

This report is intended for the information of the management of the City Court of Bogalusa, and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Rufus W. Gray

Certified Public Accountant

Bogalusa, Louisiana
June 25, 1997

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AS PART OF AN AUDIT OF THE GENERAL-PURPOSE FINANCIAL STATEMENTS

To the City Court Judge
City Court of Bogalusa, Louisiana

I have audited the general-purpose financial statements of the City Court of Bogalusa (a component unit of the City of Bogalusa) as of and for the year ended December 31, 1996, and have issued my report thereon dated June 25, 1997.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City Court of Bogalusa is the responsibility of the Court's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, I performed tests of the City Court of Bogalusa's compliance with certain provisions of laws, regulations, contracts, and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

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

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT - CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AS PART OF AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

To the City Court Judge
City Court of Bogalusa, Louisiana

I have audited the general-purpose financial statements of the City Court of Bogalusa (a component unit of the City of Bogalusa) as of and for the year ended, December 31, 1996 and have issued my report thereon dated June 28, 1997.

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

The management of the City Court of Bogalusa 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 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.

CITY COURT OF BOCALUSA, LOUISIANA

(A Component Unit of the City of Bogalusa)

Notes to the General-Purpose Financial Statements (continued)

7. SUPPLEMENTAL COMPENSATION

For each new civil court case, a fee is charged for the Judges' Supplemental Compensation as required by state law. The cost collected is remitted to the state to help defray the cost of Judges' salaries. The fee was \$14.50 from January through June and \$15.00 from July through December, 1996.

8. PAYMENTS TO JUDGE

According to Judge Black, payments to Judges are as follows:

Michael Paskala, Judge Ad Hoc	\$ 3,600
Robert J. Black, Judge	<u> 6,648</u>
Total	<u>\$ 10,248</u>

9. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at December 31, 1996 are as follows:

<u>Fund</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$	\$ 4,360
Special Revenue Fund	2,640	
Fiduciary Fund	<u>1,520</u>	
Total	<u>\$ 4,360</u>	<u>\$ 4,360</u>

CITY COURT OF BOGALUSA, LOUISIANA

(A Component Unit of the City of Bogalusa)

Notes to the General-Purpose Financial Statements (continued)

The City of Bogalusa issues an annual publicly available financial report that includes financial statements and required supplementary information for the City Employees Retirement System. That report may be obtained by writing to the City of Bogalusa, P.O. Drawer 1179, Bogalusa, Louisiana 70429-1179.

Members of the City Employees Retirement System are required by state statute to contribute 4 percent of their annual covered salary and the City of Bogalusa is required to contribute at an actuarially determined rate. The current rate is 11 percent of annual covered payroll, which includes a 1.00 mill ad valorem tax. The contribution requirements of plan members and the City of Bogalusa are established and may be amended by state statute.

6. AGENCY FUND TRANSFERS

The financial activity of agency funds does not represent revenues and expenditures and as such is not included in the combined statements of revenues, expenditures, and changes in fund balances. This fund is used to account for the assets held by the Court for other governmental entities.

During the current year, the Court's agency fund made the following contributions to other governmental units:

City of Bogalusa	\$ 69,606
Washington Parish Police Jury	21,969
City of Bogalusa (officers' witness fee)	7,760
Juvenile Justice Commission	9,488
Murphy's Fund	15,520
Indigent Defendants Board	18,800
State Reports	3,203
Louisiana Law Enforcement Training	3,040
Crime Victims Reparations Fund	4,288
Louisiana Rehabilitative Services	3,510
Treasurer, State of Louisiana	3,296
Total	\$ 178,696

CITY COURT OF BOGALUSA, LOUISIANA

(A Component Unit of the City of Bogalusa)

Notes to the General-Purpose Financial Statements (continued)

member's employee 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 2½% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who became members of the System on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Judges receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service.

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

Members of the System are required by state statute to contribute 11.5 percent of their annual covered salary and the City Court of Bogalusa is required to contribute at an actuarially determined rate. The current rate is 15.0 percent of annual covered payroll. The contribution requirements of plan members and the City Court of Bogalusa are established and may be amended by state statute.

The secretaries of the City Court of Bogalusa are employees of the City of Bogalusa and are members of the City Employees Retirement System. This system is a single-employer public retirement system administered by a separate board of trustees.

A member of the City Employees Retirement System may retire after either completing 10 years of credited service and attaining age 60 or upon completing 25 years of credited service and attaining age 48. Compulsory retirement is stipulated at age 68. Upon retirement a member will be entitled to receive a service retirement annuity equal to 2 2/3% of average salary for each year of total service and any fractional part of a year of service. The minimum amount of service retirement annuity will be 35% of average salary, and the maximum will be 60 2/3% of average salary. The normal form of retirement benefit is a joint and 75% survivor benefit. Benefits are established and may be amended by state statute.

CITY COURT OF BOGALUSA, LOUISIANA

(A Component Unit of the City of Bogalusa)

Notes to the General-Purpose Financial Statements (continued)

Demand deposits	\$ 18,882
Interest-bearing demand deposits	<u>37,342</u>
Total	\$ 56,224

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually agreeable to both parties. At December 31, 1996, the City Court of Bogalusa has \$53,179 in deposits/collected bank balances. These deposits are fully secured from risk by federal deposit insurance.

4. INVESTMENTS

At December 31, 1996, the City Court of Bogalusa holds investments of Certificates of Deposit totaling \$16,785 as follows:

	Market Value
General Fund	\$ 3,000
Special Revenue Fund	<u>13,785</u>
Total	\$ 16,785

5. PENSION PLANS

The City Court Judge is a member of the Louisiana State Employee's Retirement System (the System). The System is a multiple-employer public employee defined benefit pension plan administered by a separate board of trustees.

The age and years of creditable service required in order for a member to retire with full benefits are established by state statute and vary depending on the

CITY COURT OF BOGALUSA, LOUISIANA
(A Component Unit of the City of Bogalusa)
Notes to the General-Purpose Financial Statements (continued)

II. INTERFUND TRANSACTIONS

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

I. COMPENSATED ABSENCE POLICY

The Court is not responsible for wages, vacation and sick pay, thus there is no salary related accruals. The City of Bogalusa is responsible for the Court's salaries.

2. CHANGE IN ACCOUNTING PRINCIPLE

During 1996, the Court adopted GASB Statement 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. This statement establishes accounting and financial reporting standards for pass-through grants, fuel stamps, and on-behalf payments for fringe benefits and salaries. The following were amounts paid on-behalf of the Court for employee salaries and fringe benefits during 1996:

Revenue:	
State of Louisiana	\$ 31,992
Washington Parish Police Jury	19,181
Transfer in:	
City of Bogalusa	64,241
	\$ 115,414

In accordance with Statement No. 24, they are included as revenue, transfer in, and expenditures in the accompanying financial statements.

3. CASH AND CASH EQUIVALENTS

At December 31, 1996, the City Court of Bogalusa has cash and cash equivalents (book balances) totaling \$56,534 as follows:

CITY COUNTY OF BOGALUSA, LOUISIANA

(A Component Unit of the City of Bogalusa)

Notes to the General Purpose Financial Statements (continued)

All agency funds are also accounted for using the modified accrual basis of accounting.

K. BUDGETS

The City Court of Bogalusa complied with the Louisiana Local Government Budget Act. Since total proposed expenditures were less than \$250,000, there were no public hearings.

The budget is prepared on the modified accrual basis of accounting. All appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original adopted budget and all amendments.

F. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements are captioned "nonmonetary 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 is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in certificates of deposit with original maturities of 90 days or less. Under state law, the City Court of Bogalusa 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.

Under state law, the City Court of Bogalusa 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.

CITY COURT OF BOGALUSA, LOUISIANA

(A Component Unit of the City of Bogalusa)

Notes to the General-Purpose Financial Statements (continued)

C. FUND ACCOUNTING

The accounts of the Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund categories as follows:

Governmental Funds:

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

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Fund:

Agency Fund - Agency funds are used to account for assets held by a governmental unit as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve an assessment of results of operations.

D. BASIS OF ACCOUNTING

All governmental funds and the agency fund are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Court fees are considered measurable when received in cash. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

CITY COURT OF BOGALUSA, LOUISIANA
(A Component Unit of the City of Bogalusa)

Notes to the General-Purpose Financial Statements
December 31, 1996

INTRODUCTION

The City Court of Bogalusa (a component unit of the City of Bogalusa) is a court of limited jurisdiction and serves Ward 4 of Washington Parish, Louisiana. The Judge of the Court is an elected official.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general-purpose financial statements of the City Court of Bogalusa have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

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

Even though the City Court Judge is an independently elected official, and is legally separate from the City, the Court is considered a component unit of the City because of fiscal dependence. The City provides the courtroom and office space for the Court. The City also pays salaries and retirement for the Court's secretaries. The accompanying financial statements present information only on the funds maintained by the Court, and do not present information on the City.

CITY COURT OF BOGALUSA, LOUISIANA
 (A Component Unit of the City of Bogalusa)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 Year Ended December 31, 1998

	General Fund		Special Revenue Fund	
	Budget	Actual	Budget	Actual
EXPENDITURES (Cont'd)				
Supplies	\$ 390	\$ 611	\$ 978	\$ 84
Tolls and subscriptions	1,200	680		
Miscellaneous	646	795		
Sanitary fee	1,258	136		
Total expenditures	<u>3,494</u>	<u>3,222</u>	<u>978</u>	<u>84</u>
				<u>Variable Payable Unallocable</u>
Excess (deficiency) of revenues over expenditures	<u>68,170</u>	<u>68,339</u>	<u>68,143</u>	<u>68,657</u>
OTHER FINANCED RESOURCES (138,653)				
Operating transfers in	36,093	40,403	36,189	36,189
Operating transfers out	<u>38,152</u>	<u>46,468</u>	<u>36,186</u>	<u>41,650</u>
Total other financing resources (used)				<u>34,728</u>
Excess (deficiency) of revenues and other financing resources over expenditures and other uses	14,120	30,187	40	--
Fund balances, beginning	<u>18,414</u>	<u>18,414</u>	<u>180</u>	<u>180</u>
Fund balances, ending	<u>\$ 11,293</u>	<u>\$ 58,601</u>	<u>\$ 140</u>	<u>\$ 1,178</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY COURT OF BOGALUSA, LOUISIANA
 (A Component Unit of the City of Bogalusa)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 Year Ended December 31, 2006

	General Fund		Special Revenue Fund		Variance Favorable Unfavorable
	Budget	Actual	Budget	Actual	
REVENUES					
Grant fees	\$ 18,000	\$ 11,100	\$ 3,187	\$ 2,300	\$ (887)
Judges supplemental compensation	485	390	(199)	473	672
Interest	91,375	85,436	1,416	1,652	236
Other	--	287	267	17,808	17,541
Total revenues	<u>109,860</u>	<u>96,213</u>	<u>5,061</u>	<u>21,233</u>	<u>(15,172)</u>
EXPENDITURES					
Salaries	97,095	97,503	6,771	26,763	(17,068)
Police benefits	21,636	22,564	(928)	7,185	(5,249)
Payments to judge				11,000	11,000
Commissions to Marshall				9,200	9,200
Legal and professional	6,200	6,460	(2,460)	8,600	(2,340)
Payments to BOCA River				4,800	4,800
Equip. service contracts	2,000	--	2,000	--	(2,000)
Telephone and postage	1,400	880	581	1,200	381
Library	4,000	184	3,816	--	3,816
Court costs				3,000	3,000
Retirement	1,200	655	475	--	475
Travel	2,500	1,470	2,038	--	2,038
Office equipment	600	--	600	--	600
Commissions to clerk				1,500	1,500
				3,500	3,500
					(450)

(Continued)

The accompanying notes are an integral part of this statement.

CITY COURT OF BOGALUSA, LOUISIANA
(A Component Unit of the City of Bogalusa)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1996

	General Fund	Special Revenue Fund	Totals (Memorandum Only)
Excess (deficiency) of revenues over expenditures	\$ (130,325)	\$ (24,557)	\$ (254,882)
OTHER FINANCING SOURCES(USES)			
Operating transfer in	40,462	28,389	68,851
Operating transfer (out)	—	(1,832)	(1,832)
Total other financing sources(uses)	40,462	26,557	67,019
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	10,137	—	10,137
Fund balances, beginning	18,414	—	18,414
Fund balances, ending	\$ 28,551	\$ —	\$ 28,551

(Continued)

The accompanying notes are an integral part of this statement.

CITY COURT OF BOGALUSA, LOUISIANA
(A Component Unit of the City of Bogalusa)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 1986

	General Fund	Special Revenue Fund	Totals (Miscellaneous Only)
REVENUES			
Court fees	\$ 21,167	\$ 21,750	\$ 42,917
Judges supplemental compensation	---	5,260	5,260
Interest	290	1,822	2,112
Intergovernmental	32,415	17,818	50,233
Other	282	---	282
Total revenues	<u>54,059</u>	<u>46,650</u>	<u>100,709</u>
EXPENDITURES			
Salaries	57,933	36,912	94,845
Fringe benefits	12,524	7,109	19,633
Payments to judge	---	10,049	10,049
Commissions to Marshall	---	8,532	8,532
Legal and professional	1,660	---	1,660
Payments to JSCA Board	---	5,260	5,260
Telephone and postage	899	---	899
Library	104	---	104
Court costs	---	3,015	3,015
Retirement	823	---	823
Travel	1,479	---	1,479
Commissions to clerk	---	3,019	3,019
Supplies	511	84	595
Dues and subscriptions	590	---	590
Miscellaneous	205	---	205
Seminar fees	125	---	125
Total expenditures	<u>85,384</u>	<u>73,048</u>	<u>158,432</u>

(Continued)

The accompanying notes are an integral part of this statement.

CITY COURT OF BOGALUSA, LOUISIANA
 (A Component Unit of the City of Bogalusa)

COMBINED BALANCE SHEET -
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 1990

	Governmental		Fiduciary	Totals (Miscellaneous Only)
	General Fund	Special Revenue Fund	Agency Fund	
ASSETS				
Cash and cash equivalents	\$ 24,291	\$ 24,999	\$ 10,044	\$ 59,334
Investments	2,900	13,785		16,685
Notes and bills receivable				
Less of allowance for uncollectible accounts of \$40,780			40,785	40,785
Due from other funds	4,320			4,320
Total assets	\$ 28,551	\$ 38,784	\$ 50,789	\$ 118,124
LIABILITIES AND FUND EQUITY				
Liabilities:				
Bank deposits	\$	\$	\$ 7,504	\$ 7,504
Due to citizens and others		21,706		21,706
Due to Judge		4,049		4,049
Due to other governmental units			41,705	41,705
Due to other funds		2,843	1,529	4,382
Total liabilities		28,604	50,789	80,078
Fund equity:				
Unreserved - unassigned	28,551	100		28,651
Total liabilities & fund equity	\$ 28,551	\$ 38,784	\$ 50,789	\$ 118,124

The accompanying notes are an integral part of this statement.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 25, 1997 on my consideration of the Court's internal control structure and a report, dated June 25, 1997 on its compliance with laws and regulations.



Certified Public Accountant

Bogalusa, Louisiana
June 25, 1997

INDEPENDENT AUDITORS' REPORT
ON GENERAL-PURPOSE FINANCIAL STATEMENTS

To the City Court Judge
City Court of Bogalusa, Louisiana

I have audited the accompanying general-purpose financial statements of the City Court of Bogalusa (a component unit of the City of Bogalusa) as of and for the year ended December 31, 1994, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Court's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Bogalusa (a component unit of the City of Bogalusa), as of December 31, 1994, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

CITY COURT OF BOGALUSA, LOUISIANA
(A Component Unit of the City of Bogalusa)

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CITY COURT OF BOGALUSA, LOUISIANA
(A Component Unit of the City of Bogalusa)

*General-Purpose Financial Statements and
Independent Auditor's Reports*

Year Ended December 31, 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 Jan. 24, 1997

RICHARD M. SEAL

CHIEF PUBLIC ACCOUNTANT • CHIEF GOVERNMENT FINANCIAL MANAGER
