

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Sulphur in and for Ward Four was created under the authority of LSA-RS 13:1871-2512.

The City Court of Sulphur in and for Ward Four is a City/Ward Court handling traffic and misdemeanor criminal matters, civil matters with money jurisdiction not exceeding \$10,000 and juvenile matters.

The accounting and reporting policies of the City Court relating to the fund and account group included in the accompanying combined financial statements conform to generally accepted accounting principles applicable to state and local governments.

The following significant accounting policies were applied in the preparation of the accompanying financial statements:

A. Basis of Presentation

The accompanying general purpose financial statements of the City Court of Sulphur in and for Ward Four have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The City Court of Sulphur in and for Ward Four is a component unit of the City of Sulphur, Louisiana. The criteria used for this determination is specified in GASB 14. The financial statements of the City Court of Sulphur in and for Ward Four are discreetly presented in the financial statements of the City of Sulphur, Louisiana. The City Court system is fiscally dependent on the City of Sulphur, Louisiana for office space, courtrooms, salaries and other operating expenses.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and

2146

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
CITY COURT OF SULPHUR
SEP 11 1996

CITY COURT OF SULPHUR IN AND FOR WARD FOUR

A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity 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 OCT 16 1996



Mires & Company
A Professional Corporation

Certified Public Accountants

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
SULPHUR, LOUISIANA
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 1996



Mires & Company
A Professional Corporation
Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT

Honorable Steven Broussard, Judge
City Court of Sulphur in and for Ward Four
A Component Unit of the City of Sulphur, Louisiana
City Council, City of Sulphur
Sulphur, Louisiana

We have audited the accompanying general purpose financial statements of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles

In accordance with Government Auditing Standards, we have also issued a report dated September 3, 1996 on our consideration of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana's internal control structure and a report dated September 3, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedule listed in the table of contents is presented for purpose of additional analysis and is not a required part of the general purpose financial statements of the City Court of Sulphur, in and for Ward Four, Sulphur, Louisiana, a component unit of the

Honorable Steven Broussard, Judge
City Court of Sulphur in and for Ward Four
A Component Unit of the City of Sulphur, Louisiana
City Council, City of Sulphur
Page 2

City of Sulphur, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
September 3, 1996



CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1996

	Governmental Fund Type General Fund	Account Group General Fixed Assets	Totals (Memorandum Only)	
			1996	1995
ASSETS				
Cash	\$ 109,765	\$ -	\$ 109,765	\$ 113,402
Prepaid expenses	5,727	-	5,727	-
Restricted assets:				
Cash	162,215	-	162,215	135,682
General fixed assets	<u>-</u>	<u>175,566</u>	<u>175,566</u>	<u>144,307</u>
TOTAL ASSETS	<u>\$ 277,707</u>	<u>\$ 175,566</u>	<u>\$ 453,273</u>	<u>\$ 393,391</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 1,523	\$ -	\$ 1,523	\$ 637
Payable from restricted assets :				
Bail bonds payable	3,347	-	3,347	5,106
Fines payable	<u>7,986</u>	<u>-</u>	<u>7,986</u>	<u>-</u>
TOTAL LIABILITIES	<u>12,856</u>	<u>-</u>	<u>12,856</u>	<u>5,743</u>
Fund equity:				
Investment in general fixed assets	-	175,566	175,566	144,307
Fund balances:				
Reserved	150,882	-	150,882	130,576
Unreserved - undesignated .	<u>113,969</u>	<u>-</u>	<u>113,969</u>	<u>112,765</u>
TOTAL FUND EQUITY	<u>264,851</u>	<u>175,566</u>	<u>440,417</u>	<u>387,648</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 277,707</u>	<u>\$ 175,566</u>	<u>\$ 453,273</u>	<u>\$ 393,391</u>

See accompanying notes.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE
Year Ended June 30, 1996

	<u>1996</u>	<u>1995</u>
REVENUES:		
Civil fees	\$ 92,156	\$ 75,282
Court costs	532,799	712,552
Fines	294,860	365,363
Interest income	6,008	4,428
Miscellaneous	<u>12,586</u>	<u>15,568</u>
TOTAL REVENUES	<u>938,409</u>	<u>1,173,193</u>
EXPENDITURES:		
General government	174,146	176,628
Capital outlay	<u>31,259</u>	<u>19,198</u>
	205,405	195,826
Transfers out:		
Calcasieu Parish District Attorney	32,640	51,159
Calcasieu Parish Sheriff	5,017	4,200
City of Sulphur	170,934	213,082
Indigent Defender Fund	160,963	223,610
La. Commission on Law Enforcement	19,921	26,180
Library Fund	4,215	2,595
Louisiana Rehabilitation Services	21,370	29,790
Louisiana State Police Training Academy	6,625	8,687
Parish of Calcasieu	154,848	233,740
Southwest Regional Crime Lab	53,877	47,695
Supreme Court of Louisiana	11,097	8,514
Town of DeQuincy	-	150
Town of Vinton	50	730
Ward 4 Marshall	<u>69,937</u>	<u>94,804</u>
TOTAL EXPENDITURES	<u>916,899</u>	<u>1,140,762</u>
EXCESS OF REVENUES OVER EXPENDITURES	21,510	32,431
FUND BALANCE - BEGINNING	<u>243,341</u>	<u>210,910</u>
FUND BALANCE - ENDING	<u>\$ 264,851</u>	<u>\$ 243,341</u>

See accompanying notes.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
 A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

All revenues are not susceptible to accrual because generally they are not measurable until received in cash.

E. Cash

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

At June 30, 1996, the carrying amount of the City Court's deposits was \$271,980 and the bank balance was \$326,313. Of the bank balance the following was utilized as collateral:

<u>Description</u>	<u>Bank Balance</u>	<u>Market Value</u>
U.S. Treasury Notes	\$ 126,313	\$ 126,313
FDIC Insurance	<u>200,000</u>	<u>200,000</u>
	<u>\$ 326,313</u>	<u>\$ 326,313</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996, the City Court has \$326,313 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$126,313 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court that the fiscal agent has failed to pay deposited funds upon demand.

SUPPORTING SCHEDULE

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
 A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS
 June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Total Columns on Combined Statements

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City Court's financial position and operations.

NOTE 2 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, <u>1995</u>	Net Additions	Balance June 30, <u>1996</u>
Office equipment	\$ 119,733	\$ 30,237	\$ 149,970
Office furniture	<u>24,574</u>	<u>1,022</u>	<u>25,596</u>
	<u>\$ 144,307</u>	<u>\$ 31,259</u>	<u>\$ 175,566</u>

NOTE 3 - RETIREMENT COMMITMENTS

Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System, a multiple-employer public employee retirement system. Judge Steven Broussard is eligible to participate in the Louisiana State Employees' Retirement System, a single-employer public employee retirement system. The payroll for employees covered by each system for the year ended June 30, 1996, was \$21,036 and \$15,110; the City Court's total payroll was \$55,070.

Municipal Employees' Retirement System

Membership is mandatory as a condition of employment beginning on date employed if the employee is working on a permanent regularly scheduled basis of at least 35 hours per week, not participating in another public funded retirement system and under age 60 at date of employment. Elected officials are considered full time employees and must be enrolled if they meet eligibility requirements. Members are eligible for retirement benefits when they meet one of the following:

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Restricted Assets

Restricted assets on the combined balance sheet represent amounts which have accumulated in accordance with bail bond, accrued judicial fee, fine and civil proceeding deposits.

G. Legal Compliance - Budgets

The City Court does not prepare a budget, based on an Attorney General's opinion issued in 1980, which stated Courts were exempt from the Local Budget Act. Therefore, the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund Type is not presented.

H. General Fixed Assets

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the Governmental Fund, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated.

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Governmental Fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-term Debt Account Group. No expenditure is reported for these amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At June 30, 1996 the City Court's liability for compensated absences could not be reasonably estimated.



Mires & Company
A Professional Corporation
Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Steven Broussard, Judge
City Court of Sulphur in and for Ward Four,
A Component Unit of the City of Sulphur, Louisiana
City Council, City of Sulphur
Sulphur, Louisiana

We have audited the general purpose financial statements of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 3, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, is the responsibility of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and the City Council, City of Sulphur, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
September 3, 1996

Honorable Steven Broussard, Judge
City Court of Sulphur in and for Ward Four
A Component Unit of the City of Sulphur, Louisiana
City Council, City of Sulphur
Sulphur, Louisiana
Page 2

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The reportable condition is that the City Court does not have adequate segregation of duties within its internal control structure. However, because of the City Court's size and resources, proper segregation of duties is not feasible.

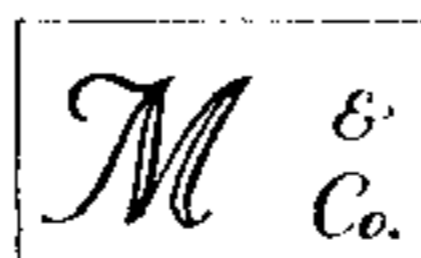
A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of management and the City Council, City of Sulphur, Louisiana. However, this report is a matter of public record and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
September 3, 1996





Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

Honorable Steven Broussard, Judge
City Court of Sulphur in and for Ward Four,
A Component Unit for the City of Sulphur, Louisiana
City Council, City of Sulphur
Sulphur, Louisiana

We have audited the general purpose financial statements of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated September 3, 1996.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no potential component units included in the government's reporting entity.

C. Fund Accounting

The accounts of the City Court are organized on the basis of a fund and account group, each of which is a separate entity with its own self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. Resources are accounted for in individual funds based upon the purposes for which they are to be spent and the restrictions, if any, on the spending activities. The City Court uses the following fund types in its activities:

Governmental Fund Type:

General Fund - the general operating fund, accounts for all financial resources of the City Court.

Account Group:

General Fixed Assets Account Group - 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.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
COMPARATIVE SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES - GOVERNMENTAL FUND TYPE
Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Attorney, witness and curator fees	\$ 9,165	\$ 16,736
Audit fees	3,500	3,500
Bank and credit card charges	451	771
Civil fees - Judge and Marshall	22,404	20,602
Clerical	39,960	42,568
Conventions and seminars	5,798	1,439
Court cost refunds	10,320	10,531
Dues	665	460
Insurance	1,325	-
Janitorial services	6,027	6,370
Judge ad hoc	150	150
Legal advertising	459	440
Library	3,316	3,415
Miscellaneous	6,208	5,192
Miscellaneous services	8,079	7,196
Office supplies and expenses	24,699	23,633
Pest control	490	240
Recordation of judgment	2,364	2,188
Repairs and maintenance	4,468	10,975
Retirement funds - Clerical	1,920	-
Retirement funds - Judge	1,813	2,019
Supplementary state fees	12,455	9,926
Taxes	1,046	1,544
Telephone	7,064	6,733
	<u>\$ 174,146</u>	<u>\$ 176,628</u>

See accompanying notes.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 3 - RETIREMENT COMMITMENTS

The 'pension benefit obligation' is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1995, the latest available information, for the System as a whole, determined through an actuarial valuation performed as of that date, was \$5.70 billion. The System's net assets available for benefits on that date (valued at market) were \$3.59 billion, leaving an unfunded pension benefit obligation of \$2.11 billion.

Ten year historical trend information designed to provide information about the Louisiana State Employees' Retirement System's funding progress is presented in the System's June 30, 1995 annual financial report.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 3 - RETIREMENT COMMITMENTS

1. Any age with thirty or more years of creditable service.
2. Age 55 with twenty-five years of creditable service.
3. Age 60 with a minimum of ten years of creditable service.
4. Disability requires five years of creditable service.
5. Survivors benefits require five years creditable service at death of member.

The monthly amount of the retirement allowance for any member shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service.

Covered employees are required to contribute 9.25% of their total monthly earnings, excluding bonuses or fees in excess of regular salary or retainer, overtime pay or payments relative to termination of employment. The City Court is required to contribute 6.75 % of each and every member's earnings. The contribution requirement for the year ended June 30, 1996 was \$3,366, which consisted of \$1,420 from the City Court and \$1,946 from employees.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1995, the latest information available, for the System as a whole determined through an actuarial valuation performed as of that date, was \$321.90 million. The System's net assets available for benefits on that date (valued at market) were \$276.39 million, leaving an unfunded pension benefit obligation of \$45.51 million.

Ten year historical trend information designed to provide information about the Municipal Employees' Retirement System's fund progress is presented in the System's June 30, 1995 annual financial report.

Louisiana State Employees' Retirement System

Covered employees are required by State Statute to contribute 11.5% of their salary to the plan. The City Court is required by the same statute to contribute 11.9% of eligible salaries. The contribution requirement for the year ended June 30, 1996 was \$3,551 which consisted of \$1,813 from the City Court and \$1,738 from the Judge.

INDEPENDENT AUDITORS' REPORTS SECTION