - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Court reports these major governmental funds and fund types:

The general fund is the Court's primary operating fund. It is used to account for and report all financial resources except those required to be accounted for in another fund.

The activities reported in this fund are included as governmental activities in the government-wide financial statements.

Fiduciary (Custodial) Funds

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Court programs. The reporting focus is on the assets held for others and liabilities to those other parties. These funds do not report net position. Custodial funds utilize accounting principles similar to that found in the private sector which employ full accrual accounting.

The Court's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial only). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Civil Fund - The civil fund maintains deposits made by plaintiffs who file civil suits. These deposits are recorded as a liability. The court acts only as a collection agent for fees and settlements in civil matters. As the suits are processed, the various fees and settlements collected are paid out on a monthly basis. After a case is dismissed, any excess deposit is refunded to the plaintiff.

Garnishments from civil suits are also maintained within the civil fund. Payments from third parties are received by the clerk and disbursed to the plaintiff. The activity in this account is not reflected in a statement of revenues collected and expenditures paid, but rather as an increase or decrease in cash and a corresponding change in liability.

Bond Fund - The bond fund is used to account for the collection and ultimate disposition of bonds posted by citizens who have been issued citations for traffic violations or arrested for criminal offenses. Bonds posted by violators are held until their cases are heard in the City Court of Bogalusa. At that time, the bonds for persons convicted of violations may be distributed to various agencies if the person elects to have their bond used for payment of fines. Otherwise, the bond is refunded to the defendant.

Criminal Fund - The criminal fund is used to account for the collection and disbursement to various agencies of monies paid to the Court for citations or criminal charges issued to defendants.

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements (the Court's general fund) are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available.

Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

Financial Statement Amounts

Cash and Investments - Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. The Court is allowed, under state law, to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. The Court invests in certificates of deposit.

Capital Assets - Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 – 20 years

Compensated Absences - The salaries of Court employees are the responsibility of the City of Bogalusa. All related accruals for wages, vacations, or sick pay are reported on the City's financial statements.

Government-Wide Net Position - Government-Wide net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by outside parties or sources such as creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by contributors.
- Unrestricted—all other net position is reported in this category.

Governmental Fund Balances - In the governmental fund financial statements, fund balances are classified as follows:

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

- Non-spendable—Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by law. Commitments may be established, modified, or rescinded only with approval of the highest decision-making body for budgetary purposes.
- Assigned—Amounts that are designated for a particular purpose but are not spendable until a formal action by the Judge has been made.
- Unassigned—All amounts not included in other spendable classifications.

Use of Restricted Resources - When an expense or expenditure is incurred that can be paid using either restricted or unrestricted resources (net position), the Court's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Court's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

Interfund Activity - Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related net cost as a reimbursement. All other interfund transactions are treated as transfers.

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

2. Stewardship, Compliance, and Accountability

The budget was prepared on the modified accrual basis of accounting. The budget is legally adopted by the Court and all appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The on-behalf portion salaries and other costs are not included in the Court's budget.

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

3. Cash and Cash Equivalents

At December 31, 2024, the Court's general fund had cash and cash equivalents (book balance) totaling \$48,248 in non-interest-bearing demand deposits through a local bank.

At December 31, 2024 the Court maintained cash (book) balances of \$ 47,686 in the custodial funds, which were held in deposit accounts through a local bank.

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.

Governmental Accounting Standards Board (GASB) Statement No. 40, "Deposit and Investment Risk Disclosures" requires disclosure of custodial credit risk for bank deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2024, the Court's deposits were secured from risk by federal deposit insurance.

4. Capital Assets

A summary of the capital asset and accumulated depreciation activity and the current year depreciation follows:

	January 1, 2024	<u>Additions</u>	<u>Deletions</u>	December 31, 2024
Depreciable Assets				
Computers and software	\$ 162,660	\$ -	\$ -	\$ 162,660
Furniture and fixtures	4,157	-	-	4,157
Total Depreciable Assets	<u>166,817</u>	<u>-</u>	<u>-</u>	<u>166,817</u>
Accumulated Depreciation				
Computers and software	(61,966)	(28,322)	-	(90,288)
Furniture and fixtures	(4,157)	-	-	(4,157)
Total Accumulated Depreciation	<u>(66,123)</u>	<u>(28,322)</u>	<u>-</u>	<u>(94,445)</u>
Capital Assets, Net	\$ <u>100,694</u>	\$ <u>(28,322)</u>	\$ <u>-</u>	\$ <u>72,372</u>

For the year ended December 31, 2024, depreciation expense was \$28,322.

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at December 31, 2024:

Accounts payable	\$ -
Accrued salaries	5,680
Accrued payroll taxes	<u>4,768</u>
Total	<u>\$ 10,448</u>

6. On Behalf Payments and Expenses Paid by Other Governmental Entities

GASB Statement 24 establishes accounting and financial reporting standards for pass-through grants, food stamps, and on-behalf payments for fringe benefits, salaries, and other expenses. The following amounts were paid on-behalf of the Court for employee salaries and fringe benefits and other expenses for the Court during 2024:

Judicial Expense fund	
City of Bogalusa	\$ 170,657
Washington Parish	45,552
State of Louisiana Supreme Court	<u>90,213</u>
Total on-behalf Payments	<u>\$ 306,422</u>

In accordance with Statement No. 24, these compensation payments are included as revenue and expenditures in the accompanying financial statements.

7. Pension Plans

General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The majority of LASERS rank may either retire will full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable 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.

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

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

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

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment, with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

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

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30th immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if the member does not cease employment after DROP participation.

Disability Benefits

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

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

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

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or is an amputee incapable of serving as a law enforcement officer, or is permanently and legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

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

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, and children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse, or 100% of final average compensation if the injury was the result of an intentional act of violence, regardless of children. Line of duty survivor benefits cease upon remarriage and then benefit is paid to children under 18.

Cost-of-Living Adjustments

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

Contributions

Employer Contributions

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

Plan	Plan Status	2024 Employer Rate
Appellate Law Clerks	Closed	34.74%
Appellate Law Clerks hired on or after 7/1/06	Closed	34.74%
Judges hired before 1/1/11	Closed	40.17%
Judges hired after 12/31/10	Closed	38.31%
Judges hired on or after 7/1/15	Open	38.31%
Optional Retirement Plan (ORP) before 7/1/06	Closed	32.39%
Optional Retirement Plan (ORP) on or after 7/1/06	Closed	32.39%
Regular Employees hired before 7/1/06	Closed	34.74%
Regular Employees hired on or after 7/1/06	Closed	34.74%
Regular Employees hired on or after 1/1/11	Closed	34.74%
Regular Employees hired on or after 7/1/15	Open	34.74%

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

The Court's contractually required composite contribution rate for the year ended June 30, 2024 was 44.70% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Court were \$30,212 for the year ended June 30, 2024.

Legislative Acts Income

Legislative Acts Contributions may include appropriations by the State Legislature to cover unfunded accrued pension liabilities.

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

At June 30, 2024, the Employer reported a liability of \$65,748 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Court's proportion of the Net Pension Liability was based on a projection of the Court's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024 the Court's proportion was 0.001240% which was a decrease of 0.000030% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024 the Court recognized pension expense of \$6,754 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$5,689.

At December 31, 2024 the Court reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	-	
Changes of assumptions	460	(8,130)
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions		(1,293)
Net differences between projected and actual earnings on plan investments	-	
Employer contributions subsequent to measurement date	6,090	-
Total	<u>6,550</u>	<u>(9,423)</u>

\$6,090 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 December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending	
2024	(6,007)
2025	2,025
2026	(3,021)
2027	(1,959)

Member type	Lower Range	Upper Range
Judges	2.40%	4.80%

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

Inflation Rate	2.40% per annum
Mortality rates	<p>Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021.</p> <p>Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.</p>
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.
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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.40% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.15% for 2024. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Expected Long-Term Real Rates of Return
	2024
Cash	0.76%
Domestic Equity	4.29%
International Equity	5.22%
Domestic Fixed Income	2.04%
International Fixed Income	5.24%
Alternative Investments	8.19%
Total Fund	5.61%

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa, Louisiana)
Notes to Financial Statements
As of and for the Year Ended December 31, 2024

Discount Rate

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% decrease	6.25%	90,796
Current discount rate	7.25%	65,748
1% increase	8.25%	44,463

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued current LASERS Annual Comprehensive Financial Report at www.lasersonline.org.

Payables to the Pension Plan

The Court reported a payable to LASERS at December 31, 2024 in the amount of \$1,522.

8. Subsequent Events

Subsequent events have been evaluated by management through June 15, 2025, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No other events were noted that are required recording or disclosure in the financial statements for the fiscal year ending December 31, 2024.

Required Supplemental Information

CITY COURT OF BOGALUSA
(a Component Unit of the City of Bogalusa, Louisiana)
GOVERNMENTAL FUND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE-BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Court fees	\$ 163,000	\$ 197,000	\$ 206,453	\$ 9,453
Other	3,275	10,275	2,567	(7,708)
Total Revenues	166,275	207,275	209,020	1,745
EXPENDITURES				
Judicial:				
Salaries	100,000	92,000	98,506	(6,506)
Fringe benefits and payroll taxes	24,000	25,500	22,196	3,304
Continuing education	1,000	2,600	990	1,610
Telephone and postage	1,850	1,600	4,049	(2,449)
Travel	10,000	11,000	14,801	(3,801)
Office expense and supplies	7,500	2,800	22,228	(19,428)
Dues and subscriptions	8,000	14,000	6,396	7,604
Meals	300	300	332	(32)
Other	10,100	10,300	3,147	7,153
Auto expense	-	-	5,600	(5,600)
Seminars and conventions	1,000	375	425	(50)
				-
Total expenditures	163,750	160,475	178,670	(18,195)
Excess (deficiency) of revenues	2,525	46,800	30,350	(16,450)
Fund balances - beginning	7,450	7,450	7,450	-
Fund balances - ending	\$ 9,975	\$ 54,250	\$ 37,800	\$ (16,450)

See independent auditor's report.

City Court of Bogalusa
(A Component Unit of the City of Bogalusa, Louisiana)
Schedule of the Employer's Proportionate Share of Net Pension Liability

Year Ended June 30	Agency's proportion of the net pension liability (asset)	Agency's proportionate share of the net pension liability (asset)	Agency's covered payroll	Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
-----------------------------	---	--	--------------------------------	--	--

Louisiana State Employee's Retirement System

2024	0.001240%	\$ 65,748	\$ 30,212	218%	74.60%
2023	0.001240%	\$ 83,201	\$ 26,068	319%	68.4%
2022	0.000957%	\$ 72,347	\$ 19,228	376%	63.7%
2021	0.000990%	\$ 54,490	\$ 19,219	284%	72.8%
2020	0.000909%	\$ 75,180	\$ 17,988	418%	58.0%
2019	0.001293%	\$ 88,171	\$ 23,244	379%	62.9%
2018	0.000752%	\$ 51,286	\$ 13,752	373%	64.3%
2017	0.006160%	\$ 433,592	\$ 114,855	378%	62.5%
2016	0.006109%	\$ 479,712	\$ 109,987	436%	57.7%
2015	0.005539%	\$ 376,736	\$ 105,119	358%	62.7%

*Amounts presented were determined as of the measurement date (fiscal year ended June 30).

Notes to Required Supplementary Information

Changes of Benefit Terms

For LASERS, Act 37 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit of less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.

Changes of benefit terms include a 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

Changes of Assumptions

There were no changes of assumptions noted for the valuation dated June 30, 2024.

There were no changes of assumptions noted for the valuation dated June 30, 2023.

The investment rate of return was decreased from 7.40% to 7.25% for valuation dated June 30, 2022.

The investment rate of return was decreased from 7.55% to 7.40% for valuation dated June 30, 2021.

The investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30%, the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3% - 14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.65% to 7.60% and mortality table for non-disabled members was changed to the RP-2014 Healthy Mortality Table with an MP-2018 Improvement Scale for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.70% to 7.65% for the valuation dated June 30, 2018.

City Court of Bogalusa
(A Component Unit of the City of Bogalusa, Louisiana)
Schedule of the Employer's Contributions to Retirement System

Year	(a)	(b)				
Ended	Statutorily	Contributions	(a-b)	Agency's	Contributions	
December	Required	in relation to the	Contribution	covered	as a percentage of	
31	Contribution	statutorily	Deficiency (Excess)	payroll	covered	
		required contribution			payroll	

Louisiana State Employee's Retirement System

2024	\$	12,490	\$	12,490	\$	-	\$	27,330	45.7%
2023	\$	11,549	\$	11,549	\$	-	\$	26,118	44.2%
2022	\$	10,080	\$	10,080	\$	-	\$	23,775	42.4%
2021	\$	9,588	\$	9,673	\$	(85)	\$	18,633	51.9%
2020	\$	9,687	\$	9,687	\$	-	\$	21,240	45.6%
2019	\$	11,373	\$	11,373	\$	-	\$	24,000	47.4%
2018	\$	11,803	\$	11,803	\$	-	\$	29,507	40.0%
2017	\$	42,324	\$	42,324	\$	-	\$	114,855	36.9%
2016	\$	41,922	\$	41,922	\$	-	\$	114,855	36.5%
2015	\$	38,999	\$	38,999	\$	-	\$	105,403	37.0%
2014	\$	37,730	\$	37,730	\$	-	\$	101,973	37.0%

OTHER SUPPLEMENTAL INFORMATION

CITY COURT OF BOGALUSA
(A Component Unit of the City of Bogalusa)
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the year ended December 31, 2024

Agency Head: Honorable David Merlin Duke, Judge

Salary - City of Bogalusa	\$	32,000
Salary - Washington Parish Government		28,001
Salary - LA Supreme Court		57,022
Salary - City Court of Bogalusa		25,362
Fringe Benefits-Insurance		10,519
Fringe Benefits-Retirement		44,430
Employer Provided Medicare Taxes		2,065
Travel		4,277
Per Diem		1,190
Conference		750
Reimbursements		2,865
Auto Expense		4,800
Other-Telephone		1,467
Total	\$	<u>214,749</u>

Compensation & fringe benefit includes expenditures paid through the Court and on-behalf payments.

See independent auditor's report.

CITY COURT OF BOGALUSA
JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTION/DISBURSING ENTITY
As Required by Act 87 of the 2020 Regular Legislative Session

	Six Month Period Ended	Six Month Period Ended
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 39,193	\$ 70,979
Add: Collections		
Civil Fees	60,687	62,552
Criminal Court Costs/Fees	160,944	122,705
Subtotal Collections	221,631	185,257
Less: Disbursements To Governments & Nonprofits:		
Civil		
Collections - Garnishments	26,606	25,614
JSCA Board	4,572	4,590
Refund of Advances	1,406	1,506
La. Supreme Court	80	77
JE Fund (City Court)	18,612	26,002
Criminal		
Judicial Expense Fund	78,740	70,346
City of Bogalusa	17,310	20,088
Washington Parish 88% of state fines	3,681	3,709
District Attorney - 12% of state fines	1,575	1,790
District Attorney	960	506
City Prosecutor	8,329	8,400
4th Ward Marshal	10,685	11,360
IDB	10,036	10,809
Juvenile Justice Commission - Adult JJC-Adult/Juv	1,409	1,145
Law Enforcement Training and Assistance Fund - LLET	531	527
CVRF	623	608
LTHSF - Speeding/DWI1/DWI2/ROMV	270	330
OWF - City of Bogalusa	1,193	1,404
Washington Parish Coroner - WP Govt	384	410
CMIS-CityTrafficCityMisd/StateTraffic/StateMisd/DWI	830	816
St. Tammany Parish - Lab Fee	570	672
Probation - City of Bogalusa	590	770
DATF	-	-
DAET	123	50
La. Supreme Court	143	143
BCC JE 2% of LLET	10	11
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	577	758
Less: Disbursements to Individuals/3rd Party Collection or Processing		
Other Disbursements to Individuals	-	100
Subtotal Disbursements/Retainage	189,845	192,541
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 70,979	\$ 63,695

See independent auditor's report.

Minda B. Raybourn

*Certified Public Accountant
Limited Liability Company*

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

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

To the Honorable David Merlin Duke, Judge
City Court of Bogalusa
Bogalusa, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Bogalusa, a component unit of the City of Bogalusa, Louisiana, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City Court of Bogalusa's basic financial statements and have issued my report thereon dated June 15, 2025.

Internal Control over Financial Reporting

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

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 were not identified. Given these limitations, during my audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

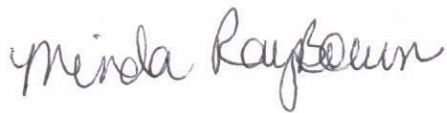
As part of obtaining reasonable assurance about whether the City Court of Bogalusa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses (finding 2024-001).

City Court of Bogalusa's Response to Findings

City Court of Bogalusa's response to the findings identified in my audit is described in the accompanying schedule of findings and responses. City Court of Bogalusa's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

A handwritten signature in dark ink, reading "Minda Rayburn". The signature is written in a cursive, flowing style.

Franklinton, LA

June 15, 2025

City Court of Bogalusa
(A Component Unit of the City of Bogalusa, Louisiana)
Summary of Current Year Audit Findings
For the Year Ended December 31, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	_____ Yes <u> X </u> No
• Significant deficiencies identified that are not Considered to be material weaknesses?	_____ Yes <u> X </u> No
Noncompliance material to financial statements noted?	<u> X </u> Yes _____ No

Noncompliance Finding

Item 2024-001 Local Government Budget Act (LGBA)

CRITERIA: Per Louisiana R.S. 39:131, actual expenditures and other uses must be within 5% of budgeted expenditures and other uses.

CONDITION: The Court actual expenditures were over budget by 11%.

CAUSE: The budget was amended for December 31, 2024. However, actual expenditures were more than expected the final expenditures for the year.

POTENTIAL EFFECT OF CONDITION: Violation of State Law.

RECOMMENDATION: The Court should periodically review interim finance data compared to the budget and amend the budget accordingly.

CLIENT RESPONSE: The Court will implement the recommendation.

City Court of Bogalusa
(A Component Unit of the City of Bogalusa, Louisiana)
Summary of Current Year Audit Findings
For the Year Ended December 31, 2024

Summary Status of Prior Year Findings
(For the Year Ended December 31, 2023)

2023-001 Material Weakness in Financial Reporting

During the prior year audit, significant changes were identified that were made to the beginning balances of the general ledger accounts, resulting in the removal of all prior balances.

Status: Resolved.

2023-002 Late Filing Finding

The Court did not complete and submit the audit to the Louisiana Legislative Auditor within the required time period.

Status: Resolved.

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com

Member
AICPA

Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable David Merlin Duke, Judge
City Court of Bogalusa
202 Arkansas Ave
Bogalusa, LA 70427
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. City Court of Bogalusa's (the "Court") management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. 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

1. 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:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exceptions to this procedure.

- b) **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 exceptions to this procedure.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions to this procedure.

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

No exceptions to this procedure.

- e) **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 exceptions to this procedure.

- f) **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 exceptions to this procedure.

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

No exceptions to this procedure.

- h) **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 exceptions to this procedure.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exceptions to this procedure.

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

No exceptions to this procedure.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions to this procedure.

- l) **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 exceptions to this procedure.

2) Board or Finance Committee-The Court does not have a board or finance committee-this is not applicable.

1. 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.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - 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.

3) Bank Reconciliations

1. 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 or electronically logged);
No exceptions to this procedure.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and
No exceptions to this procedure.
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.
No exceptions to this procedure.

4) Collections (excluding electronic funds transfers)

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

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

No exceptions to procedures i. through iv.

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

No exception to this procedure.

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

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions to i. through v.

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

- 1. 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).

A listing and management's representation were obtained.

- 2. For each location selected under procedure #1 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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- b) At least two employees are involved in processing and approving payments to vendors;
- c) 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;
- d) 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
- e) 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 exceptions to procedures a) through e).

- 3. For each location selected under procedure #1 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 exceptions to this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #2 above, as applicable.

No exceptions to this procedure.

- 4. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #1 randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions to this procedure.

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.

A listing and management's representation were obtained.

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

No exceptions to procedures a) and b).

- 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, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions to this procedure.

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

A listing and management's representation were obtained.

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

No exceptions to this procedure.

No exceptions to this procedure.

- 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 exceptions to this procedure.

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

No exceptions to this procedure.

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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

A listing and management's representation were obtained.

- 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;
- 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);
- 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
- 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 exceptions to procedures i. through iv.

9) Payroll and Personnel

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

A listing and management's representation were obtained.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions to procedures i. through iv.

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

No exceptions to this procedure.

- 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.

Three federal tax payments were late.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions to a. and b.

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

No exceptions to this procedure.

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 State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

A listing was provided. No exceptions to this procedure.

- 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).

A listing was provided. No exceptions to this procedure.

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 exceptions to this procedure.

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

No exceptions to this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within

the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- C. 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.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

No exceptions to this procedure.

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

No exceptions to this procedure.

3. 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;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

No exceptions to this procedure.

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

We are required to be independent of the Town 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.



Minda B. Raybourn CPA
Franklinton, LA
June 16, 2025