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AUDITED FINANCIAL STATEMENTS

**CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other governmental bodies of record. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor, or, where appropriate, at the office of the parish clerk of court.

Release Date JUL 12 2000

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MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

FRANK L. GOINS
CERTIFIED PUBLIC ACCOUNTANT
P. O. Box 622
SLIDELL, LA 70459
(504) 643-5742

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT


**The Honorable Judge Gary J. Dragon
City Court of Slidell
Slidell, Louisiana**

I have audited the accompanying general purpose financial statements of the City Court of Slidell, Slidell, Louisiana, as of and for the year ended December 31, 1999, as listed in the *table of contents*. *These financial statements are the responsibility of the Court's management.* My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards and generally accepted government auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph *present fairly in all material respects, the financial position of the City Court of Slidell, Slidell, Louisiana, as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.*

In accordance with Government Auditing Standards, I have also issued a report dated June 23, 2000 on my consideration of the City Court's compliance and on internal control over financial reporting.



FRANK L. GOINS
Certified Public Accountant
June 23, 2000

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BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1999

	GOVERNMENT FUND TYPE GENERAL	FIDUCIARY FUND TYPE AGENCY FUNDS	ACCOUNT GROU GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash on hand and in banks	\$ 1,328,269	\$ 0	\$ 0	\$ 1,328,269
Due from General Fund	0	181,962	0	181,962
Restricted Assets:				0
Deferred compensation benefits				0
Investments	0	340,095	0	340,095
Property, plant, and equipment:				
Office equipment	0	0	191,275	191,275
TOTAL ASSETS	\$ 1,328,269	\$ 522,057	\$ 191,275	\$ 2,041,601
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 8,189	\$ 0	\$ 0	\$ 8,189
Payroll deductions and withholding	14,232	0	0	14,232
Due to Agency Funds	181,962	0	0	181,962
Payable from restricted assets:				
Deferred compensation benefits due employees	0	340,095	0	340,095
Due to other government agencies	0	181,962	0	181,962
Appearance bonds pending	62,071	0	0	62,071
Deferred revenues	13,304	0	0	13,304
TOTAL LIABILITIES	\$ 279,758	\$ 522,057	\$ 0	\$ 801,815
FUND EQUITY				
Investment in general fixed assets	\$ 0	\$ 0	\$ 191,275	\$ 191,275
Fund balance - unreserved and undesignated	1,048,511	0	0	1,048,511
TOTAL FUND EQUITY	\$ 1,048,511	\$ 0	\$ 191,275	\$ 1,239,786
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,328,269	\$ 522,057	\$ 191,275	\$ 2,041,601

The accompanying notes are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENT FUND TYPES
CITY COURT OF SLIDELL
Slidell, Louisiana
Year ended December 31, 1999

REVENUES

Current court revenues:		
Court costs	\$	182,686
Criminal Court fees		222,413
Probation fees		196,635
DWI classes & other		9,250
Witness fees		7,479
Civil fees		17,549
Interest earned		55,772
	TOTAL REVENUES	\$ 691,784

EXPENDITURES

Current court operating expenditures:		
Salaries and related benefits:		
Salaries	\$	241,438
Payroll taxes		4,171
Deferred compensation plan		22,860
Contractual services:		
Witness fees		22,400
Telephone		13,275
Maintenance		6,972
Dues and subscriptions		553
Professional fees		43,620
Computer services		10,700
Insurance		47,193
Storage rent		3,371
Materials and supplies:		
Office supplies		32,528
Operating supplies		19,200
Postage		26,386
Miscellaneous		14,005
Capital outlays		4,427
	TOTAL EXPENDITURES	\$ 513,099

Excess of revenues over expenditures	\$	178,685
Fund balance at beginning of year - as previously reported	\$	736,268
Restatement - Inclusion of Civil Department - Prior year		<u>133,558</u>
Fund balance - beginning of year - as restated		<u>869,826</u>
Fund balance at end of year	\$	<u>1,048,511</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1999

NOTE 1 - DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

The accounts of the City Court of Slidell are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. The City Court of Slidell revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statement are described as follows:

GENERAL FUND

The General Fund is the general operating fund of the City Court of Slidell. It is used to account for all financial resources except those required to be accounted for in another fund. Fees from criminal cases and from civil cases are reported in the General Fund.

AGENCY FUNDS

Agency Funds are used to account for assets held as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not value measurement of results of operations.

GENERAL FIXED ASSETS ACCOUNT GROUPS

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

NOTE 2 - DEFINITION OF CITY COURT OF SLIDELL ENTITY

The City Court of Slidell, Slidell, Louisiana was established by an act of the Louisiana State Legislature. The City Court has territorial jurisdiction extending throughout all of Wards 8 and 9 of St. Tammany Parish excluding the Town of Pearl River.

The City Court of Slidell is composed of a City Judge, a Marshal, and a Clerk of Court of said court. The Judge and the Marshal of the City Court are elected at the Congressional election every six years.

The City of Slidell and the Parish of St. Tammany share equally a portion of the salaries of the City Judge, the Marshal, and the Clerk of Court. The City of Slidell is required to furnish a suitable city court room and suitable offices for the City Clerk and Marshal. The City of Slidell is also required to furnish adequate fireproof vaults or other filing equipment for the preservation of the records of the Court. The expenses of operation and maintenance of the court room and offices shall be borne by the City of Slidell and the Police Jury of St. Tammany Parish, Louisiana, in equal portions.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1999

NOTE 2 - DEFINITION OF CITY COURT OF SLIDELL ENTITY - continued

While the City of Slidell and the Police Jury of St. Tammany Parish, Louisiana are obligated to provide certain services to the City Court, neither of them has any authority or control over the City Court. The City Judge is that governing authority in matters of finance, management, budgeting, and is accountable for fiscal matters. The City Court is not considered a component of the City of Slidell.

In 1989, the City Court established a Probation Supervision Department within the General Fund. This department is included in the financial statements of the General Fund.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements and accounting policies of the General Fund of the City Court of Slidell, Slidell, Louisiana conform to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

All City court funds are accounted for under the modified accrual basis of accounting utilizing the following practices:

Revenues are accrued when the amounts to be received are both measurable and available. Charges for fines, forfeitures, and miscellaneous revenues are recorded as revenues when each individual case has been settled.

Expenditures are recorded at the time the liabilities are incurred. Also, capital outlays are recorded as expenditures at the time of acquisition.

BUDGET POLICIES

The City Court is not legally required to adopt a budget. The City Court did not adopt a budget; therefore, there is no budgetary comparison between budgeted and actual revenues, expenditures and changes in fund balance.

FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded at cost and depreciation is not recorded on general fixed assets.

Current capital expenditures are recorded as expenditures at the time of purchase. The related assets are then recorded in the General Fixed Assets account group.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 1999

NOTE 4 - TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

The following are the changes in general fixed assets:

Office equipment - beginning balance	\$ 186,848
Additions	<u>4,427</u>
Office equipment - ending balance	\$ <u>191,275</u>

NOTE 6 - PENSION PLAN

The City Judge and Clerk of Court are partially covered under the pension plan of the City of Slidell and the Parish of St. Tammany, Louisiana, at no cost to the City Court. The City's plan also pays the pension of retired Judges.

In 1991 the City Court adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City Court funds all amounts of compensation deferred under the Plan, at the direction of the covered employees, through investments in annuity contracts underwritten by Great-West Life, which is the Plan administrator. The Court contributes 10% of gross salary to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the City Court subject only to the claims of the City Court's general creditors. Participants' rights under the plan are equal to those of general creditors of the City Court in an amount equal to the fair market value of the deferred account for each participant.

The City Court has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City Court believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The City Court contributed \$ 22,860 to the plan in 1999.

The market value of the Plans assets as of December 31, 1999 is \$ 340,095.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1999

NOTE 7 - VACATION AND SICK LEAVE

The City Court has adopted the following vacation and sick leave plan.

Vacation Pay - Two weeks vacation after one year of employment.

Sick Leave - Six days sick leave after one year of employment.

Vacation and sick leave cannot be accumulated beyond one year. Accrued vacation and sick pay have not been recorded because they are not material to the financial statements.

NOTE 8 - LITIGATION

The City Court of Slidell is not involved in any litigation which would result in a significant liability to the Court.

NOTE 9 - BANK ACCOUNTS

The following is a summary of the bank accounts and the securities:

	<u>AMOUNT</u>	<u>SECURITY</u>	
Parish National Bank - Checking	\$ 80,013	\$ 100,000	FDIC Insurance
		\$ 225,585	Federal Securities
Bank One - Probation Checking	\$1,022,527	\$ 100,000	FDIC Insurance
		\$1,334,592	U. S. Treasury Notes
Bank One - Savings	\$ 74,732	\$ 100,000	FDIC Insurance
First NBC - Civil Checking	\$ 132,505	\$ 132,505	U.S. Treasury Notes
First NBC - Civil Savings	\$ 18,042	\$ 18,042	U.S. Treasury Notes

NOTE 10 - APPEARANCE BONDS PENDING

Appearance bonds pending represents amounts collected for cases that have not been settled at year end. When these cases are settled, the Court will record its share of these amounts as revenues and the remaining amounts will be distributed to other agencies.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 1999

NOTE 11 - DEFERRED REVENUE

This account represents partial payments on fines collected by the Probation Department. Once the fines have been collected in full, the Court records its share of the fines as revenues and distributes the remaining amounts that are collected for other agencies.

NOTE 12 - CHANGES IN AGENCY FUNDS

A summary of changes in agency funds follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>
City of Slidell Funds	\$149,842	\$ 201,073	\$ 135,791	\$ 149,842
Parish of St. Tammany	2,910	9,724	29,769	2,910
City Marshal's Fund	6,998	72,501	70,205	6,998
Indigent Defenders Fund	29,028	82,070	93,903	29,028
Victims of Crime Fund	4,953	11,420	10,852	4,953
Supreme Court	31,791	14,938	7,091	31,791
District Attorney's Fund	1,100	4,125	3,883	1,100
Louisiana Commission on Law Enforcement Fund	4,704	10,107	8,758	4,704
Dept. of Public Safety Fund	4,445	4,408	35,355	4,445
Juvenile Detention Center Fund	7,855	24,681	23,851	7,855
Restitution Fund	9,189	0	944	9,189
Special D.W.I. Fund	7,589	0	0	7,589
Various other agencies	<u>15,110</u>	<u>124,567</u>	<u>130,587</u>	<u>9,090</u>
TOTAL ALL AGENCY FUNDS	\$ <u>275,514</u>	\$ <u>579,359</u>	\$ <u>672,911</u>	\$ <u>181,962</u>

NOTE 13- RESTATED FUND EQUITY

In prior years, it was believed that the civil section of the Slidell City Court was a separate fund and was not a part of the general fund. This was treated as a Civil Fund and was not audited. However, it has been determined that the civil section is indeed a part of the general fund and the Fund Equity (Fund Balance), needed to be restated to include the value of the Civil section. The Fund Balance has been increased by \$133,558 as of December 31, 1998 and the 1999 transactions have been included in the 1999 financial statements.

FRANK L. GOINS
CERTIFIED PUBLIC ACCOUNTANT
P. O. Box 622
SLIDELL, LA 70459
(504) 643-5742

MEMBER
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Judge Gary J. Dragon
City Court of Slidell
Slidell, Louisiana

I have audited the general purpose financial statements of the City Court of Slidell, Slidell, Louisiana, as of and for the year ended December 31, 1999 and have issued my report thereon dated June 23, 2000.

I conducted the audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing the audit, I considered the City Court of Slidell, Slidell, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on their internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or cooperation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Judge and the Louisiana Legislative Auditor's office. This restriction is note intended to limit the distribution of this report, which is a matter of public record.



FRANK L. GOINS
Certified Public Accountant
June 23, 2000