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MARSHAL'S OFFICE - CITY COURT OF HAMMOND
(A Component Unit of the City of Hammond)
HAMMOND, LOUISIANA

REPORT ON AUDIT
OF GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended June 30, 1999

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 1-12-00

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
(A Component Unit of the City of Hammond)
HAMMOND, LOUISIANA

REPORT ON AUDIT
OF GENERAL PURPOSE FINANCIAL STATEMENTS

For the Year Ended June 30, 1999

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August 10, 1999

INDEPENDENT AUDITOR'S REPORT

The Honorable V. Gordon Anderson, Jr.
Marshal, City Court of Hammond
Hammond, Louisiana

We have audited the accompanying general purpose financial statements of the Marshal's Office - City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of June 30, 1999, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Marshal's Office - City Court of Hammond's management. Our responsibility is to express an opinion on these financial statements based on our audit.

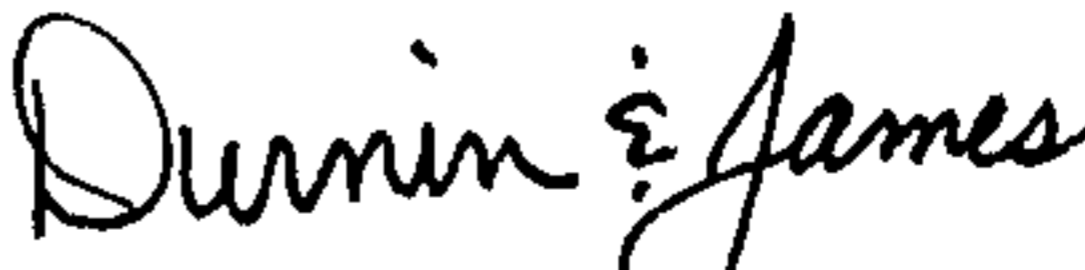
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 Marshal's Office - City Court of Hammond as of June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 10, 1999, on our consideration of the Marshal's Office - 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.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Marshal's Office - City Court of Hammond.

Respectfully submitted,


DURNIN & JAMES, CPA'S

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
 (A Component Unit of the City of Hammond)
 Hammond, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	GOVERNMENTAL FUND TYPE GENERAL	FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY)	
				JUNE 30, 1999	JUNE 30, 1998
ASSETS					
Cash and Cash Equivalents	\$ 97,369	\$ 655	\$ -	\$ 98,024	\$ 123,255
Due from Other Governments	17,840	-	-	17,840	12,081
Due from Other Funds	-	2,210	-	2,210	2,410
Office Equipment	-	-	58,392	58,392	54,126
Automobile	-	-	24,097	24,097	24,097
Amount To Be Provided For Retirement of General Long-Term Debt	-	-	-	-	-
Total Assets	<u>\$115,209</u>	<u>\$ 2,865</u>	<u>\$ 82,489</u>	<u>\$200,563</u>	<u>\$215,969</u>
LIABILITIES					
Accounts Payable	\$ 6,367	\$ -	\$ -	\$ 6,367	\$ 4,335
Accrued Liabilities	23,111	-	-	23,111	23,013
Due to Other Funds	2,210	-	-	2,210	2,410
Notes Payable	-	-	-	-	-
Amounts Held For Future Disposition	-	2,865	-	2,865	7,011
Total Liabilities	<u>\$ 31,688</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ 34,553</u>	<u>\$ 36,769</u>
FUND EQUITY					
Investment In General Fixed Assets	\$ -	\$ -	\$ 82,489	\$ 82,489	\$ 78,223
Fund Balance - Undesignated	83,521	-	-	83,521	100,977
Total Fund Equity	<u>\$ 83,521</u>	<u>\$ -</u>	<u>\$ 82,489</u>	<u>\$166,010</u>	<u>\$179,200</u>
Total Liabilities and Fund Equity	<u>\$115,209</u>	<u>\$ 2,865</u>	<u>\$ 82,489</u>	<u>\$200,563</u>	<u>\$215,969</u>

The accompanying notes are an integral part of this statement.

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
 (A Component Unit of the City of Hammond)
 Hammond, Louisiana

EXHIBIT B

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - GENERAL FUND

For the Year Ended June 30, 1999
 With Comparative Amounts for Year Ended June 30, 1998

	<u>JUNE 30,</u> <u>1999</u>	<u>JUNE 30,</u> <u>1998</u>
Revenues:		
Criminal Court Fees	\$116,656	\$134,039
City of Hammond Appropriations	220,000	220,000
Interest Earned	3,050	4,049
On Behalf Payments by State	<u>18,000</u>	<u>16,556</u>
Total Revenues	\$357,706	\$374,644
Expenditures:		
General Government		
Salaries and Related Benefits:		
Marshal	\$ 17,790	\$ 17,768
Deputies	198,981	198,400
Payroll Taxes	17,001	16,730
Retirement Contributions	10,968	10,387
Hospitalization Insurance	30,159	29,703
Insurance	20,327	22,863
Automobile	32,771	33,437
Office Supplies and Telephone	22,224	43,850
Legal and Accounting	8,149	4,160
Other Expenditures	12,145	27,238
Capital Outlay	4,647	15,558
Debt Service	<u>-</u>	<u>-</u>
Total Expenditures	\$375,162	\$420,094
Excess (Deficit) of Revenues Over Expenditures	\$(17,456)	\$(45,450)
Fund Balance At Beginning of Year	<u>100,977</u>	<u>146,427</u>
Fund Balance At End of Year	<u>\$ 83,521</u>	<u>\$100,977</u>

The accompanying notes are an integral part of this statement.

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
(A Component Unit of the City of Hammond)
Hammond, Louisiana

EXHIBIT C

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)
AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
Revenues:			
Criminal Court Fees	\$129,500	\$116,656	\$ (12,844)
City of Hammond Appropriations	220,000	220,000	-
Interest Earned	5,000	3,050	(1,950)
On behalf payments by State	-	<u>18,000</u>	<u>18,000</u>
Total Revenues	\$354,500	\$357,706	\$ 3,206
Expenditures:			
General Government			
Salaries and Related Benefits:			
Marshal	\$ 17,770	\$ 17,790	\$ (20)
Deputies	180,015	198,981	(18,966)
Payroll Taxes	17,100	17,001	99
Retirement Contributions	10,400	10,968	(568)
Hospitalization Insurance	27,600	30,159	(2,559)
Insurance	27,165	20,327	6,838
Automobile	33,300	32,771	529
Office Supplies and Telephone	20,150	22,224	(2,074)
Legal and Accounting	4,400	8,149	(3,749)
Other Expenditures	10,600	12,145	(1,545)
Capital Outlay	6,000	4,647	1,353
Debt Service	-	-	-
Total Expenditures	\$ <u>354,500</u>	\$ <u>375,162</u>	\$ (20,662)
Excess (Deficit) of Revenues Over Expenditures	\$ -	\$ (17,456)	\$ (17,456)
Fund Balance At Beginning of Year	<u>100,977</u>	<u>100,977</u>	-
Fund Balance At End of Year	\$ <u>100,977</u>	\$ <u>83,521</u>	\$ (17,456)

The accompanying notes are an integral part of this statement.

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(A Component Unit of the City of Hammond)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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MARSHAL'S OFFICE - CITY COURT OF HAMMOND
(A Component Unit of the City of Hammond)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

INTRODUCTION

The Marshal's Office - City Court of Hammond (hereinafter referred to as "Marshal's Office") is separate and apart from the City Court of Hammond and was created under the authority of LSA-R.S. 13:1871-2512. The purpose of the Marshal's Office is for executing the orders and mandates of the City Court of Hammond to include making arrests, preserving the peace, processing judgments and garnishments and similar functions. The Marshal's Office has jurisdiction within the Seventh Ward of Tangipahoa Parish. The Marshal's Office presently employs thirteen people to include the Marshal, four clerical Deputy Marshals, seven road Deputy Marshals and one courtroom bailiff. The Marshal's Office presently maintains an office in the Hammond City Hall building. Revenues for the Marshal's Office include court costs assessed on all criminal cases handled by the City Court of Hammond and appropriations from the City of Hammond. Revenues are used in defraying the costs of operating the Marshal's Office. Major expenditures of the Marshal's Office include salaries and related benefits, automobile expenditures, insurance and general office expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Marshal's Office, City Court of Hammond 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

As the governing authority of the City, for reporting purposes, the City of Hammond is the financial reporting entity for Hammond, Louisiana. The financial reporting entity consists of (a) the primary government (council), (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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Hammond for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
(A Component Unit of the City of Hammond)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

- a. The ability of the City of Hammond to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City of Hammond.
2. Organizations for which the City of Hammond does not appoint a voting majority but are fiscally dependent on the City.
 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The City Marshal is an independently elected official and is part of the operations of the City of Hammond Court System. The City of Hammond Court System is fiscally dependent on the City of Hammond for office space and courtrooms. In addition, the City of Hammond provided the Marshal's Office with cash appropriations for the year ended June 30, 1999, totaling \$220,000. The amount represents 62% of all revenues received by the Marshal's Office. The substance of the relationship between the City of Hammond Court System and the City of Hammond is that the City of Hammond has approval authority over its capital budget and operating budget. In addition, the nature and significance of the relationship between the City of Hammond Court System and the City of Hammond is such that exclusion from the City of Hammond's financial statements would render the financial statements incomplete or misleading. We conclude that the Marshal's Office - City of Hammond is a component unit of the City of Hammond.

C. FUND ACCOUNTING

The Marshal's Office uses funds and account groups to report on its financial position and the results of its operations.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Marshal's Office are classified as governmental funds. Governmental funds account for the Marshal's Office's general activities,

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Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Marshal's Office include:

Governmental Fund -

General Fund -- the general operating fund of the Marshal's Office and accounts for all financial resources, except those required to be accounted for in other funds.

Fiduciary Fund -

Civil Agency Fund -- the Civil Agency Fund is used to account for assets held by the Marshal's Office as an agent for individuals or private organizations. The Civil Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are 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. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. 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. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued (Note (1)J), and (2) expendable operating supplies which are recorded as expenditures at the time of purchase under the "purchase method" (Note (1)G).

E. BUDGETS

The Marshal's Office is not required under the provisions of LSA-R.S. 39:1301-15, to adopt a budget. However, the Marshal's Office did prepare a budget for the year ended June 30, 1999, on a basis consistent with generally

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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.

F. 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 Marshal's Office 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 Marshal's Office 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.

G. INVENTORIES

The Marshal's Office utilizes the "purchase method" of accounting for supplies whereby expendable operating supplies are recognized as expenditures when purchased. The Marshal's Office did not record any inventory at June 30, 1999.

H. PREPAID ITEMS

The Marshal's Office recognized expenditures for insurance and similar services extending over more than one accounting period when paid.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

J. COMPENSATED ABSENCES

The Marshal's Office has the following policy relating to vacation and sick leave:

All full-time Marshal's Office employees who are paid on a salary basis and work a regular full-time work week earn sick leave and annual leave. Employees with less than one year of service earn five days of sick leave. Employees

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

with one year or more of service earn twelve days of sick leave each year. Employees may accumulate all unused sick leave but the employee's right to unused sick leave benefits does not vest. Therefore, the Marshal's Office recognizes an expenditure for sick leave benefits when payments are made to employees.

Employees earn from one to four weeks of annual leave each year depending on length of service. Employees are required to take a minimum of one week of vacation during each year. However, 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 cost of leave privileges not requiring current resources has been recorded at June 30, 1999.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

L. TOTAL COLUMNS ON STATEMENTS

The total columns on the 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 is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the Marshal's Office had cash and cash equivalents (book balances) totaling \$98,024 as follows:

Demand Deposits	\$ 1,258
Interest Bearing Demand Deposits	-
Money Market Accounts	44,001
Time Deposits	<u>52,765</u>
Total	<u>\$ 98,024</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit

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 (A Component Unit of the City of Hammond)
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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, 1999, the Marshal's Office had \$121,659, respectively, in deposits (collected bank balances). These deposits are secured as follows:

	CONFIRMED BANK BALANCES <u>June 30, 1999</u>	FDIC <u>INSURANCE</u>	BALANCE <u>UNINSURED</u>
Bank balances	\$121,659	\$121,659	\$ -
Uncollateralized - Securities in the name of and held by the fiscal agent pledged to the Marshal's Office			<u>-</u>
Excess of FDIC Insurance and pledged securities over cash and investment bank balances			<u>\$ -</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 Marshal's Office that the fiscal agent has failed to pay deposited funds upon demand.

3. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due from and due to other funds at June 30, 1999:

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund:		
Civil Agency Fund	\$ -	\$ 2,210
Civil Agency Fund:		
General Fund	<u>2,210</u>	<u>-</u>
Total All Funds	<u>\$ 2,210</u>	<u>\$ 2,210</u>

4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1999, consisted of the following:

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
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 Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Criminal Court Fees Due From
 Hammond City Court \$17,840

No allowance for uncollectible accounts is required at June 30, 1999.

5. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets at June 30, 1999, follows:

	Balance July 1, <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1999</u>
Office Equipment	\$54,126	\$ 4,647	\$ 381	\$58,392
Automobiles	<u>24,097</u>	<u> </u>	<u> </u>	<u>24,097</u>
Total	<u>\$78,223</u>	<u>\$ 4,647</u>	<u>\$ 381</u>	<u>\$82,489</u>

6. EMPLOYEE PENSION PLAN

The Marshal's Office provides pension benefits for all of its full-time employees through a joint contributory, Municipal Employees' Retirement System (MERS). The Municipal Employees' Retirement System, State of Louisiana, is the administrator of a cost-sharing, multiple-employer plan.

The Municipal Employees' Retirement System, State of Louisiana was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana, to provide retirement benefits to employees of all incorporated villages, towns and cities within the state, which did not have their own retirement system and which elected to become members of the System.

The System is administered by a Board of Trustees composed of nine members, six of whom shall be active and contributing members of the System with at least ten years creditable service, elected by the members of the System; one of whom shall be the president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana.

Act #569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the Municipal Employees' Retirement System, effective on and after June 30, 1970.

Effective October 1, 1978, under Act #788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The Marshal's

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Office is a member of Plan A. At June 30, 1999, there were sixty-nine contributing members in Plan A.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty (60) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any member of Plan A can retire providing he meets one of the following criteria:

- A. Any age with thirty (30) or more years of creditable service.
- B. Age 55 with twenty-five (25) years of creditable service.
- C. Age 60 with a minimum of ten (10) years of creditable service.
- D. Under age 60 with ten (10) years of creditable service eligible for disability benefits.
- E. Survivor's benefits require five (5) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The plan provisions are adopted by the governing body of the entities, within the options available in the state statutes governing MERS and within the actuarial constraints also in the statutes.

The contribution rate for employees is 9.25% of earnable compensation and is established by state statute.

The employer contribution rate is 5.75% of members earnings. The System also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions. The remaining employer contributions are determined according to actuarial requirements and are set annually.

The Marshal's Office's total payroll in the fiscal year ended June 30, 1999, was \$199,377, and the Marshal's Office's contributions were based on a payroll of \$182,585. Both the Marshal's Office and the covered employees made the required contributions, amounting to \$27,388. There were no related party transactions.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Trend Information

Contributions required by state statute:

Fiscal Year <u>June 30</u>	Required <u>Contribution</u>	Percentage <u>Contribution</u>
1997	\$26,684	100%
1998	\$27,278	100%
1999	\$27,388	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 Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

All employee's of the Marshal's Office are also members of the Social Security System. Employees contribute 6.20% of their covered payroll up to statutory limits. For the year ended June 30, 1999, contributions totaled \$16,630.

7. ON BEHALF PAYMENTS MADE BY STATE OF LOUISIANA

For the year ended June 30, 1999, the State of Louisiana made on behalf payments in the form of supplemental pay to the Marshal and deputies. In accordance with GASB 24, the Marshal's Office has recorded \$18,000 of on behalf payments as revenue and as expenses in the General Fund.

8. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

Marshal's Office - City Court of Hammond has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary for conducting the Marshal's operations. Based on this inventory, the Marshal is in the remediation stage in that bid specifications have been drawn up to purchase, from outside vendors, hardware and software believed to be year 2000 compliant for the financial reporting systems; contracts totaling \$12,250 have been let as of June 30, 1999. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Marshal is or will be year

MARSHAL'S OFFICE - CITY COURT OF HAMMOND
(A Component Unit of the City of Hammond)
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

2000 ready, that the Marshal's remediation efforts will be successful in whole or in part, or that parties with whom the Marshal does business will be year 2000 ready.

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 GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Durnin & James

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Certified Public Accountants

August 10, 1999

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

The Honorable V. Gordon Anderson, Jr.
Marshal, City Court of Hammond
Hammond, Louisiana

We have audited the general purpose financial statements of the Marshal's Office - City Court of Hammond, a component unit of the City of Hammond, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 10, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Marshal's Office - City Court of Hammond's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those 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 noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Marshal's Office - 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.

MARSHAL'S OFFICE - CITY COURT OF HAMMOND

This report is intended for the use of management and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Marshal's Office - City Court of Hammond is a matter of public record.

Respectfully submitted,

Durnin & James
DURNIN & JAMES, CFA's

FINDINGS AND RECOMMENDATIONS

Marshal's Office - City Court of Hammond

CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS

None

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

Marshal's Office - City Court of Hammond

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Marshal's Office - City Court of Hammond

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action - Partial Corrective Action Taken</u>
98-1	June 30, 1998	Year 2000 Issue was not addressed.	Yes	The Year 2000 Issue is in the remediation stage.