

2144

RECEIVED
LEGISLATIVE AUDITOR

04 JUN 25 AM 10:18

AUDITED FINANCIAL STATEMENTS

CITY COURT OF SLIDELL

Slidell, Louisiana

December 31, 2005

Under provisions of state law, the records in public documents. A copy of the report has been submitted to the mayor and other appropriate public officials. This 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 7-20-06

CONTENTS:

Independent Auditor's Report on Financial Statements	Page 1
Balance Sheet - All Fund Types and Account Group	2
Statement of Revenues, Expenditures and Changes in Fund Balance - All Government Fund Types	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Government Fund Types	4
Notes To Financial Statements	5
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	11

FRANK L. GOMEZ
Certified Public Accountant
P. O. Box 607
Bossier, LA 70608
(985) 943-6742

Notary
State of Louisiana
Certified Public Accountant

Notary
Archives/Records of
Certified Public Accountant

INDEPENDENT AUDITORS' REPORT

**The Honorable Judge Richard Swartz, Jr.
City Court of Slidell
Slidell, Louisiana**

I have audited the accompanying general purpose financial statements of the City Court of Slidell, Slidell, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the Court's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly in all material respects, the financial position of the City Court of Slidell, Slidell, Louisiana, as of December 31, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 23, 2004 on my consideration of the City Court's compliance and on internal control over financial reporting.



FRANK L. GOMEZ
Certified Public Accountant
June 23, 2004

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 2003

	GOVERNMENT FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUP GENERAL	TOTAL (MEMORANDUM ONLY)
	GENERAL	ASSEMBLY FUND	FIXED ASSETS	
ASSETS				
Cash on hand and in banks	\$ 1,111,337	\$ 0	\$ 0	\$ 1,111,337
Due from General Fund	0	83,300	0	83,300
Accounts receivable	31,943	0	0	31,943
Restricted Assets:				
Deferred compensation benefits Investments	0	382,893	0	382,893
Prepaid insurance and others	55	0	0	55
Property, plant, and equipment: Office equipment	0	0	382,808	382,808
TOTAL ASSETS	<u>\$ 1,142,315</u>	<u>\$ 466,293</u>	<u>\$ 382,808</u>	<u>\$ 1,991,416</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 12,880	\$ 0	\$ 0	\$ 12,880
Payroll deductions and withholding	9,358	0	0	9,358
Due to Agency Funds	82,800	0	0	82,800
Registry deposits	9,084	0	0	9,084
Payable from restricted assets:				
Deferred compensation benefits for employees	0	382,893	0	382,893
Due to other government agencies	0	83,300	0	83,300
Appearance bonds pending	118,873	0	0	118,873
Deferred revenues	11,883	0	0	11,883
TOTAL LIABILITIES	<u>\$ 223,985</u>	<u>\$ 466,293</u>	<u>\$ 0</u>	<u>\$ 790,278</u>
FUND EQUITY				
Investment in general fixed assets	\$ 0	\$ 0	\$ 382,808	\$ 382,808
Fund balance - unreserved and undesignated	889,347	0	0	889,347
TOTAL FUND EQUITY	<u>\$ 889,347</u>	<u>\$ 0</u>	<u>\$ 382,808</u>	<u>\$ 1,272,155</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,142,315</u>	<u>\$ 466,293</u>	<u>\$ 382,808</u>	<u>\$ 1,991,416</u>

The accompanying notes are an integral part of these statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENT FUND TYPES
CITY COURT OF BLIDELL
 Blidell, Louisiana
 Year ended December 31, 2002

REVENUES

Current court revenues:		
Court costs	\$	129,890
Criminal Court fees		198,712
Probation fees		298,142
Program fees		129,587
Civil fees		29,828
Grants		28,715
Intergovernmental revenues:		24,800
Miscellaneous fees		152,878
Interest earned		13,872
	TOTAL REVENUES	\$ 819,632

EXPENDITURES

Current court operating expenditures:		
Salaries and related benefits:		
Salaries	\$	411,878
Payroll taxes		16,798
Deferred compensation plan		48,732
Contractual services:		
Witness fees		19,273
Telephone		18,458
Maintenance		18,458
Dues and subscriptions		6,902
Professional fees		85,458
Computer services		15,100
Insurance		83,493
Storage rent		3,688
Leases		12,298
Transcripts		873
Program classes		28,788
Materials and supplies:		
Office supplies & library		26,802
Postage		17,368
Miscellaneous		35,344
Grant expenditures		11,591
Capital outlays		11,271
	TOTAL EXPENDITURES	\$ 684,348

Excess of expenditures over revenues	\$	(94,868)
Fund balance - beginning of year		933,713
Fund balance at end of year	\$	838,845

The accompanying notes are an integral part of these statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ALL GOVERNMENT FUND TYPES**

CITY COURT OF SHELBY

SHELBY, LOUISIANA

Year ended December 31, 2003

	BUDGET	ACTUAL	VARIANCE FAVORABLE (OR UNFAVORABLE)
REVENUES			
Current Court Revenues:			
Court costs	\$ 132,308	\$ 129,891	(\$ 2,418)
Criminal Court fees	189,308	189,772	(89,528)
Probation fees	181,308	286,142	24,942
Program fees	124,808	129,187	4,387
Civil fees	23,828	23,828	2,303
Grants	11,808	20,718	18,718
Intergovernmental revenues	24,208	24,208	(30,008)
Miscellaneous fees	84,824	152,878	57,764
Interest earned	28,808	13,877	(7,233)
TOTAL REVENUES	\$ 827,808	\$ 819,888	(\$ 18,278)
EXPENDITURES			
Current court operating expenditures:			
Salaries and related benefits:			
Salaries	\$ 404,172	\$ 411,278	(\$ 898)
Payroll taxes	12,884	10,798	1,293
Deferred compensation plan	48,172	48,733	458
Contractual services:			
Witness fees	12,808	18,278	(7,278)
Telephone	18,001	18,458	2,543
Maintenance	18,008	18,458	458
Books and subscriptions	5,483	8,502	(1,842)
Professional fees	81,850	88,458	(13,928)
Computer services	13,808	18,108	(2,108)
Insurance	84,284	89,493	(1,208)
Storage rent	2,923	3,808	(1,838)
Lesses	12,880	12,828	358
Transcripts	750	872	(123)
Program salaries	28,580	28,788	(7,288)
Materials and supplies:			
Office supplies & library	22,185	28,816	8,530
Postage	12,725	17,348	(4,821)
Miscellaneous	57,637	28,344	18,293
Grant expenditures	0	11,581	(11,581)
Capital outlay	11,883	11,271	378
TOTAL EXPENDITURES	\$ 827,222	\$ 858,348	(\$ 28,382)
Excess of expenditures over revenues	\$ 0	\$ (44,888)	(\$ 44,888)
Fund balance - beginning of year	833,713	833,713	0
Fund balance at end of year	\$ 833,713	\$ 858,047	(\$ 44,888)

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
CITY COURT OF SIDELL
Sidell, Louisiana
December 31, 2003

NOTE 1 - DESCRIPTION OF FUNDS AND ACCOUNT GROUPS

The accounts of the City Court of Sidell 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. The City Court of Sidell revenues are accounted for in these individual funds based upon the purpose for which they are to be spent, and the means by which spending activities are controlled. The funds presented in the financial statement are described as follows:

GENERAL FUND

The General Fund is the general operating fund of the City Court of Sidell. It is used to account for all financial resources except those required to be accounted for in another fund. Fees from criminal cases and from civil cases are reported in the General Fund.

AGENCY FUNDS

Agency Funds are used to account for assets held 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 value measurement of results of operations.

GENERAL FIXED ASSETS ACCOUNT GROUPS

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

NOTE 2 - DESCRIPTION OF CITY COURT OF SIDELL ENTITY

The City Court of Sidell, Sidell, Louisiana was established by an act of the Louisiana State Legislature. The City Court has territorial jurisdiction extending throughout all of Wards 6 and 9 of St. Tammany Parish.

The City Court of Sidell is composed of a City Judge, a Marshal, and a Clerk of Court of said court. The Judge and the Marshal of the City Court are elected at the Congressional election every six years.

The City of Sidell and the Parish of St. Tammany share equally a portion of the salaries of the City Judge, the Marshal, and the Clerk of Court. The City of Sidell is required to furnish a suitable city court room and suitable offices for the City Clerk and Marshal. The City of Sidell is also required to furnish adequate fireproof vaults or other filing equipment for the preservation of the records of the Court. The expense of operation and maintenance of the court room and offices shall be borne by the City of Sidell and the Police Jury of St. Tammany Parish, Louisiana, in equal portions.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 2003

NOTE 2 - DEFINITION OF CITY COURT OF SLIDELL ENTITY - continued

While the City of Slidell and the Police Jury of St. Tammany Parish, Louisiana are obligated to provide certain services to the City Court, neither of them has any authority or control over the City Court. The City Judge is that governing authority in matters of finance, management, budgeting, and is accountable for fiscal matters. The City Court is not considered a component of the City of Slidell.

In 1989, the City Court established a Probation Supervision Department within the General Fund. This department is included in the financial statements of the General Fund.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements and accounting policies of the General Fund of the City Court of Slidell, Slidell, Louisiana conform to generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

MODIFIED ACCRUAL BASIS OF ACCOUNTING

All City Court funds are accounted for under the modified accrual basis of accounting utilizing the following practices:

Revenues are accrued when the amounts to be received are both measurable and available. Charges for fines, forfeitures, and miscellaneous revenues are recorded as revenues when each individual case has been settled.

Expenditures are recorded at the time the liabilities are incurred. Also, capital outlays are recorded as expenditures at the time of acquisition.

BUDGET POLICIES

City Court has adopted a budget on the modified accrual basis of accounting. This budget is considered to be a "free-appropriated budget" and is not subject to the appropriation process or to any legally authorized budget review and approval process. There is no relationship between the expenditure budget and any appropriation ordinances. The budget was adopted to provide a basis for control of financial operations during the year.

FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded at cost and depreciation is not recorded on general fixed assets.

Current capital expenditures are recorded as expenditures at the time of purchase. The related assets are then recorded in the General Fixed Assets account group.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SIDELL
Sidell, Louisiana
December 31, 2003

NOTE 4 - 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. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

The following are the changes in general fixed assets:

Office equipment - beginning balance	\$ 290,735
Additions	<u>11,271</u>
Office equipment - ending balance	\$ <u>302,006</u>

NOTE 6 - PENSION PLAN

The City Judge and Clerk of Court are partially covered under the pension plan of the City of Sidell and the Parish of St. Tammany, Louisiana, at no cost to the City Court. The City's plan also pays the pension of retired Judges.

In 1991 the City Court adopted a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Court employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City Court funds all amounts of compensation deferred under the Plan, at the direction of the covered employees, through investments in annuity contracts underwritten by Great-West Life, which is the Plan administrator. The Court contributes a certain percentage of their gross salary to the plan.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the City Court subject only to the claims of the City Court's general creditors. Participants' rights under the plan are equal to those of general creditors of the City Court in an amount equal to the fair market value of the deferred account for each participant.

The City Court has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City Court believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. The City Court contributed \$ 46,733 to the plan in 2003.

The market value of the Plans assets as of December 31, 2003 is \$ 362,563.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
 Slidell, Louisiana
 December 31, 2003

NOTE 7 - VACATION AND SICK LEAVE

The City Court has adopted the following vacation and sick leave plan.

Vacation Pay - Two weeks vacation after one year of employment.

Sick Leave - Six days sick leave after one year of employment.

Vacation and sick leave cannot be accumulated beyond one year. Accrued vacation and sick pay have not been recorded because they are not material to the financial statements.

NOTE 8 - LITIGATION

The City Court of Slidell is not involved in any litigation which would result in a significant liability to the Court.

NOTE 9 - BANK ACCOUNTS

The following is a summary of the bank accounts and the securities:

	<u>AMOUNT</u>	<u>SECURITY</u>	
Parish National Bank - Checking	\$ 2,974	\$ 100,000	FDIC Insurance
General Progressive Bank - Checking	\$1,108,807	\$ 100,000	FDIC Insurance
		\$ 48,371	GNMA-Pool
		\$ 31,969	FHR
		\$ 659,060	FHLMC-Pool
		\$ 107,338	SBA-Pool

NOTE 10 - APPEARANCE BONDS PENDING

Appearance bonds pending represents amounts collected for cases that have not been settled at year end. When these cases are settled, the Court will record its share of these amounts as revenues and the remaining amounts will be distributed to other agencies.

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF BLEDDL
 Slidell, Louisiana
 December 31, 2003

NOTE 11 - CHANGES IN AGENCY FUNDS

A summary of changes in agency funds follows:

	<u>BEGINNING</u> <u>BALANCE</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>ENDING</u> <u>BALANCE</u>
City of Slidell Funds	\$ 94,825	\$ 271,918	(\$ 228,711)	\$ 238,032
Parish of St. Tammany	242	8,278	(8,278)	242
City Marshal's Fund	8,242	187,268	(189,917)	5,593
Indigent Defendants Fund	8,242	188,148	(187,178)	9,212
Victims of Crimes Fund	585	7,028	(7,255)	558
Supreme Court	1,285	15,778	(15,827)	1,236
District Attorney's Fund	2,582	48,854	(48,918)	2,518
Louisiana Commission on				
Law Enforcement Fund	521	8,888	(8,828)	581
Dept. of Public Safety Fund	375	5,575	(5,875)	275
Juvenile Detention Center Fund	1,490	20,372	(20,152)	1,710
Restitution Fund	0	3,877	(3,877)	0
Special D.V.C.I. Fund	7,589	0	(7,589)	0
Louisiana State Breath Analysis	680	8,758	(7,908)	450
Drug Abuse Education & Treatment	150	1,845	(1,895)	100
I.A.A.	25	1,188	(1,188)	25
Juvenile Traffic	0	2,368	(2,248)	120
Legislative Fee	180	1,760	(1,650)	310
State of Louisiana	80	2,235	(2,250)	65
Transcripts	0	675	(675)	0
Commissioner of Insurance	45	25	(0)	70
Covington Clerk of Court	1,278	8,888	(8,914)	1,252
Curator	0	318	(318)	0
Garments	0	155	(155)	0
Judge Fees	13,227	48,215	(38,907)	22,535
Judge Sup. Comp. Fund	5,084	28,112	(28,178)	2,018
Civil Attachments	480	268	(0)	748
Refunds - Filing Fees	0	25	(15)	10
Refunds of Unused Court Fees	0	3,157	(3,098)	59
Secretary of State	0	800	(800)	0
Service - Sheriff	1,085	7,241	(8,255)	6,071
First Circuit Court of Appeals	0	117	(117)	0
Sex Offender Registry	1,285	12,453	(12,903)	835
TOTAL ALL AGENCY FUNDS	\$ 128,828	\$ 678,818	(\$ 678,854)	\$ 128,792

NOTES TO FINANCIAL STATEMENTS - continued
CITY COURT OF SLIDELL
Slidell, Louisiana
December 31, 2003

NOTE 12 - DEFERRED REVENUE

This account represents partial payments on fines collected by the Probation Department. Once the fines have been collected in full, the Court records its share of the fines as revenues and distributes the remaining amounts that are collected for other agencies.

NOTE 13 - GRANTS

The City Court received a grant from the State of Louisiana during the year. The grant was for a Youth Education Shopping Program, which is a sub-grant through the city of Slidell. The City Court matches 10% of the sub-grant.

FRANK L. GRIVIN
Certified Public Accountant
P. O. Box 907
Bossier, LA 70601
(504) 845-5140

Office
Bossier or Louisiana
Certified Public Accountant

Office
Address here only if
Certified Public Accountant

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

The Honorable Judge Richard Swartz, Jr.
City Court of Slidell
Slidell, Louisiana

I have audited the general purpose financial statements of the City Court of Slidell, Slidell, Louisiana, as of and for the year ended December 31, 2003 and have issued my report thereon dated June 23, 2004.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the City Court of Slidell, Slidell, Louisiana's general purpose financial statements are free of material misstatement, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing the audit, I considered the City Court of Slidell, Slidell, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on their internal control over financial reporting. My 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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 - continued

This report is intended for the information of the Judge and the Louisiana Legislative Auditor's office. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



FRANK L. GONS
Certified Public Accountant
June 23, 2004