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**CITY COURT OF HAMMOND  
HAMMOND, LOUISIANA**

**REPORT ON AUDIT OF  
BASIC FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2002**

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

Release Date 11/20/02

City Court of Hammond  
Hammond, Louisiana

Basic Financial Statements  
With Supplemental Information Schedules

For Year Ended June 30, 2009

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# Durnin & James

OFFERING PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
INCORPORATED IN MISSISSIPPI

John H. Durnin, CPA  
Bryan F. James, CPA

Member  
American Institute of CPAs  
Society of Accountants (CPAs)

September 30, 2002

## Independent Auditor's Report

The Honorable Grace Bennett Galloway  
City Court of Hammond  
Hammond, Louisiana

We have audited the accompanying basic financial statements of the City Court of Hammond, a component unit of the City of Hammond, as of June 30, 2002, and for the year then ended, as listed in the table of contents. These basic financial statements are the responsibility of the City Court of Hammond's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material aspects, the financial position of the City Court of Hammond, as of June 30, 2002, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2002, on our consideration of the City Court of Hammond's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1 to the basic financial statements, the City Court of Hammond adopted the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, *Condition and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001. This results in a change in the form and content of the basic financial statements.

City Court of Hammond  
Hammond, Louisiana

The Management's Discussion and Analysis on pages 4 through 9 and the budgetary comparison schedule identified as Schedule I are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express an opinion on it.

Respectfully submitted,



Dennis & Jones, CPAs  
(A Professional Corporation)

## Management's Discussion and Analysis

City Court of Hammond  
Hammond, Louisiana  
Management's Discussion and Analysis  
June 30, 2002

*An management of the City Court of Hammond ("City Court"), we offer readers of the City Court of Hammond's financial statements this narrative overview and analysis of the financial activities of the City Court of Hammond, for the fiscal year ended June 30, 2002. This management discussion and analysis ("MD&A") is designed to provide an objective and easy to read analysis of the City Court's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of City Court finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the City Court based on information presented in the financial report and fiscal policies that have been adopted by the City Court. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City Court's financial activity, identify changes in the City Court's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.*

This is the first year that the City Court has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement Number 34. Because this new reporting model changes significantly not only the presentation of financial data, but also the manner in which the information is recorded, prior year comparative information for this reporting period's MD&A has not been included. The omission of this comparative information is unavoidable and unfortunately puts the reader in a less than desirable position. In preparing the information summarized below, we have tried to keep in mind this disadvantage by expanding on the narrative with our opinion of the changes from one year to the next.

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

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City Court's financial statements. The City Court's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements
4. Other Supplementary Information, which is in addition to the basic financial statements themselves.

City Court of Hammond  
Hammond, Louisiana  
Management's Discussion and Analysis (Continued)  
June 30, 2002

**I. Government-Wide Financial Statements**

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers for the first time a concise "entity-wide" Statement of Net Assets and Statement of Activities, seeking to give the user of the financial statements a broad overview of the City Court's financial position and results of operations in a manner similar to a private-sector business.

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

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City Court assets exceeded its liabilities at the close of the most recent fiscal year by \$619,180 (net assets). Of this amount, \$280,305 are unrestricted net assets.

A portion of the City Court's net assets (12.44 percent) reflects its investment in capital assets (e.g., office equipment, office furniture and fixtures, etc.), less any related debt used to acquire those assets that is still outstanding. The City Court uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City Court's net assets (40.28 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$280,305) may be used to meet the government's ongoing obligations to citizens and creditors.

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

**Governmental Activities**

The Governmental Activities of the City Court include Judicial. Court costs and contributions from the City of Hammond fund most of these governmental activities.

City Court of Hammond  
 Hammond, Louisiana  
 Management's Discussion and Analysis (Continued)  
 June 30, 2002

Here we show the City Court's expenditures related to those functions typically associated with governments. In the chart below, Judicial includes the following major expenditures:

Judicial Expenditures:		
Salaries	\$ 669,998	54%
Payroll Tax and Employee Benefits	130,691	10%
Computer Software	111,000	9%
Judge Salary and Fees	92,514	7%
Educational Conferences	89,979	7%
Equipment Purchases	55,163	4%
Equipment Repairs and Maintenance	32,368	3%
Insurance	7,602	1%
Automobile Service Programs	32,362	3%
Legal and Professional Fees	6,662	1%
Miscellaneous	24,235	2%
Office Supplies and Expense	43,453	3%
Telephone	23,100	2%
Travel	6,294	1%
Uniforms	8,804	1%
Rent	11,700	1%
<b>Total Expenditures / Expenses</b>	<u>\$ 1,243,605</u>	<u>100%</u>

General revenues are those available for the City Court to use to pay for the governmental activities described above. The following chart shows the City Court's general revenues:

Governmental Activities Revenues:		
Court Costs	\$ 428,515	36%
Operating Grants	133,690	11%
Contributions from City of Hammond	298,520	25%
Intergovernmental Revenues	107,363	9%
Fees Earned	56,114	4%
Other Income	111,439	9%
Transfers from Agency Fund	77,422	6%
<b>Total Revenues</b>	<u>\$ 1,263,063</u>	<u>100%</u>



City Court of Hammond  
Hammond, Louisiana  
Management's Discussion and Analysis (Continued)  
June 30, 2002

**2. Fund Financial Statements**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are located on pages 11 & 12.

The City Court maintains only one governmental fund, the General Fund. Information is presented on the General Fund on pages 11 & 12 of this report.

*Financial Analysis of the Governmental Funds*

As of the end of the current fiscal year, the City Court's General Fund reported an ending fund balance of \$436,301.

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

The reserved fund balance in General Fund of \$261,825 indicate that these funds are not available for new spending because they have already been committed as follows: \$282,247 for capital outlay, \$83,340 for public defender fees and \$6,238 for Judge's fees.

City Court of Hammond  
Hammond, Louisiana  
Management's Discussion and Analysis (Continued)  
June 30, 2003

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City Court's other programs. The basis of accounting used for fiduciary funds is the modified accrual basis of accounting. The City Court has two fiduciary funds, the Civil Agency Fund and the Criminal Agency Fund. The basic fiduciary fund financial statements can be found on pages 13 & 14 of the report.

**3. Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 - 28 of this report.

**4. Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found beginning on page 31 of this report.

**A. Budgetary Comparison Schedule** - The City Court adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget, beginning on page 51.

**B. Analysis of Significant Budget Variances in the General Fund:**

**1. Revenues:**

- a. Revenues from grants increased by \$58,873 over the amounts originally budgeted. This is due to increases in the available grants for the current year.
- b. Revenues from on behalf payments by the State of Louisiana and Tangipahoa Parish Council increased by \$26,708 over the amounts originally budgeted. This is due to increases in the amounts paid by third parties.
- c. Revenues from other fees increased by \$74,646 due to not budgeting a significant amount of other revenues.
- d. Contributions from the 21<sup>st</sup> Judicial District Court in the amount of \$24,059 or FIMS grant were not budgeted.

**2. Expenditures:**

- a. Salaries increased \$65,214 over the original budget due to the approval of an expenditure of salary increases made possible by increased funding.
- b. Payroll taxes and employee benefits increased \$45,091 over the amounts originally budgeted due to the increase in salaries.
- c. Capital outlay increased \$43,812 over the original budget due to acquisition of equipment that was not budgeted.

**City Court of Hammond**  
Hammond, Louisiana  
**Management's Discussion and Analysis (Continued)**  
June 30, 2002

- d. Miscellaneous expenditures exceeded the budget by \$12,810, Telephone expense exceeded the budget by \$11,165, and Office Supplies and Expense exceeded the budget by \$10,451, all due to an increase in overall activity.

#### **Capital Asset and Debt Administration**

##### **A. Capital Assets**

The City Court's investment in capital assets for its governmental activities as of June 30, 2002, amounts to \$17,813 (net of accumulated depreciation). This investment in capital assets includes office equipment and furniture. The total increase in the City Court's investment in capital assets for the current fiscal year was 36 percent.

Major capital asset additions during the current fiscal year included the following:

- a. Computers at a cost of \$20,193.
- b. Office equipment at a cost of \$26,024.

Additional information on the City Court's capital assets can be found in Note 3 on page 23 of this report.

##### **Economic Factors and Next Year's Budget and Rates**

The following factors were considered in preparing the City Court's budget for the 2003 fiscal year:

For fiscal year ending June 30, 2003, there is no budgeted income increase in court costs or contributions from the City of Hammond over the June 30, 2002 year.

During the current fiscal year, unreserved fund balance in the General Fund decreased to \$134,477. There is no surplus or deficit budgeted for the fiscal year ending June 30, 2003.

##### **Requests for Information**

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

## **Basic Financial Statements**

City Court of Hammond  
Hammond, Louisiana

Exhibit A

Governmental Funds Balance Sheet / Statement of Net Assets

June 30, 2002

	General Fund	Adjustments - Note 1	Statement of Net Assets
<b>Assets</b>			
Cash and Cash Equivalents	\$ 37,809	\$ -	\$ 37,809
Investments	277,438	-	277,438
Amount Interest Receivable	62,117	-	62,117
Due from Other Governments	7,151	-	7,151
Internal Balances	11,935	-	11,935
Prepaid Computer Software	-	105,826	105,826
Restricted Cash and Cash Equivalents	59,578	-	59,578
Deferred Debt Expense	-	38,431	38,431
Capital Assets, Net of Accumulated Depreciation (Note 5)	-	77,052	77,052
<b>Total Assets</b>	<b>\$ 456,158</b>	<b>\$ 221,309</b>	<b>\$ 677,467</b>
<b>Liabilities</b>			
Accounts Payable	\$ 6,241	\$ -	\$ 6,241
Salaries and Benefits Payable	15,655	-	15,655
Compensated Absences, Non-Current	-	38,431	38,431
<b>Total Liabilities</b>	<b>\$ 21,896</b>	<b>\$ 38,431</b>	<b>\$ 58,327</b>
<b>Net Assets</b>			
Investment in Capital Assets, Net of Related Debt	\$ -	\$ 77,052	\$ 77,052
Restricted For:			
Judge's Fees	6,235	-	6,235
Public Defender Fees	53,343	-	53,343
Designated for Capital Outlay	202,247	-	202,247
Unrestricted	174,477	105,826	280,303
<b>Total Net Assets</b>	<b>\$ 434,302</b>	<b>\$ 182,878</b>	<b>\$ 617,180</b>

The accompanying notes are an integral part of this statement.

City-County of Hammond  
Hammond, Louisiana

Exhibit B

Statement of Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balance / Statement of Activities

For the Year Ended June 30, 2003

	General Fund	Adjustments - Note 1	Statement of Activities
<b>Expenditures / Expenses</b>			
Salaries	\$ 668,898	\$ -	\$ 668,898
Payroll Tax and Employer Benefits	(128,080)	-	(128,080)
Computer Software & Programming Fees	(111,088)	185,826	(5,174)
International Conferences & Seminars	(8,578)	-	(18,578)
Equipment Repairs & Maintenance Contracts	(12,568)	-	(12,568)
Insurance	(7,682)	-	(7,682)
Judges Salary and Fees	(62,814)	-	(62,814)
Annually Service Programs	(32,382)	-	(32,382)
Legal and Professional Fees	(8,882)	-	(8,882)
Office Supplies and Expenses	(81,483)	-	(81,483)
Rent	(11,788)	-	(11,788)
Telephone	(23,185)	-	(23,185)
Travel	(8,288)	-	(8,288)
Utilities	(8,898)	-	(8,898)
Miscellaneous	(24,355)	-	(24,355)
Capital Outlay	(55,182)	55,182	-
Depreciation Expense	-	(24,824)	(24,824)
<b>Total Expenditures - Expenses</b>	<b>\$ 618,688</b>	<b>\$ 126,174</b>	<b>\$ 744,862</b>
<b>Program Revenues</b>			
Charges for Services	\$ 428,818	\$ -	\$ 428,818
Operating Grants	153,888	-	(153,888)
<b>Net Program Expenses</b>	<b>\$ 882,888</b>	<b>\$ 126,174</b>	<b>\$ 756,714</b>
<b>General Revenues</b>			
Contributions From City of Hammond	\$ 298,528	\$ -	\$ 298,528
Intergovernmental	882,888	-	882,888
Fees Earned	88,114	-	88,114
Other Income	111,488	-	111,488
Taxation from Agency Fund	72,422	-	72,422
<b>Total General Revenues</b>	<b>\$ 1,433,438</b>	<b>\$ -</b>	<b>\$ 1,433,438</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ 822,888</b>	<b>\$ 126,174</b>	<b>\$ 949,062</b>
<b>Fund Balance / Net Assets - Beginning of the Year</b>	<b>\$ 478,888</b>	<b>\$ 88,788</b>	<b>\$ 567,676</b>
<b>Fund Balance / Net Assets - End of the Year</b>	<b>\$ 1,301,776</b>	<b>\$ 214,962</b>	<b>\$ 1,516,738</b>

The accompanying notes are an integral part of this statement.

Statement of Fiduciary Net Assets

June 30, 2002

	Agency Fund		Total
	Civil Docket	Criminal Docket	
<b>Assets</b>			
Cash on Hand and in Banks	\$ 172,477	\$ 146,521	\$ 318,998
Certificate of Deposit	80,842	-	80,842
Accrued Interest	<u>1,133</u>	<u>-</u>	<u>1,133</u>
<b>Total Assets</b>	<b>\$ <u>254,452</u></b>	<b>\$ <u>146,521</u></b>	<b>\$ <u>400,973</u></b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ -	\$ 15,811	\$ 15,811
Bonds and Taxes Paid in Advance of Trial	-	-	-
Internal Balances	11,975	-	11,975
Appel Deposits	<u>-</u>	<u>402</u>	<u>402</u>
<b>Total Liabilities</b>	<b>\$ <u>11,975</u></b>	<b>\$ <u>16,213</u></b>	<b>\$ <u>28,188</u></b>
<b>Net Assets:</b>			
Held in Trust For Benefit of Others	\$ <u>242,477</u>	\$ <u>130,310</u>	\$ <u>372,787</u>
<b>Total Net Assets</b>	<b>\$ <u>242,477</u></b>	<b>\$ <u>130,310</u></b>	<b>\$ <u>372,787</u></b>

The accompanying notes are an integral part of this statement.

City Court of Hammond  
Hammond, Louisiana

Exhibit D

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2003

	Civil Docket	Criminal Docket	Total
<b>Additions:</b>			
Fines and Bonds Collected	\$ 231,677	\$ 1,236,378	\$ 1,468,055
Total Additions	\$ 231,677	\$ 1,236,378	\$ 1,468,055
<b>Deductions:</b>			
Fines Disbursed to City of Hammond	\$ -	\$ 378,408	\$ 378,408
Fines Disbursed to Juvenile Justice Commission	-	38,085	38,085
Bonds and Fines Returned	-	6,087	6,087
General Fund Court Cost	38,868	360,757	399,625
Public Defender Fees	-	6,525	6,525
Marshal's Office Court Cost	-	138,540	138,540
Lab Fees	-	3,815	3,815
Witness Fees	-	47,525	47,525
Indigent Defenders' Board	-	362,104	362,104
Crime Victim Fund	-	9,487	9,487
Law Enforcement Training	-	13,400	13,400
Probation Fees	-	60,127	60,127
Restorative Medc	-	4,799	4,799
Drug Abuse Education	-	2,985	2,985
Trial Court Case Management Information System	-	13,689	13,689
Injury Trust Fund	-	11,835	11,835
Bond Transfer	-	-	-
Marshal's Fees	38,446	-	38,446
Court Cost Perch	25,012	-	25,012
Judge's Fees Earned	43,588	-	43,588
Transfer to General Fund	68,059	-	68,059
PTI Program Cost	-	3,175	3,175
Judges Supplemental Compensation Fund	31,756	-	31,756
Suit Settlements	11,324	-	11,324
Civil Cost	23,566	-	23,566
Total Deductions	\$ 360,318	\$ 1,232,263	\$ 1,492,581
Change in Net Assets	\$ (48,441)	\$ 4,115	\$ (44,326)
Net Assets - Beginning of the Year	\$ 280,938	\$ 126,399	\$ 417,337
Net Assets - End of the Year	\$ 242,477	\$ 130,514	\$ 372,991

The accompanying notes are an integral part of this statement.



**City-County of Hammond  
Hammond, Louisiana**

**Notes to Financial Statements**

June 30, 2002

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**City Court of Hammond  
Hammond, Louisiana**

**Notes to Financial Statements**

**June 30, 2003**

**Introduction**

The City Court of Hammond (hereinafter referred to as "City Court") was created under the authority of RS 13:1553. The purpose of the City Court of Hammond is to collect fines and court costs and remit these fines to the City of Hammond and to the Tangipahoa Parish Council. The City Court of Hammond is jurisdiction with the Seventh Ward of Tangipahoa Parish. The City Court of Hammond presently employs thirty-one people to include the judge, Clerk of Court, and twenty-nine Deputy Clerks of Court. The City Court maintains a courtroom and offices in Hammond City Hall. Revenues for the City Court include court costs assessed on civil and criminal cases handled by the court, appropriations from the City of Hammond, intergovernmental grants, and other revenues. Major expenditures of the City Court include salaries and related benefits, data processing, telephone and utilities and other expenditures.

**1. Summary Of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Overview and Interpretation No. 8, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2000.

**B. Reporting Entity**

The City Court is fiscally dependent on the City of Hammond. The City of Hammond maintains and operates the building in which the City Court courtroom and offices are located and provides funds for salaries, equipment and expenditures of the City Court. Because the City Court is fiscally dependent on the City of Hammond, the City Court was determined to be a component unit of the City of Hammond, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the City of Hammond, the general governmental services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2003

C. Fund Accounting

The City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Court functions and activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Fund -

Governmental Funds account for all of the City Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt.

Governmental funds of the City Court include:

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

Fiduciary Fund -

Fiduciary funds reporting focuses on net assets and changes in net assets. The City Court maintains two fiduciary funds: the Civil Agency Fund and the Criminal Agency Fund. The Civil Agency Fund is used to account for assets held by the City Court as an agent for individuals or private organizations. The Criminal Agency Fund is used to account for assets held by the City Court as an agent for criminal defendants. These two agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, these agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Exhibits A and B, is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2003

financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of City Court wide operations.

The accounts reflected in the General Fund, of Exhibits A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City Court considers all revenues available if they are collected within 90 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

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

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

**E. Governmental-Wide Financial Statements (GWTFS)**

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the City Court as a whole. These statements include all the financial activities of the City Court. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized, when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities (Exhibit B) are derived directly from City Court users as a fee for services; program revenues reduce the rest of the function to be financed from the City Court general revenues.

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

Reconciliation:

The reconciliations of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and Statement of Net Assets (Exhibit A) are as follows:

<u>Exhibit B</u>	
Capitalization of Capital Assets	\$ 55,162
Recording of Depreciation Expense	(54,814)
Adjustment to Record Prepaid Computer Software	<u>105,826</u>
	\$ 105,174
Adjustment to Beginning Fund Balance for Prior Years	
Capital Assets	<u>\$ 58,704</u>
Net Effect of Changes	<u>\$ 163,878</u>
<u>Exhibit A</u>	
Recording of Prepaid Computer Software	\$ 105,826
Recording of Deferred Debt Expense	38,431
Recording of Net Capital Assets	77,052
Recording of Compensated Absences	<u>(138,431)</u>
Net Effect of Changes	<u>\$ 162,878</u>

F. Budgets

The City Court is not required under the provisions of LSA-R.S. 39:1301-15, to adopt a budget. However, the City Court of Hammond did prepare a budget for the year ended June 30, 2002, on a cash basis with generally accepted accounting principles as applied to governmental units. Formal budgetary integration is not employed as a management control device. Budgeted amounts are as originally adopted. All budgetary appropriations lapse at the end of each year.

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest bearing demand deposits, money market accounts, and time deposits. Under state law, the City Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

City Court of Hammond  
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Notes to Financial Statements (Continued)

June 30, 2002

Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. Inventories

The City Court utilizes the "purchase method" of accounting for supplies whereby expendable operating supplies are recognized as expenditures when purchased. The City Court did not record any inventory at June 30, 2002.

I. Prepaid Items

The City Court recognized expenditures for insurance and similar services extending over more than one accounting period when paid.

J. Capital Assets

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Court maintains a threshold level of \$100 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Equipment	5
Vehicles	5

K. Compensated Absences

The City Court has the following policy relating to vacation and sick leave:

All full-time City Court employees who are paid on a salary basis and work a regular full-time workweek earn sick leave and annual leave. Employees with six months to one

City Court of Hammond  
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Notes to Financial Statements (Continued)

June 30, 2002

year of service earn two days of sick leave. Employees with one to five years of service earn five days of sick leave. Employees with six to ten years of service earn seven days of sick leave. Employees with ten or more years of service earn ten days of sick leave. Employees may accumulate all unused sick leave but the employee's right to unused sick leave benefits does not vest. Therefore, the City Court recognizes an expenditure for sick leave benefits when payments are made to employees.

Employees earn from five days to twenty-one days of annual leave each year depending on length of service. An employee may accumulate up to one week of annual leave each year up to a maximum of thirty days. All days accumulated in excess of thirty days are lost. The employee's rights to annual leave vest with a maximum of thirty days unused annual leave payable upon termination.

The cost of current leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure in the General Fund when leave actually accrues. The current and retirement portions are recorded in the government-wide financial statements.

**1. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 these estimates.

**2. Cash, Cash Equivalents, and Investments**

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal office in Louisiana.

Under state law, the City Court may invest in United States bonds, treasury notes, or certificates. Those are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

As reflected in Exhibit A, the City Court has restricted and unrestricted cash totaling \$97,517 and unrestricted investments totaling \$273,438 at June 30, 2002. Total cash and investments from fiduciary responsibilities not report on the government-wide financial statements were \$259,875 and \$80,842 respectively. Under state law, these deposits (or the resulting bank

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

balances) must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held by and in the name of the fiscal agent bank but pledged to the City Court. The following is a summary of cash investments (bank balances) at June 30, 2002, with the related federal deposit insurance and pledged securities:

	<u>Consolidated Bank Balances June 30, 2002</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
<b>Cash:</b>			
Demand Deposits	\$ 280,259	\$ 90,908	\$ 189,352
Interest Bearing Demand Deposits	<u>281,218</u>	<u>180,000</u>	<u>101,218</u>
<b>Total Cash</b>	<b>\$ 481,506</b>	<b>\$ 190,908</b>	<b>\$ 290,598</b>
<b>Investments:</b>			
Time Deposits	<u>\$ 318,860</u>	<u>\$ 305,075</u>	<u>\$ 13,785</u>
<b>Total Investments</b>	<b>\$ 318,860</b>	<b>\$ 305,075</b>	<b>\$ 13,785</b>
<b>Unaffiliated - Securities in the Name of and Held by the Fiscal Agent Pledged to the City Court</b>			<u>\$ 913,840</u>
<b>Amount of FDIC Insurance and Pledged Securities over Cash and Investment Bank Balances</b>			<u>\$ 608,566</u>

Even though the pledged securities are considered unaffiliated (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 38:1225 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities with 10 days of being notified by the City Court that the fiscal agent has failed to pay deposited funds upon demand.



City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

**3. Interfund Receivables / Payables**

The following is a summary of interfund receivables / payables at June 30, 2002:

	Due From	Due To
<b>General Fund:</b>		
Civil Account	\$ 11,975	\$ -
<b>Civil Account:</b>		
General Fund	-	11,975
	\$ 11,975	\$ 11,975

**4. Due From Other Governments**

Amounts due from other governmental units at June 30, 2002 consisted of the following:

Receivables Due From	
Tangipahoa Parish Sheriff	\$ 7,151

No allowance for uncollectible accounts is required at June 30, 2002.

**5. Capital Assets**

A summary of changes in general fixed assets for the year ended June 30, 2002, is as follows:

	Balance				Balance
<u>Governmental Activities</u>	<u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>		<u>June 30, 2002</u>
Furniture & Fixtures	\$ 53,219	\$ 5,179	\$ -		\$ 58,398
Equipment	230,405	49,863	-		280,268
Total	\$ 283,624	\$ 55,042	\$ -		\$ 338,666
Accumulated Depreciation	\$ 247,800	\$ 34,814	\$ -		\$ 282,614
Capital Assets, Net	\$ 36,824	\$ 20,228	\$ -		\$ 56,052

City Court of Hammond  
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Notes to Financial Statements (Continued)

June 30, 2003

**6. Accounts, Salaries, and Other Payables**

	Civil		Criminal	
	<u>General Fund</u>	<u>Agency Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Accounts Payable	\$ 6,240	\$ -	\$ 15,811	\$ 22,051
Salaries & Benefits Payable	<u>13,658</u>	<u>-</u>	<u>-</u>	<u>13,658</u>
	<u>\$ 19,896</u>	<u>\$ -</u>	<u>\$ 15,811</u>	<u>\$ 35,707</u>

**7. Employees Pension Plan (Parochial Employees Retirement System Of Louisiana)**

Substantially all employees of the City Court of Hammond are members of the Parochial Employees Retirement System of Louisiana (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and B, with separate assets and benefit provisions. All employees of the City Court are members of Plan B.

All permanent employees working at least 20 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. Three tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

City Court of Hammond  
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Notes to Financial Statements (Continued)

June 30, 2002

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 5420 Corporate Blvd., Suite 103, Baton Rouge, Louisiana 70808, or by calling (225) 928-1261.

**Funding Policy** – Under Plan B, members are required by state statute to contribute 2.00% of their annual earnings in excess of \$3,200 and the City Court of Hammond is required to contribute at an actuarially determined rate. The current rate is 2.75% of annual covered payroll. Contributions to the System include one-fourth of one per cent of the taxes allowed to be collectible by the tax rules of each parish, among Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:935, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City Court of Hammond's contributions to the System under Plan B for the years ending June 30, 2002, 2001 and 2000, were \$51,199, \$28,516, and \$11,488, respectively, equal to the required contributions for each year. The Court's total payroll in the fiscal year ended June 30, 2002, was \$762,111, and the Court's contributions were based on a payroll of \$592,181. Both the Court and the covered employees made the required contributions, amounting to \$21,139. There were no related party transactions.

**B. Employees Pension Plan (Louisiana State Employees Retirement System – LASERS)**

Only the Judge of the City Court of Hammond participates in the Louisiana State Employees' Retirement System.

The Louisiana State Employees' Retirement System ("LASERS" or the "System") is an agency of the State of Louisiana established under the provisions of Title 11, Section 401, of the Louisiana Revised Statutes of 1958, as amended (the "Statute"). LASERS is a single-employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State and its various departments and agencies and their beneficiaries. LASERS is supervised by an eleven-member Board of Trustees and is funded through employee and employer contributions and investment earnings.

The following information describing LASERS is necessarily general in nature and is not intended to be a full and complete description of the structure and varied statutory provisions applicable to LASERS and its members. Reference should be made to the applicable Statute for specific detailed information.

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

**Eligibility Requirements**

All state employees except certain classes of employees specifically excluded by Statute become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of LASERS.

**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 may vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age, upon completing thirty years of creditable service, to age sixty, upon completing ten years of creditable service.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$500. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$500 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 50% of average compensation or certain specified dollar amounts of actuarially determined necessary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of five different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

**Contributions**

Covered employees are required by state statute to contribute 11.50% of their salary to the plan. The Court is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 2002, was \$11,240, which consisted of \$6,123 from the Court and \$5,417 from employees. Each employer was required by Statute to contribute 03.00% of each employer's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosure for the Court and the retirement system.

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

The Court's total payroll in the fiscal year ended June 30, 2002 was \$762,111 and the Court's contributions were based on a payroll of \$43,100. Both the Court and the covered employees made the required contributions, amounting to \$11,540. There were no related party transactions.

**Trust Information**

Contributions required by state statute:

Fiscal Year June 30	Required Contribution	Percentage Contribution
2000	\$ 11,214	100%
2001	\$ 11,540	100%
2002	\$ 11,540	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Employees Retirement System of Louisiana, 8481 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 932-0800.

All employees of the Court, with the exception of the Judge, are also members of the Social Security System.

**6. On Behalf Payments for Salaries and Benefits**

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

Supplementary salary payments are made by the State directly to the City Court Judge and from the Parish Council to the Judge and the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenues and expenditures payments is the actual contributions made by the State and the Parish Council. For the fiscal year ended June 30, 2002, the State and Parish Council paid \$46,808 in supplementary salary payments to the City Court Judge and the Parish Council and School Board made supplementary salary and benefit payments of \$20,700 to the City Court's employees.

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

10. **Compensated Absences**

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

Years of Service	Hours Earned Per Month	
	Annual Leave	Sick Leave
6 mos. - 1 year	5 days	2 days
1 - 5 years	11 days	5 days
6 - 10 years	-	7 days
6 - 11 years	16 days	-
Over 10 years	-	10 days
Over 12 years	21 days	-

The Court's present written policy provides annual leave hours may be accumulated up to 30 days and is paid upon separation from service in good standing. Sick leave up to 30 days may be accumulated but is not paid upon separation from service. As a result, no liability for accrued sick leave is recorded by the Court.

At June 30, 2002, employees of the City Court have accumulated and vested \$38,431 of employee leave benefits, which was computed in accordance with GASB Codification Section C68. \$38,431 is recorded as an obligation of the government-wide non-current liabilities.

11. **Fund Balance - Reserved For Judge's Fees**

Fund Balance - Reserved for Judge's Fees has been included on the Balance Sheet of the General Fund to reflect judge's fees which have been earned, but which have not been received to the judge due to legal limitations.

12. **Fund Balance - Designated For Capital Outlay**

The Judge has appropriated monies and the interest earned thereon to be used for future equipment purchases and capital improvements. The total accumulated at June 30, 2002, for this purpose is \$202,247.

City Court of Hammond  
Hammond, Louisiana

Notes to Financial Statements (Continued)

June 30, 2002

**13. Fund Balance - Reserved For Public Defender's Fees**

Fund Balance - Reserved for Public Defender's Fees has been included on the Balance Sheet of the General Fund to reflect public defender's fees which have been collected, but which have not been expended.

**14. Judges' Supplemental Compensation Fund**

The Judges' Supplemental Compensation Fund was created to be used solely and exclusively for salary supplements to judges and commissioners, for related costs of state or municipal retirement funds, and for necessary and associated administrative expenses. A non-refundable fee has been set for every civil filing. The clerk of court is required to remit these fees collected to the state treasurer on a monthly basis. The total fees paid for the year ended June 30, 2002, were \$6,235.

**15. Interest Earned**

The Civil Docket has placed funds in an interest-bearing account. Since the Civil Docket operates in a fiduciary capacity and is not required to pay interest on bonds paid in advance of trial, interest income is transferred to the General Fund and used for operations of the Court.

**16. Postretirement Health Care And Life Insurance Benefits**

As June 30, 2002, the Court has no postretirement health care and life insurance benefit plan in existence.

## **Required Supplemental Information**



City Court of Hammond  
Hammond, Louisiana

Schedule 1

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
<b>Contributions:</b>				
Contribution from Civil Docket	\$ 31,000	\$ 32,000	\$ 30,068	\$ 6,068
Contribution from Civil Docket - Judges Fees	40,000	40,000	43,589	3,589
Contribution from Criminal Docket	277,784	277,784	291,597	13,773
Contribution from Criminal Docket - Public Defender Fees	9,000	9,000	6,525	(2,475)
Contribution from 21 <sup>st</sup> Judicial District Court - FINE	-	-	24,055	24,055
<b>Grants:</b>				
Funds Received - Department of Public Safety	5,000	5,000	3,763	3,763
Grant Revenue	76,838	76,818	133,699	56,872
<b>Intergovernmental - On Behalf Payments</b>	50,000	50,000	83,308	26,788
<b>Fees:</b>				
Probation Fees	90,000	90,000	91,127	(4,873)
Other Fees	24,000	24,000	99,248	74,646
<b>Interest Income</b>	<u>19,400</u>	<u>19,400</u>	<u>12,193</u>	<u>(7,207)</u>
<b>Total Revenues</b>	<b>\$ 637,202</b>	<b>\$ 631,202</b>	<b>\$ 832,121</b>	<b>\$ 194,919</b>
<b>Other Financing Sources (Uses):</b>				
<b>Operating Transfers in from Reporting Entity - City of Hammond:</b>	<b>\$ 299,000</b>	<b>\$ 299,000</b>	<b>\$ 298,520</b>	<b>\$ (480)</b>
<b>Transfer from Civil Reserve</b>	<b>85,000</b>	<b>85,000</b>	<b>73,402</b>	<b>(11,598)</b>
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 384,000</b>	<b>\$ 384,000</b>	<b>\$ 371,942</b>	<b>\$ (12,058)</b>
<b>Total Revenues and Other Financing Sources (Uses)</b>	<b>\$ 1,021,202</b>	<b>\$ 1,021,202</b>	<b>\$ 1,200,063</b>	<b>\$ 181,861</b>

(Continued)

City Court of Hammond  
Hammond, Louisiana

Schedule J  
(Continued)

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Expenditures:</b>				
<b>General Government:</b>				
Salaries	\$ 606,384	\$ 606,384	\$ 608,598	\$ (62,214)
Payroll Tax & Employee Benefits	75,000	75,000	130,601	(45,601)
Computer Software & Programming Fees	110,500	110,500	111,800	(500)
Judges Salary and Fees	86,818	86,818	92,514	(5,696)
Public Defender Fees	6,000	6,000	-	6,000
Educational Conferences & Seminars	20,000	20,000	19,979	21
Capital Outlay	11,350	11,350	55,162	(43,812)
Equipment Repair & Maintenance Contracts	12,500	12,500	12,368	132
Insurance	8,950	8,950	7,602	1,348
Asset/Liability Service Programs	7,500	7,500	32,262	(24,762)
Legal and Professional Fees	6,500	6,500	6,662	(162)
Miscellaneous	12,200	12,200	24,235	(12,035)
Office Supplies and Expense	32,000	32,000	43,453	(11,453)
Telephone	12,000	12,000	23,165	(11,165)
Travel	500	500	6,284	(5,784)
Uniforms	3,000	3,000	8,584	(5,584)
Rent	9,000	9,000	11,790	(2,790)
<b>Total Expenditures</b>	<b>\$ 1,821,282</b>	<b>\$ 1,821,202</b>	<b>\$ 1,345,669</b>	<b>\$ 475,533</b>
<b>Excess (Deficiency) of Revenues and Other Sources over Expenditures</b>				
	\$ -	\$ -	\$ (42,600)	\$ (42,600)
<b>Total Fund Balance - Beginning of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 478,968</b>	<b>\$ 478,968</b>
<b>Total Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 436,368</b>	<b>\$ 436,368</b>

See auditor's report.

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

**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***

# Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS  
ADMINISTRATIVE PROFESSIONALS  
MEMBERSHIP 1001121111

Mobile, Florida, CPA  
Board of Accountancy

Member  
American Institute of Certified Public Accountants

September 30, 2002

**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 Oscar Dennis Givaway  
City Court of Hammond  
Hammond, Louisiana**

We have audited the basic financial statements of the City Court of Hammond, a component unit of the City of Hammond, as of and for the year ended June 30, 2002, and have issued our report thereon dated September 30, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## **Compliance**

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

## **Internal Control over Financial Reporting**

In planning and performing our audit, we considered City Court of Hammond's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 operation 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

City Court of Hammond  
Hammond, Louisiana

This report is intended solely for the use of management and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Darin A. James, CPA  
(A Professional Corporation)

## **Findings and Recommendations**

City Court of Hammond  
Hammond, Louisiana

Cancel Year Audit Findings  
For the Year Ended June 30, 2002

Findings and Recommendations

Consultancy

None

Internal Control over Financial Reporting

None



**Corrective Action Plan for Current Year Audit Findings**

City Court of Hammond  
Hammond, Louisiana

Corrective Action Plan for Current Year Audit Findings  
For the Year Ended June 30, 2003

Name

**Summary Schedule of Prior Audit Findings**

City/County of Hamilton  
 (Marionette, Louisiana)

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2002

Ref. #	Fiscal Year Findings Initially Discovered	Description of Findings	Corrective Action Taken	Plan Corrective Action Partial Corrective Action Taken	Additional Explanation
41-1	June 30, 2001	GASB 34 Implementation	Yes	Implemented for June 30, 2002	