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CITY COURT OF HAMMOND  
REPORT ON AUDIT OF  
COMPONENT UNIT FINANCIAL STATEMENTS  
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 1-19-00

CITY COURT OF HAMMOND  
Hammond, Louisiana

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# Durnin & James

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September 17, 1999

## Independent Auditor's Report

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

We have audited the accompanying component unit financial statements of the City Court of Hammond, (a component unit of the City of Hammond), as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the Court. 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 component unit financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the 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 a report dated September 17, 1999, on our consideration of the City Court of Hammond's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The combining, individual fund, and individual account group financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City Court of Hammond, Louisiana. Such information has been subjected to the auditing procedures applied in the examination of the component unit financial statements and, in our opinion, is fairly stated in all material respects in relation to the component unit financial statements taken as a whole.

CITY COURT OF HAMMOND

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 financial statements of the City Court of Hammond.

Respectfully submitted,

*Durnin & James*  
DURNIN & JAMES CPA'S

COMPONENT UNIT FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

CITY COURT OF HAMMOND  
Hammond, Louisiana

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	GOVERNMENTAL FUND TYPES	FIDUCIARY FUND TYPE	ACCOUNT GROUPS			TOTAL	
			GENERAL	GENERAL	LONG-TERM	(MEMORANDUM ONLY)	
				ASSETS	DEBT	1999	1998
<b>ASSETS</b>							
Cash	\$ 42,789	\$290,624	\$ -	\$ -	\$ 333,413	\$306,976	
Certificates of Deposit	276,066	181,609	-	-	457,675	453,502	
Grant Receivable	1,103	-	-	-	1,103	-	
Accrued Interest Receivable	16,783	-	-	-	16,783	15,443	
Other Receivables	-	-	-	-	-	-	
Due from other Governments	28,825	-	-	-	28,825	4,578	
Due from Civil Docket-Agency Fund	1,609	-	-	-	1,609	1,609	
Fixed Assets	-	-	243,942	-	243,942	192,711	
Amount to be Provided for	-	-	-	-	-	-	
Accumulated Unpaid Vacation Pay	-	-	-	29,679	29,679	24,635	
Total Assets	\$367,175	\$472,233	\$243,942	\$ 29,679	\$1,113,029	\$999,454	
<b>LIABILITIES</b>							
Accounts Payable	\$ 13,178	\$ -	\$ -	\$ -	\$ 13,178	\$ 3,577	
Other Payables	7,231	-	-	-	7,231	7,359	
Due to General Fund	-	1,609	-	-	1,609	1,609	
Bonds and Fines Paid in	-	-	-	-	-	-	
Advance of Trial	-	470,224	-	-	470,224	362,219	
Appeal Deposits	-	400	-	-	400	400	
Accumulated Unpaid Vacation Pay	-	-	-	29,679	29,679	24,635	
Total Liabilities	\$ 20,409	\$472,233	\$ -	\$ 29,679	\$ 522,321	\$399,799	

(CONTINUED)

CITY COURT OF HAMMOND  
Hammond, Louisiana

COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

June 30, 1999

	GOVERNMENTAL FUND TYPES	FIDUCIARY FUND TYPE	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
			GENERAL	GENERAL LONG-TERM	1999	
Investment in General Fixed Assets	\$ -	\$ -	\$ 243,942	\$ -	\$ 243,942	\$ 192,711
Fund Balance:						
Reserved for Judge's Fees	4,199	-	-	-	4,199	12,782
Reserved for Public Defender Fees	25,076	-	-	-	25,076	15,683
Designated for Capital Outlay	207,132	-	-	-	207,132	205,787
Unreserved - Undesignated	110,359	-	-	-	110,359	172,692
Total Fund Equity	346,766	-	243,942	-	590,708	599,655
Total Liabilities and Fund Equity	\$367,175	\$472,233	\$243,942	\$ 29,679	\$1,113,029	\$999,454

The accompanying notes are an integral part of this statement.



CITY COURT OF HAMMOND  
Hammond, Louisiana

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

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

	<u>1999</u>		VARIANCE - FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<b>REVENUES:</b>				
Contribution from Criminal Docket	\$273,500	\$223,597	\$(49,903)	\$288,696
Funds Received - Department of Public Safety	6,000	5,763	( 237)	5,975
Grant Revenue	-	81,797	81,797	17,433
Interest Income	10,000	13,366	3,366	25,499
Contribution from Civil Docket	27,000	27,204	204	32,372
Contribution from Civil Docket - Judges Fees Earned	40,000	42,602	2,602	50,958
Probation Fees	27,000	34,124	7,124	30,991
Contribution from Criminal Docket - Public Defender Fees	6,000	9,614	3,614	16,598
Intergovernmental - On Behalf Payments	98,478	91,308	( 7,170)	83,308
Other Fees	<u>7,500</u>	<u>28,980</u>	<u>21,480</u>	<u>12,789</u>
Total Revenues	\$495,478	\$558,355	\$ 62,877	\$564,619
<b>Other Financing Sources:</b>				
Operating Transfers in from Reporting Entity - City of Hammond	<u>197,466</u>	<u>180,000</u>	<u>(17,466)</u>	<u>180,000</u>
Total Revenues and Other Financing Sources	\$692,944	\$738,355	\$ 45,411	\$744,619
<b>Expenditures:</b>				
Salaries	\$440,400	\$431,605	\$ 8,795	\$404,525
Payroll Tax and Employee Benefits	71,700	81,535	( 9,835)	79,602
Computer Software and Programming Fees	16,300	37,320	(21,020)	12,220
Judges Salary and Fees	86,188	92,358	( 6,170)	90,250
Public Defender Fees	6,000	220	5,780	4,250
Educational Conferences and Seminars	13,900	14,317	( 417)	14,357
Equipment Purchases	27,113	59,167	(32,054)	20,471
Equipment Repairs and Maintenance Contracts	8,300	9,794	( 1,494)	10,733

(CONTINUED)

CITY COURT OF HAMMOND  
Hammond, Louisiana

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

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

	1999		VARIANCE - FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Expenditures (Continued):				
Insurance	4,400	6,978	( 2,578)	6,718
Juvenile Service Programs	3,500	5,663	( 2,163)	1,223
Legal and Professional Fees	3,600	4,994	( 1,394)	4,944
Miscellaneous	9,000	14,113	( 5,113)	7,490
Postage	6,500	3,012	3,488	4,505
Stationery and Supplies	19,613	27,040	( 7,427)	31,036
Telephone	8,800	9,229	( 429)	8,753
Travel	500	257	243	40
Uniforms	<u>1,500</u>	<u>931</u>	<u>569</u>	<u>6,405</u>
Total Expenditures	<u>727,314</u>	<u>798,533</u>	<u>(71,219)</u>	<u>707,522</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$(34,370)	\$(60,178)	\$(25,808)	\$ 37,097
Total Fund Balance - Beginning of Year	<u>406,944</u>	<u>406,944</u>	<u>-</u>	<u>369,847</u>
Total Fund Balance - End of Year	<u>\$372,574</u>	<u>\$346,766</u>	<u>\$(25,808)</u>	<u>\$406,944</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -**

The City Court of Hammond ("Court") collects fines and court costs, and remits these fines to the City of Hammond and Tangipahoa Parish Council. The financial statements of the Criminal Docket and Civil Docket have been prepared on the cash basis as they primarily operate in a fiduciary capacity. The financial statements of the General Fund have been prepared on the modified accrual basis in order to fairly present the operations of the Court.

The accounting and reporting policies of the City Court of Hammond conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units.

**G. FINANCIAL REPORTING ENTITY**

For reporting purposes the City of Hammond, Louisiana, serves as the financial reporting entity for both the municipality (City of Hammond) and for the City Court of Hammond Court System. The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and Board of Aldermen of the City of Hammond), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the 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 (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the City of Hammond for financial reporting purposes. The basic criteria are as follows:

14. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
15. Whether the City governing authority (Mayor and Board of Aldermen) appoints a majority of board members of the potential component unit.
16. Fiscal interdependency between the City and the potential component unit.
17. Imposition of will by the City on the potential component unit.
18. Financial benefit/burden relationship between the City and the potential component unit.

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Based on the previous criteria, the City Court of Hammond should be considered a component unit of the City of Hammond. Since the Judge of the Court is an elected official and has certain statutorily defined sources of funds for his own operating and/or capital budget discretion, the funds of the City Court of Hammond should be discretely presented in the City of Hammond's general purpose financial statements for the year ended June 30, 1999.

**H. 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 or expenses, as appropriate. 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 of the Court are grouped, in the financial statements in this report, into two generic funds types and two broad fund categories as follows:

**GOVERNMENTAL FUND TYPES**

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

**FIDUCIARY FUND TYPES**

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

**I. FIXED ASSETS**

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operation statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

All fixed assets are valued at historical cost.

**J. ACCUMULATED UNPAID VACATION AND SICK PAY**

The Court's liability for accumulated unpaid vacation pay at June 30, 1999 and 1998 has been recorded in the General Long-Term Debt Account Group equal to the total hours of vacation accumulated at that date, times the employees hourly rate at that date. Employees accrue hours based upon their length of service. Sick pay has not been accrued as the employee's right to sick pay does not vest under state law.

**K. BUDGETS**

The City Court of Hammond is not required under the provisions of LSA-R.S. 39:1301-15, to adopt a budget. However, the City Court of Hammond did prepare a budget for the year ended June 30, 1999, on a basis consistent with generally accepted accounting principles as applied to governmental units. Formal budgetary integration is not employed as a management control device. Budgeted amounts are as originally adopted. All budgetary appropriations lapse at the end of each year.

**L. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

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

**NOTE 2 - INTEREST EARNED -**

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

**NOTE 3 - FUND BALANCE - RESERVED FOR JUDGE'S FEES -**

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

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

**NOTE 4 - FUND BALANCE - DESIGNATED FOR CAPITAL OUTLAY -**

The Judge has appropriated monies and the interest earned thereon to be used for future equipment purchases and capital improvements. The total accumulated at June 30, 1999, for this purpose is \$207,132.

**NOTE 5 - FUND BALANCE - RESERVED FOR PUBLIC DEFENDER'S FEES -**

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

**NOTE 6 - CASH AND CASH EQUIVALENTS -**

For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Under state law the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or under the laws of the United States. Further, the Court may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As confirmed by the applicable banks, the Court had cash and cash equivalents totaling \$836,493 with a carrying value of \$791,088 at June 30, 1999. Cash and cash equivalents are stated at cost, which approximates market. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are to be held in the name of the pledging bank in a custodial bank that is mutually acceptable to the parties involved. The following is a summary of cash and cash equivalents at June 30, 1999, with the related federal deposit insurance and pledged securities.

	CONFIRMED BANK BALANCES <u>June 30, 1999</u>	FDIC/FSLIC INSURANCE	BALANCES UNINSURED
Cash in Non-Interest Bearing Accounts	\$ 340,936	\$ 216,018	\$ 124,918
Cash in Interest Bearing Accounts	37,881	-	37,881
Cash Equivalents - Time Certificates Of Deposit	<u>457,676</u>	<u>277,676</u>	<u>180,000</u>
	<u>\$ 836,493</u>	<u>\$ 493,694</u>	\$ 342,799
Uncollateralized - Securities Pledged And Held by the Custodial Bank in The Name of the Fiscal Agent			<u>1,990,741</u>

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Excess of FDIC/FSLIC Insurance And Pledged Securities over Cash And Cash Equivalents	<u>\$1,647,942</u>
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**NOTE 7 - JUDGES' SUPPLEMENTAL COMPENSATION FUND -**

The Judges' Supplemental Compensation Fund was created to be used solely and exclusively for salary supplements to judges and commissioners, for related costs of state or municipal retirement funds, and for necessary and associated administrative expenses. A Non-refundable fee has been set for every civil filing. The clerk of court is required to remit these fees collected to the state treasurer on a monthly basis. The total fees paid for the year ended June 30, 1999, were \$19,062.

**NOTE 8 - EMPLOYEES PENSION PLAN (PAROCHIAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA)**

Plan Description:

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

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions



CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees Retirement System of Louisiana, 5420 Corporate Blvd., Suite 103, Baton Rouge, Louisiana 70808, or by calling (225)928-1361.

Funding Policy. Under Plan B, members are required by state statute to contribute 2.00% of their annual earnings in excess of \$1,200 and the City Court of Hammond is required to contribute at an actuarially determined rate. The current rate is 2.50% of annual covered payroll. Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City Court of Hammond's contributions to the System under Plan B for the years ending June 30, 1999, 1998 and 1997, were \$15,189, \$15,736, and \$14,927, respectively, equal to the required contributions for each year. The Court's total payroll in the fiscal year ended June 30, 1999, was \$523,963, and the Court's contributions were based on a payroll of \$378,777. Both the Court and the covered employees made the required contributions, amounting to \$15,189. These were no related party transactions.

**NOTE 9 - EMPLOYEES PENSION PLAN Louisiana State Employees Retirement System (LASERS)**

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

For the year ended June 30, 1999, employees contributed \$5,417 and the Court contributed \$5,840 for a total of \$11,257.

The Louisiana State Employees' Retirement System ("LASERS" or the "System") is an agency of the State of Louisiana established under the provisions of Title 11, Section 401, of the Louisiana Revised Statutes of 1950, as amended (the "Statutes"). LASERS is a single-employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State and its various departments and agencies and their beneficiaries. LASERS is supervised by an eleven-member Board of Trustees and is funded through employee and employer contributions and investment earnings.

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

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

to the applicable Statutes for specific detailed information.

**Eligibility Requirements**

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

**Retirement Benefits**

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and may vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age, upon completing thirty years of creditable service, to age sixty, upon completing ten years of creditable service.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

**Contributions**

Covered employees are required by state statute to contribute 7.50% of their salary to the plan. The Court is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 1999, was \$11,257 which consisted of \$5,840 from the Court and \$5,417 from employees. Each employer was required by Statute to contribute 12.40% of each employee's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosures for the Court and the retirement system.

The Court's total payroll in the fiscal year ended June 30, 1999 was \$523,963 and the Court's contributions were based on a payroll of \$47,100. Both the Court and

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

the covered employees made the required contributions, amounting to \$11,257. There were no related party transactions.

Trend Information

Contributions required by state statute:

<u>Fiscal Year</u> <u>June 30</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
1997	N/A	N/A
1998	\$11,540	100%
1999	\$11,257	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225)922-0600.

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

**NOTE 10 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS -**

At June 30, 1999, the Court has no postretirement health care and life insurance benefit plan in existence.

**NOTE 11 - ON BEHALF PAYMENTS FOR SALARIES AND BENEFITS -**

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

Supplementary salary payments are made by the State directly to the City Court Judge and from the Parish Council to the Judge and the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the Parish Council. For the fiscal year ended June 30, 1999, the State and Parish Council paid \$38,582 in supplemental salary payments to the City Court Judge and the Parish Council and School Board made supplementary salary and benefit payments of \$47,496 to the City Court's employees.

CITY COURT OF HAMMOND  
Hammond, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

**NOTE 12 - CHANGES IN GENERAL FIXED ASSETS-**

A summary of changes in general fixed assets for the year ended June 30, 1999, is as follows:

	BALANCE			BALANCE
	<u>06/30/98</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>06/30/99</u>
Equipment	<u>\$192,711</u>	<u>\$ 51,231</u>	<u>\$ -</u>	<u>\$243,942</u>

**NOTE 13 - 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.

The City Court 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 Court's operations. Based on this inventory, the Court is in the validation/testing stage in that hardware and software believed to be year 2000 compliant for the financial reporting systems have been purchased from outside vendors. Testing and validation of the systems will 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 Court is or will be year 2000 ready, that the Court's remediation efforts will be successful in whole or in part, or that parties with whom the Court does business will be year 2000 ready.

FINANCIAL STATEMENTS OF INDIVIDUAL  
FUNDS AND ACCOUNT GROUPS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY COURT OF HAMMOND  
Hammond, Louisiana

GENERAL FUND

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS

	<u>1999</u>	<u>1998</u>
Cash on Hand and in Banks	\$ 42,789	\$124,357
Certificates of Deposit	276,066	271,893
Grant Receivable	-	-
Accrued Interest Receivable	16,783	15,443
Due From Other Governments	28,825	4,578
Due From Civil Docket-Agency Fund	1,609	1,609
Other Receivables	<u>-</u>	<u>-</u>
Total Assets	<u>\$366,072</u>	<u>\$417,880</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ 13,178	\$ 3,577
Other Payables	<u>7,234</u>	<u>7,359</u>
Total Liabilities	20,412	10,936
Fund Balance:		
Reserved for Judge's Fees	4,199	12,782
Reserved for Public Defender Fees	25,076	15,683
Designated for Capital Outlay	207,132	205,787
Unreserved-Undesignated	<u>109,253</u>	<u>172,692</u>
Total Fund Balance	<u>345,660</u>	<u>406,944</u>
Total Liabilities and Fund Balance	<u>\$366,072</u>	<u>\$417,880</u>

See auditor's report.

CITY COURT OF HAMMOND  
Hammond, Louisiana

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>Revenues:</b>		
Contribution from Criminal Docket	\$223,597	\$288,696
Funds Received - Department of Public Safety	5,763	5,975
Grant Revenue	81,797	17,433
Interest Income	13,366	25,499
Contribution from Civil Docket	27,204	32,372
Contribution from Civil Docket - Judges Fees Earned	42,602	50,958
Probation Fees	34,124	30,991
Contribution from Criminal Docket - Public Defender Fees	9,614	16,598
Intergovernmental - On-Behalf Payments	91,308	83,308
Other Fees	<u>28,980</u>	<u>12,789</u>
Total Revenues	558,355	564,619
<b>Other Financing Sources:</b>		
Operating Transfers in From Reporting Entity - City of Hammond	<u>180,000</u>	<u>180,000</u>
Total Revenues and Other Financing Sources	\$738,355	\$744,619
<b>Expenditures:</b>		
Salaries	\$431,605	\$404,525
Payroll Tax and Employee Benefits	81,535	79,602
Computer Software and Programming Fees	37,320	12,220
Judges Salary and Fees	92,358	90,250
Public Defender Fees	220	4,250
Educational Conferences and Seminars	14,317	14,357
Equipment Purchases	59,167	20,471
Equipment Repairs and Maintenance Contracts	9,794	10,733
Insurance	6,978	6,718
Juvenile Service Programs	5,663	1,223
Legal and Professional Fees	4,994	4,944
Miscellaneous	14,113	7,490
Postage	3,012	4,505
Stationery and Supplies	27,040	31,036
Telephone	9,229	8,753
Travel	257	40
Uniforms	<u>931</u>	<u>6,405</u>
Total Expenditures	<u>798,533</u>	<u>707,522</u>

(CONTINUED)



CITY COURT OF HAMMOND  
Hammond, Louisiana

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$(60,178)	\$ 37,097
Total Fund Balance - Beginning of Year	<u>406,944</u>	<u>369,847</u>
Total Fund Balance - End of Year	<u>\$346,766</u>	<u>\$406,944</u>

See auditor's report.

AGENCY FUNDS

CITY COURT OF HAMMOND  
Hammond, Louisiana

AGENCY FUNDS

COMBINING BALANCE SHEETS

June 30, 1999  
With Comparative Totals for June 30, 1998

	<u>CIVIL</u> <u>DOCKET</u>	<u>CRIMINAL</u> <u>DOCKET</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
<b>ASSETS</b>				
Cash on Hand and in Banks	\$103,515	\$187,109	\$290,624	\$182,619
Certificates of Deposit	<u>181,609</u>	-	<u>181,609</u>	<u>181,609</u>
Total Assets	<u>\$285,124</u>	<u>\$187,109</u>	<u>\$472,233</u>	<u>\$364,228</u>
 <b>LIABILITIES</b>				
Bonds and Fines Paid in Advance of Trial	\$283,515	\$186,709	\$470,224	\$362,219
Due to General Fund	1,609	-	1,609	1,609
Appeal Deposits	-	<u>400</u>	<u>400</u>	<u>400</u>
Total Liabilities	<u>\$285,124</u>	<u>\$187,109</u>	<u>\$472,233</u>	<u>\$364,228</u>

See auditor's report.

CITY COURT OF HAMMOND  
Hammond, Louisiana

AGENCY FUNDS

COMBINING STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

June 30, 1999

With Comparative Totals for the Year Ended 30, 1998

	<u>CIVIL</u>	<u>CRIMINAL</u>	<u>TOTALS</u>	
	<u>DOCKET</u>	<u>DOCKET</u>	<u>1999</u>	<u>1998</u>
Cash Balance - Beginning of Year	\$272,311	\$ 91,917	\$ 364,228	\$ 355,281
Receipts:				
Fines and Bonds Collected	<u>170,195</u>	<u>1,066,758</u>	<u>1,236,953</u>	<u>1,344,400</u>
Total Receipts	<u>170,195</u>	<u>1,066,758</u>	<u>1,236,953</u>	<u>1,344,400</u>
Total Cash Available	\$442,506	\$1,158,675	\$1,601,181	\$1,699,681
Disbursements:				
Fines Disbursed to City of Hammond	\$ -	\$ 316,037	\$ 316,037	\$ 391,371
Fines Disbursed to Juvenile				
Justice Commission	-	31,583	31,583	36,006
Bonds and Fines Refunded	-	22,288	22,288	11,648
General Fund Court Cost	27,204	221,722	248,926	321,068
Public Defender Fees	-	12,246	12,246	16,598
Marshall's Office Court Cost	-	109,827	109,827	132,261
Lab Fees	-	8,609	8,609	7,851
Witness Fees	-	54,737	54,737	62,089
Indigent Defenders' Board	-	105,300	105,300	118,480
Crime Victim Fund	-	11,474	11,474	11,342
Law Enforcement Training	-	11,314	11,314	12,554
Probation Fees	-	34,124	34,124	30,991
Restitution Made	-	6,784	6,784	18,017
Drug Abuse Education	-	3,861	3,861	2,427
Trial Court Case Management				
Information System Fund	-	11,248	11,248	12,359
Louisiana Traumatic Head and Spinal Cord Injury				
Trust Fund	-	10,157	10,157	10,285
Bond Transfers	-	255	255	-
Marshall's Fees	23,954	-	23,954	27,444
Court Cost Funds	24,672	-	24,672	21,829
Judge's Fees Earned	42,602	-	42,602	50,958

(CONTINUED)

CITY COURT OF HAMMOND  
Hammond, Louisiana

AGENCY FUNDS

COMBINING STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS (CONTINUED)

June 30, 1999  
With Comparative Totals for the Year Ended 30, 1998

	<u>CIVIL DOCKET</u>	<u>CRIMINAL DOCKET</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Disbursements (Continued):				
Judges Supplemental				
Compensation Fund	19,062	-	19,062	21,218
Suit Settlements	6,218	-	6,218	3,118
Civil Costs	<u>13,670</u>	-	<u>13,670</u>	<u>15,539</u>
Total Disbursements	<u>157,382</u>	<u>971,566</u>	<u>1,128,948</u>	<u>1,335,453</u>
Cash Balance - End of Year	<u>\$285,124</u>	<u>\$ 187,109</u>	<u>\$ 472,233</u>	<u>\$ 364,228</u>

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT GROUP

CITY COURT OF HAMMOND  
Hammond, Louisiana

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCE

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General Fixed Assets, at Cost:		
Equipment	\$ <u>243,942</u>	\$ <u>192,711</u>
Total General Fixed Assets	\$ <u>243,942</u>	\$ <u>192,711</u>
Investments in General Fixed Assets From:		
General Funds	\$ <u>243,942</u>	\$ <u>192,711</u>
Total Investments in General Fixed Assets	\$ <u>243,942</u>	\$ <u>192,711</u>

See auditor's report.

GENERAL LONG-TERM DEBT ACCOUNT GROUP



CITY COURT OF HAMMOND  
Hammond, Louisiana

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Amount to be Provided for the Payment of General Long-Term Debt:		
Amount to be Provided for Accumulated Unpaid Vacation Pay	\$29,679	\$24,635
Total to be Provided	<u>\$29,679</u>	<u>\$24,635</u>
General Long-Term Debt Payable:		
Accumulated Unpaid Vacation Pay	\$29,679	\$24,635
	<u>\$29,679</u>	<u>\$24,635</u>

See auditor's report.

OTHER INDEPENDENT AUDITOR'S REPORTS  
AND FINDINGS AND RECOMMENDATIONS

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

# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

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Member  
Society of Louisiana  
Certified Public Accountants

September 17, 1999

Independent Auditor's Report on Compliance and on  
Internal Control over Financial Reporting Based on an  
Audit of Financial Statements Performed in Accordance  
with Government Auditing Standard

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

We have audited the component unit financial statements of the City Court of Hammond, (a component unit of the City of Hammond), as of and for the year ended June 30, 1999, and have issued our report thereon dated September 17, 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 Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amount. 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 non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

CITY COURT OF HAMMOND

This report is intended solely for the use of management and the Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Court is a matter of public record.

Respectfully submitted,

*Durnin & James*  
DURNIN & JAMES, CPA'S

FINDINGS AND RECOMMENDATIONS

CITY COURT OF HAMMOND  
Hammond, Louisiana

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

FINDINGS AND RECOMMENDATIONS

None

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS



CITY COURT OF HAMMOND  
Hammond, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 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>
None				

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

CITY COURT OF HAMMOND  
Hammond, Louisiana

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>Plan Corrective Action - Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
98-1	Year 2000 not addressed.	Prepare formal report.	Yes	Formal report prepared.	