FORTY-THIRD JUDICIAL DISTRICT

HAZEL PARK DIVISION

STATE OF MICHIGAN

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

Michigan Department of Treasury
496 (Rev.06/08)

Auditing Procedures Report

Instructions and MuniCodes | *=Required Fields | Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* 43 JUDICIAL DISTRICT, HAZEL PARK DIV	County* OAKLAND	Type* OTHER	MuniCode* 63-7-581
Opinion Date-Use Calendar* Aug 23, 2008	Audit Submitted-Use Calendar* Sep 19, 2008	Fiscal Year End Month*	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

- [x] [?] 1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
- [x] [?] 2. Does the local unit have a positive unrestricted net position, unreserved fund balances/unrestricted net assets?
- [x] [?] 3. Were the local unit's actual expenditures within the amounts authorized in the budget?
- [x] [?] 4. Did the local unit's expenditures comply with the Uniform Chart of Accounts issued by the Department of Treasury?
- [x] [?] 5. Did the local unit adopt a budget for all required funds?
- [x] [?] 6. Was a budget amendment made before the budget was in violation of the state statute?
- [x] [?] 7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
- [x] [?] 8. Has the local unit distributed tax levies and tax allocations that were collected for another taxing unit as required by the General Property Tax Act?
- [x] [?] 9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
- [x] 10. Are the local unit's assets in excess of its liabilities? (Note: Pension obligations that are required to be reported in accordance with GASB 25 and GASB 27 are not to be included in the calculation for local units of government in Michigan as revised in Appendix H of Bulletin 1.)
- [x] [?] 11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
- [x] [?] 12. Is the local unit free of repeated audit deficiencies from previous years?
- [x] [?] 13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
- [x] 15. Is the audit report filed with the State Treasurer in accordance with generally accepted accounting principles (GAAP)?
- [x] [?] 16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
- [x] [?] 17. Were the bank reconciliations that were reviewed performed timely?
- [ ] [?] 18. Are there reported deficiencies? [ ] 19. If so, was it attached to the audit report?

General Fund Revenue: [?]		General Fund Balance: [?]	
General Fund Expenditure: [?]		Governmental Activities Long-Term Debt (see instructions): [?]	
Major Fund Deficit Amount:	$ 0.00		

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* PATRICK	Last Name* DEVEREAUX	Ten Digit License Number* 1101009532			
CPA Street Address* 225 S. TROY, SUITE 100	City* ROYAL OAK	State* MI	Zip Code* 48067	Telephone* +1 (248) 548-7766	
CPA Firm Name* YOUNGBLOOD & DEVEREAU	Unit's Street Address* 43 EAST NINE MILE ROAD	Unit's City* HAZEL PARK	Unit's Zip* 48030		

FORTY-THIRD JUDICIAL DISTRICT
HAZEL PARK DIVISION
STATE OF MICHIGAN

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Judge Keith P. Hunt
District Court Judge
Forty-Third Judicial District
Hazel Park Division
State of Michigan

We have audited the financial statements of the Forty-Third Judicial District, Hazel Park Division, State of Michigan, as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the administration of the Forty-Third Judicial District, Hazel Park Division, State of Michigan. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with accounting standards generally accepted in the United States of America. 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 the administration, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the Forty-Third Judicial District, Hazel Park Division, State of Michigan as of June 30, 2008 and 2007, in conformity with accounting principals generally accepted in the United State of America.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standard Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

Youngblood & Devereaux, P.C.

September 4, 2008

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Combined Balance Sheet
June 30, 2008 and 2007

ASSETS

	2008	2007
Checking account - General Account	-	$ 24,543
Sweep money market savings account - General Account	177,863	152,457
Petty cash - General Account	100	100
Checking account - Bond Trust Account	32,237	43,860
Due from City of Hazel Park - General Account	50	198
Total Assets	$ 210,250	$ 221,158

LIABILITIES

Due to City of Hazel Park - General Account	$ 132,085	$ 133,480
Due to State of Michigan - Treasury Department - General Account	41,943	38,446
Due to State of Michigan - Secretary of State - General Account	1,500	1,620
Due to Oakland County - General Account	2,485	3,752
Bonds posted	32,237	43,860
Total Liabilities	$ 210,250	$ 221,158

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Activity - General Account
For the Years Ended June 30, 2008 and 2007

	2008	2007
Cash balance - July 1	$ 177,100	$ 201,655
Receipts - page 3	2,273,937	2,367,693
Total Beginning Cash and Receipts	$ 2,451,037	$ 2,569,348
Distributions:		
City of Hazel Park	$ 1,694,468	$ 1,787,052
Oakland County (penal fines and motor carrier fees)	35,272	31,871
State of Michigan (Crime Victims' Rights Fund fees)	24,255	26,235
State of Michigan (state judgment fees)	-	9
State of Michigan (clearance fees)	21,495	23,820
State of Michigan (Juror Compensation Reimbursement fees)	21,495	23,820
State of Michigan (Civil Filing Fund fees)	82,467	76,506
State of Michigan (Justice System Fund fees)	385,269	418,376
Total Distributions	$ 2,264,721	$ 2,387,689
Cash Balance Before Other Receipts (Distributions)	$ 186,316	$ 181,659
Other Receipts (Distributions):		
Cash over (short)	$ 74	$ 34
Transfers and prior year corrections - net	(74)	(34)
Transfer bank interest	(6,273)	(6,851)
Reimbursed bank fees	(2,080)	2,292
Total Other Receipts (Distributions)	$ (8,353)	$ (4,559)
Cash Balance - June 30	$ 177,963	$ 177,100
Checking account	$ -	$ 24,543
Sweep money market savings account - General Account	177,863	152,457
Petty cash	100	100
	$ 177,963	$ 177,100

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Receipts - General Account
For the Years Ended June 30, 2008 and 2007

	2008	2007
Receipts (Ordinance):		
Penal fines	$ 33,738	$ 31,815
Penal costs	52,084	57,782
Ordinance fines and costs	1,392,662	1,481,868
Crime Victims' Rights Fund fees	26,800	28,350
Bond forfeitures	16,870	19,980
Parking fines	20,090	16,985
Attorney fees	28,506	32,365
Probation breathalyzer test fees	-	4,420
Probation fees	30,913	29,204
Clearance fees	64,125	70,785
Justice system	386,929	413,291
Assessment fees	6,565	6,340
Pre-sentence fees	9,705	6,475
Motor carrier - misdemeanor	195	470
Motor carrier fees	890	2,825
Bench warrant service	5,700	6,780
Total Receipts (Ordinance)	$ 2,075,772	$ 2,209,735
Receipts (Civil):		
Civil filing fees	$ 130,525	$ 117,440
Garnishment, writs and subpoena fees	36,500	30,480
Marriage fees	-	60
Jury fees	400	650
Security fees	20,000	1,905
Miscellaneous	2,545	2,918
Interest income	5,967	6,958
Bank fees	2,228	(2,453)
Total Receipts (Civil)	$ 198,165	$ 157,958
Total Receipts	$ 2,273,937	$ 2,367,693

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Statement of Activity - Bond Trust Account
For the Years Ended June 30, 2008 and 2007

	2008	2007
Outstanding bonds - July 1	$ 43,860	$ 32,930
Receipts:		
Bonds posted	240,559	380,678
Other	-	45
Total Beginning Cash and Receipts	$ 284,419	$ 413,653
Distributions:		
Bonds forfeited	$ 16,870	$ 19,980
Bonds refunded	78,857	78,161
Bonds used to pay fines and fees	137,355	179,433
Transfer to other accounts	19,100	92,219
Total Distributions	$ 252,182	$ 369,793
Outstanding bonds - June 30	$ 32,237	$ 43,860
Checking account	$ 32,237	$ 43,860

The accompanying Notes to the Financial Statements
are an integral part of these statements

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Notes to the Financial Statements
June 30, 2008 and 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Court functions as an Agency Fund. The money that it receives is held only until it is turned over to other governmental agencies or returned to individuals from whom it was collected. Since an Agency Fund is custodial in nature, it does not present results of operations or have a measurement focus.

Accounting Method

The Court records financial transactions using the modified accrual basis of accounting.

Cash Balances

The Court maintains its cash only in bank deposit accounts which are F.D.I.C. insured. Quite often, however, the bank balances exceed the insured limits of $ 100,000. This means that in the event of a bank failure some of the Court's deposits may not be recovered. The Court recognizes that there is the risk but the Court has not experienced any losses of this nature in the past nor does it believe the risk is significant.

2. GENERAL ACCOUNT

	2008	2007
Sweep money market savings account – 1.63% – (3.83%)	$ 177,863	$ 152,457

The General Account records the receipt and distribution of criminal, ordinance, and civil fines and fees. The distributions are made in accordance with allocations determined by the State Supreme Court Administrative Office.

State of Michigan - Treasury Department	Various portions of civil filing fees - $14, $28, $42, or $119 depending on the claim One-half civil motion fees 100% of judgment fees 100% of the Justice System fees - $10, $40, or $45 per offense depending on the type or seriousness 20% of demand for jury fees One-third of clearance fees 90% of Crime Victims Rights Fund
State of Michigan - Secretary of the State	One-third of clearance fees
County	100% of penal fines 30% of motor carrier fees
City of Hazel Park	100% of remainder

3. BOND TRUST ACCOUNT

The Bond Trust Account records the receipt and distribution of bond money. Bonds are disposed of according to the Court's direction which can mean, (a) the bond is refunded to the person who posted it; (b) the bond is turned over to the General Account as a forfeiture or fine and cost and distributed as outlined in Note 2; (c) the bond is sent to another jurisdiction if the case is being transferred there or; (d) the bond is used to pay restitution.

An aging of the outstanding bonds:

	0-30	31-60	61-90	91-120	120+	Total
2008	$18,380 (36)	$ 9,310 (15)	$ 4,297 (7)	$ 250 (1)	$ -	$32,237 (59)
2007	$14,975 (27)	$17,410 (27)	$ 6,075 (13)	$ 2,800 (4)	$ 2,600 (4)	$43,860 (75)

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Honorable Judge Keith P. Hunt
District Court Judge
Forty-Third Judicial District
Hazel Park Division
43 East Nine Mile Road
Hazel Park, MI 48030

Re: Report of Comments and Recommendations

Dear Judge Hunt:

We recently completed an examination of the financial statements of the various accounts of the Forty-Third Judicial District, Hazel Park Division, State of Michigan for the year ended June 30, 2008, for the purpose of expressing our opinion on such statements. The nature and scope of such an examination does not contemplate a detailed review of systems and procedures, nor was one made in the present instance. However, during our examination, we observed certain accounting and administrative areas where we believe a comment is appropriate. These comments can be found on the attached page.

We wish to thank the personnel of the Court for their excellent cooperation with our firm during the course of the examination of the Court's records.

Very truly yours,

YOUNGBLOOD & DEVEREAUX, P.C.

Patrick J. Devereaux
Certified Public Accountant

September 4, 2008

cc: Treasurer, State of Michigan
Local Audit Division

FORTY-THIRD JUDICIAL DISTRICT
Hazel Park Division
State of Michigan
Comments and Recommendations
June 30, 2008

BONDS

The bonds are reconciled with the cash monthly using the Court's bond accounting program. Accurate bond information is readily available on a monthly basis

TRAFFIC/PARKING TICKETS AND RECEIPTS

The control of traffic/parking tickets continues to be very good. I had no trouble finding the tickets I needed for my testing. The tickets I did look at all seemed to be properly documented making it easy to follow them through the accounting system.