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PINEVILLE CITY COURT

PINEVILLE, LOUISIANA

DECEMBER 31, 1999

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JUL 26 2000

Release Date _____

PINEVILLE CITY COURT
PINEVILLE, LOUISIANA

DECEMBER 31, 1999

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Phillip Terrell, City Judge
Pineville City Court
Pineville, Louisiana

We have audited the accompanying general purpose financial statements of the Pineville City Court, a component unit of the City of Pineville, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These financial statements are the responsibility of the management of the Pineville City 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Pineville City Court as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

MARVIN A. JUNEAU, C.P.A.	ROBERT L. LUTON, C.P.A.	REBECCA B. MORRIS, C.P.A.
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PAYNE, MOORE & HERRINGTON, LLP

Phillip Terrell, City Judge
Pineville City Court
Pineville, Louisiana

In accordance with *Government Auditing Standards*, we have also issued a report dated June 2, 2000, on our consideration of the internal control over financial reporting of the Pineville City Court and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our conduct.

Payne, Moore & Herrington, LLP
Certified Public Accountants

June 2, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

PINEVILLE CITY COURT
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 DECEMBER 31, 1999

EXHIBIT A

	GOVERNMENTAL FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTAL (Memorandum Only)
	GENERAL FUND	SPECIAL REVENUE FUND	AGENCY FUND	GENERAL FIXED ASSETS	
ASSETS					
Cash	\$ 13,333	\$ 27,102	\$ 79,912	\$	\$ 120,347
Accounts receivable	2,706	240			2,946
Interest receivable	242				242
Fixed assets				62,076	62,076
<u>TOTAL ASSETS</u>	<u>\$ 16,281</u>	<u>\$ 27,342</u>	<u>\$ 79,912</u>	<u>\$ 62,076</u>	<u>\$ 185,611</u>
LIABILITIES, EQUITY, AND OTHER CREDITS					
LIABILITIES					
Accounts payable	\$ 6,118	\$ 443	\$	\$	\$ 6,561
Advance court costs			79,912		79,912
Total Liabilities	6,118	443	79,912	-	86,473
EQUITY AND OTHER CREDITS					
Investment in general fixed assets				62,076	62,076
Fund Balance					
Unreserved - undesignated	10,163	26,899			37,062
Total Equity and Other Credits	10,163	26,899	-	62,076	99,138
<u>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</u>	<u>\$ 16,281</u>	<u>\$ 27,342</u>	<u>\$ 79,912</u>	<u>\$ 62,076</u>	<u>\$ 185,611</u>

The accompanying notes are an integral part of the financial statements.

PINEVILLE CITY COURT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED DECEMBER 31, 1999

EXHIBIT B

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL (Memorandum Only)
REVENUES			
Charges for services			
Court costs	\$ 57,311	\$	\$ 57,311
Probation fees		55,682	55,682
Driver improvement program fees		4,710	4,710
Interest	1,901	185	2,086
Other	967		967
Total Revenues	60,179	60,577	120,756
EXPENDITURES			
Current			
Clerks' salary supplement	35,477	27,507	62,984
Retirement	5,978		5,978
Office supplies and expenses	1,567	760	2,327
Dues	260		260
Travel and seminars	8,463	162	8,625
Professional services	12,173	7,113	19,286
Computer fees and expenses	4,600		4,600
Repairs and maintenance	150		150
Telephone	2,066		2,066
Legal publications	3,508		3,508
Miscellaneous	714	1,740	2,454
Capital outlay	2,773		2,773
Total Expenditures	77,729	37,282	115,011
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,550)	23,295	5,745
FUND BALANCES, BEGINNING OF YEAR	31,317	-	31,317
RESIDUAL EQUITY TRANSFER	(3,604)	3,604	-
<u>FUND BALANCES, END OF YEAR</u>	\$ 10,163	\$ 26,899	\$ 37,062

The accompanying notes are an integral part of the financial statements.

**PINEVILLE CITY COURT
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Pineville City Court (the Court), a component unit of the City of Pineville, Louisiana, was established under the authority of Louisiana Revised Statutes 13:1871 - 2512. Its territorial jurisdiction extends throughout Wards 9, 10, and 11 of Rapides Parish in which the City of Pineville is located. The Court is composed of a city judge (elected), and a clerk of court (appointed by the City Judge).

Funds flowing through the court consist mainly of court costs and penalties in criminal cases, and deposits in civil cases. In all criminal matters, the judge assesses court costs in accordance with state statutes. Such costs are used by the judge to defray the operating expenses of the court or for the payment of clerical fees and similar expenditures as approved by the judge. Criminal court costs are collected by the City Marshall (a separately elected official) and remitted to the Court monthly.

The accompanying statements of the Pineville City Court 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.

For financial reporting purposes, the Court is a component unit of the City of Pineville, Louisiana (the City), the governing body of the City. The accompanying financial statements present information only on the funds and account group maintained by the Court and do not present information of the City and the governmental services provided by it.

The following is a summary of certain significant accounting policies and practices of the Court.

Fund Accounting

The Court uses funds and account groups to report on its financial position and results of 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. In these financial statements, funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types".

**PINEVILLE CITY COURT
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

Governmental funds are used to account for all or most of the Court's general activities, including the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The fiduciary fund used by the Court consists of one agency fund: The Civil Fee Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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. An account group is concerned only with the measurement of financial position and is not involved with measurement of operations. The only account group presently used by the Court is General Fixed Assets.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All 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 (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Those revenues subject to accrual are court costs and interest revenue. The other revenues of the Court are not susceptible to accrual because generally they are not measurable until received in cash.

Budgets

Under state statutes, the Court is not required to adopt a budget for any of its funds.

PINEVILLE CITY COURT
DECEMBER 31, 1999

NOTES TO FINANCIAL STATEMENTS

Cash

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Cash consisted of amounts in demand deposits. All deposits of the Court at year end were entirely covered by federal depository insurance.

Fixed Assets

General fixed assets are not capitalized in the funds used to acquire them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. General fixed assets are reported at actual historical cost. Assets in the General Fixed Assets Account Group are not depreciated.

Bad Debts

Accounts receivable are recognized as bad debts as they are considered uncollectible. In the opinion of management, all accounts receivable were collectible and an allowance for doubtful accounts was not considered necessary.

Advance Court Costs

Advance court costs represent money received in connection with civil suits. The plaintiff of each civil suit is required to make an advance payment to cover the cost incurred by the court in processing the suit. These cash advances remain in the advance court cost account until they are earned, at which time they are *disbursed to the proper entities, or until the case has been dismissed and the remaining amount is refunded.*

Clerks' Salary Supplement

The salaries of the judge, clerk of court, and deputy clerks are paid directly by the City of Pineville or the Rapides Parish Police Jury. The Court pays an agreed-upon amount to the City of Pineville or the Rapides Parish Police Jury to supplement the salary of the clerk and deputy clerks.

Office Space

The City of Pineville is required by statute to furnish office space to the Court without charge.

**PINEVILLE CITY COURT
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Memorandum Only - Total Column

The total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does 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.

2. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets:

	BALANCE <u>01/01/99</u>	ADDITIONS	BALANCE <u>12/31/99</u>
Equipment	\$ 59,303	\$ 2,773	\$ 62,076

**PINEVILLE CITY COURT
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

3. CHANGES IN AGENCY FUND ASSETS AND LIABILITIES

The following is a summary of changes in assets and liabilities of the agency fund for 1999:

	<u>BALANCE</u> <u>01/01/99</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>12/31/99</u>
CIVIL FEE AGENCY FUND				
ASSETS				
Cash	\$ 61,065	\$ 163,079	\$ (144,232)	\$ 79,912
LIABILITIES				
Advance court costs	\$ 61,065	\$ 163,079	\$ (144,232)	\$ 79,912

4. AGENCY FUND DISBURSEMENTS

The following is a summary of disbursements from the agency fund for 1999:

City Judge	\$ 40,190
City Marshal	18,615
Clerk fee	4,820
Judge's supplemental compensation fund	8,908
Louisiana State Employees' Retirement System	5,563
Other costs and fees	23,145
Refunds	<u>42,991</u>
	\$ 144,232

5. PENSION PLANS

The Court contributes to the Louisiana State Employees' Retirement System (the System), a cost sharing multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. All state employees, except certain classes excluded by statute, 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 are eligible for membership. Elected officials and officials appointed by the Governor may, at their option, become members of the System.

The System provides retirement, death, and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Louisiana State Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-4213 or by calling (800) 256-3000.

**PINEVILLE CITY COURT
DECEMBER 31, 1999**

NOTES TO FINANCIAL STATEMENTS

Covered employees are required by state statute to contribute 11.5 percent of their salary to the plan. The Court contributes an actuarially determined rate, presently set at 12.4% of the member's annual salary. Contributions to the System for the years ended December 31, 1999, 1998, and 1997 were \$5,978, \$6,329, and \$5,732, respectively, which were equal to the required contributions for each year.

6. RISK MANAGEMENT

The Court is exposed to various risks of loss related to torts, damage to, theft of, and destruction of assets; errors and omissions; injuries to employees and the public; and natural disasters. The City of Pineville carries commercial insurance including workers' compensation and employee health and accident insurance. In addition, the Court carries fidelity bonds on the clerks. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND LOUISIANA GOVERNMENTAL AUDIT GUIDE**

**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***

**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***

Phillip Terrell, City Judge
Pineville City Court
Pineville, Louisiana

We have audited the accompanying general purpose financial statements of the Pineville City Court (the Court), a component unit of the City of Pineville, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated June 2, 2000. 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 financial statements of the Court 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 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 material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

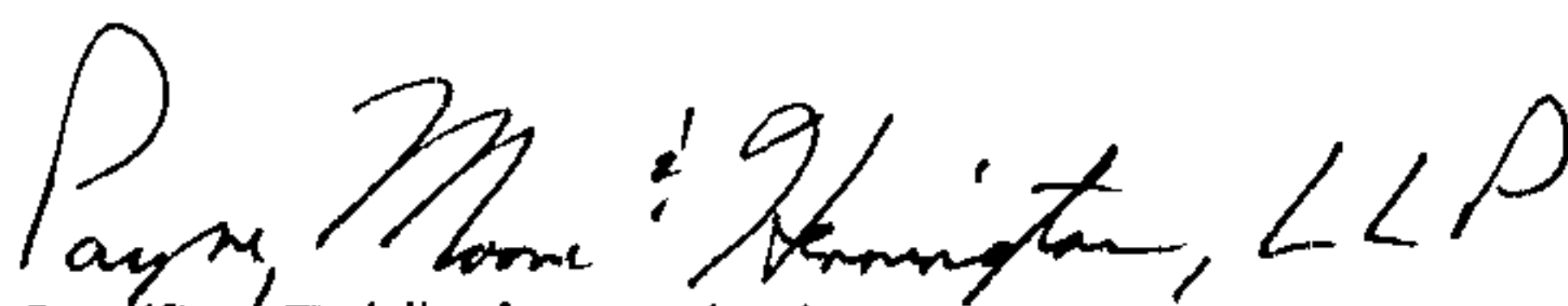
Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control of the Court 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

Phillip Terrell, City Judge
Pineville City Court
Pineville, Louisiana

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 operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Pineville City Court, the Louisiana Legislative Auditor, and management and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

June 2, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**PINEVILLE CITY COURT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 1999**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

Material weaknesses identified?

_____ yes

 x no

Reportable conditions identified
that are not considered to be
material weaknesses?

_____ yes

 x none reported

Noncompliance material to financial
statements noted?

_____ yes

 x no

Management's Corrective Action Plan

Not Applicable

*Management's Summary Schedule of
Prior Audit Findings*

Not Applicable

*Memorandum of Other Comments and
Recommendations*

None Issued

Federal Awards

Not Applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.