

RECEIVED
LEGISLATIVE AUDITOR
2000 JUL -5 AM 11: 34

**ORIGINAL
FILE COPY
DO NOT SEND OUT**
*(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)*

City Court of Minden
Webster Parish, Louisiana

**General-Purpose Financial Statements
As of and for the Years Ended
December 31, 1999 and 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 JUL 26 2000

City Court of Minden
Webster Parish, Louisiana

December 31, 1999 and 1998

Table of Contents

Page		
1	Combined Balance Sheet - All Fund Types and Account Groups December 31, 1999	Exhibit A
2	Combined Balance Sheet - All Fund Types and Account Groups December 31, 1998	Exhibit B
3	Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund for the Years Ended December 31, 1999 and 1998	Exhibit C
4	Notes to the Financial Statements	
10	Independent Auditor's Report	
11	Report on Compliance and On Internal Control Over Financial Reporting based On an Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	
12	Schedule of Findings and Questioned Costs	

**City Court of Minden
Webster Parish, Louisiana**

**Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1999**

	Governmental Fund Type	Fiduciary Fund Type			Account Groups	Totals (Memorandum Only)
	General Fund	Criminal Court Fund	Criminal Restitution Fund	Civil Fund	General Fixed Assets	
Assets						
Cash	\$ 3	\$ 2,353	\$ 719	\$ 13,985	\$ -	\$ 17,060
Receivables From Other Funds	142					142
Property and Equipment					37,238	37,238
Total Assets	<u>\$ 145</u>	<u>\$ 2,353</u>	<u>\$ 719</u>	<u>\$ 13,985</u>	<u>\$ 37,238</u>	<u>\$ 54,440</u>
Liabilities and Fund Balances (Deficit)						
Liabilities:						
Accounts Payable	\$ 4,452	\$ -	\$ -	\$ -	\$ -	\$ 4,452
Due to:						
Governmental agencies and others in escrow capacity		2,211	719	13,985		16,915
Other Funds		142				142
Total Liabilities	<u>4,452</u>	<u>2,353</u>	<u>719</u>	<u>13,985</u>	<u>-</u>	<u>21,509</u>
Fund Balances						
Investment in General Fixed Assets					37,238	37,238
Fund Balance (Deficit)	(4,307)					(4,307)
Total Fund Balances (Deficit)	<u>(4,307)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,238</u>	<u>32,931</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 145</u>	<u>\$ 2,353</u>	<u>\$ 719</u>	<u>\$ 13,985</u>	<u>\$ 37,238</u>	<u>\$ 54,440</u>

The accompanying Notes are an integral part of this statement

**City Court of Minden
Webster Parish, Louisiana**

**Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1998**

	Governmental Fund Type	Fiduciary Fund Type			Account Groups	Totals (Memorandum Only)
	General Fund	Criminal Court Fund	Criminal Restitution Fund	Civil Fund	General Fixed Assets	
Assets						
Cash	\$ 25	\$ 1,482	\$ 235	\$ 12,896	\$ -	\$ 14,638
Receivables From Other Funds	142					142
Property and Equipment					37,238	37,238
Total Assets	<u>\$ 167</u>	<u>\$ 1,482</u>	<u>\$ 235</u>	<u>\$ 12,896</u>	<u>\$ 37,238</u>	<u>\$ 52,018</u>
Liabilities and Fund Balances (Deficit)						
Liabilities:						
Accounts Payable	\$ 2,357	\$ -	\$ -	\$ -	\$ -	\$ 2,357
Due to:						
Governmental agencies and others in escrow capacity		1,340	235	12,896		14,471
Other Funds		142				142
Total Liabilities	<u>2,357</u>	<u>1,482</u>	<u>235</u>	<u>12,896</u>	<u>-</u>	<u>16,970</u>
Fund Balances						
Investment in General Fixed Assets					37,238	37,238
Fund Balance (Deficit)	(2,190)					(2,190)
Total Fund Balances (Deficit)	<u>(2,190)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,238</u>	<u>35,048</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 167</u>	<u>\$ 1,482</u>	<u>\$ 235</u>	<u>\$ 12,896</u>	<u>\$ 37,238</u>	<u>\$ 52,018</u>

The accompanying Notes are an integral part of this statement

**City Court of Minden
Webster Parish, Louisiana**

**Statements of Revenues, Expenditures and Changes in Fund Balances
General Fund
for the Years ended December 31, 1999 and 1998**

	1999	1998
Revenue		
Court Costs and Judge's Fees from Civil Suits	\$ 76,259	\$ 74,693
Court Costs from Criminal Cases	103,003	114,367
Fees - Worthless Check Suits	90	808
Other	14,019	14,592
Total Revenue	193,371	204,460
 Expenditures		
Current -		
Judge's Civil Fees	30,000	28,550
Clerks' Supplemental Salaries	92,275	88,450
Conferences	14,193	21,713
Office Supplies and Postage	14,381	15,982
Judge's Supplemental Compensation Fund	5,920	7,139
Witness Fees	7,194	7,272
Audit and Accounting	11,000	2,700
Insurance	6,730	7,006
Judge's Retirement	3,398	12,487
Miscellaneous	2,892	1,799
Dues and Subscriptions	1,450	1,455
Telephone	4,718	3,533
Payroll Taxes	1,337	1,378
Repairs and Maintenance - Office Equipment	-	3,162
Capital Outlay		
Equipment Purchases	-	2,991
Total Expenditures	195,488	205,617
 Excess (Deficiency) of Revenues Over Expenditures	(2,117)	(1,157)
 Beginning Fund Balance (Deficit)	(2,190)	(1,033)
 Ending Fund Balance (Deficit)	\$ (4,307)	\$ (2,190)

The accompanying Notes are an integral part of this statement

City Court of Minden

Webster Parish, Louisiana

Notes to the Financial Statements
for the Years Ended December 31, 1999 and 1998

Introduction

The Louisiana Constitution of 1974, Article V, Section 1 created the courts of the State, among them the City Court of Minden. Article V, Section 15 created the Trial Courts of Limited Jurisdiction and sets forth the duties of the court. City Court of Minden exists and operates in accordance with the authorities cited.

As provided by Article V, Section 15 of the Louisiana Constitution of 1974, the judge has charge of civil and criminal matters in his jurisdiction. The judge is elected by a popular vote for a term of six years.

City Court of Minden's jurisdiction covers Ward One of Webster Parish and serves approximately 30,000 people.

City Court of Minden employs four full-time employees and one part-time probation officer.

For the years ended December 31, 1999 and 1998, City Court of Minden had approximately 2,700 and 3,200 criminal cases filed, respectively, and approximately 400 and 450 civil cases filed, respectively.

There is one Marshall elected by a popular vote that serves the jurisdiction of the court. He is responsible for serving papers, maintaining order in the courtroom, sale of seized property and works concurrently with the police department.

Note 1 Summary of Significant Accounting Policies

Basis of Presentation

The accompanying general-purpose financial statements of the City Court of Minden 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.

Reporting Entity

The City Court of Minden (the "Court") is a court of limited jurisdiction and serves Ward One of Webster Parish, Louisiana. The Judge of the Court is an independently elected official. However, the Court is fiscally dependent on the City of Minden for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the Court is fiscally dependent on the city, the Court was determined to be a component unit of the City of Minden, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City of Minden, the general government services provided by that government unit, or other governmental units that comprise the financial reporting entity.

Fund Accounting

The Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds of the Court are classified into the following categories:

Governmental Fund Type

General Fund - The General Fund is the principle fund of the Court and accounts for its operations. The various fees and fines due to the Court are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund Type

Agency Funds - The three agency funds are used to account for assets that are held by the Court in a custodial capacity pending their transfer to the proper recipient, as provided by Louisiana law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Court has the following agency funds:

Criminal Court Fund is used to account for fines and court costs of all criminal cases. Fines collected by the Minden Police Department are remitted monthly to the Court. These and all fines collected by the Court for criminal cases are disbursed to appropriate agencies and the General Fund on a monthly basis.

Criminal Restitution Fund is used to account for money collected for fines and restitution from offenders for issuance of worthless checks. Money is disbursed to victims for restitution and fines are disbursed to the General Fund for operations of the Court.

Civil Fund is used to account for all fines, court costs, and restitution resulting from civil cases filed in the Court. Disbursements are made to the General Fund for court fees, to victims for restitution, and other agencies for services performed relative to civil suits.

General Fixed Assets Account Groups

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. Beginning January 1, 1990, fixed assets purchased by the governmental fund are valued at historical cost. No depreciation is recorded on general fixed assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying financial statements have been prepared on the modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues - Revenues are recorded when they are determined to be both measurable and available. Generally, revenues are recorded when cash is received. Fines collected by the City of Minden Police Department and remitted to the Court the succeeding month are recognized as revenue when the fines are received.

Expenditures - Expenditures are generally recorded and reported when the related fund liability is both incurred and measurable. Salaries and related payroll costs are recorded as they are incurred. Operating supplies and other costs are recorded as they become due or incurred and are measurable.

Court Premises

The City of Minden provides the courtroom and office space for the city judge and the clerk of court. The city is also responsible for furnishing adequate fireproof vaults and other filing equipment for the preservation of the records of the Court and for the maintenance and costs of operation of the courtroom and offices.

Judge's and Clerks' Compensation

The salary of the Judge is fixed and paid by the City of Minden, the Parish of Webster, and the State of Louisiana. The salaries of the clerk and deputy clerks are jointly fixed and paid by the City of Minden and the Parish of Webster. Additional compensation and fees are paid to the clerk and deputy clerks from available criminal and earned civil court funds.

In 1999 and 1998, the Court paid the Judge additional compensation of \$30,000 and \$ 49,757, respectively, for fees derived from civil cases filed.

Compensated Absences

The vacation and sick leave policy of the Court does not provide for the accumulation and vesting of leave time, therefore the Court has not accrued compensated absences.

Total Column on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present 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.

Cash and Cash Equivalents

Cash includes amounts in interest bearing demand deposits. Under state law, the Court may deposit funds in demand deposits, interest bearing demand deposits.

Cash deposits are stated at cost, which approximates market. These deposits were secured from risk by \$100,000 of federal deposit insurance. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Note 2 Due From/To Other Funds

Individual fund balances due from/to other funds at December 31, 1999 and 1998 are as follows:

December 31, 1999		
Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 142	\$ -
Criminal Court Fund	-	142
Civil Fund	-	-
	<u>\$ 142</u>	<u>\$ 142</u>
December 31, 1998		
Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 142	\$ -
Criminal Court Fund	-	142
Civil Fund	-	-
	<u>\$ 142</u>	<u>\$ 142</u>

Note 3 Leases

The city court leases a copier under a noncancelable operating lease with the following minimum annual commitments:

2000	\$	1,720
Total	\$	<u>1,720</u>

Lease expense for the years ended December 31, 1999 and 1998 was \$4,128 and \$9,976, respectively.

Note 4 General Fixed Assets

A summary of changes in general fixed assets is as follows:

as of December 31, 1999:

	Balance December 31, 1998	Additions	Disposals	Balance December 31, 1999
Office Equipment	\$ <u>37,238</u>	\$ -	\$ -	\$ <u>37,238</u>

as of December 31, 1998:

	Balance December 31, 1997	Additions	Disposals	Balance December 31, 1998
Office Equipment	\$ <u>34,247</u>	\$ <u>2,991</u>	\$ -	\$ <u>37,238</u>

Note 5 Changes in Fiduciary Fund Balances

A summary of changes in fiduciary fund unsettled deposits at December 31, 1999 follows:

Fiduciary Funds	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Criminal Court Fund	\$ 1,340	\$ 168,689	\$ 167,818	\$ 2,211
Criminal Restitution Fund	235	780	296	719
Civil Fund	<u>12,896</u>	<u>126,198</u>	<u>125,109</u>	<u>13,985</u>
	\$ <u>14,471</u>	\$ <u>295,667</u>	\$ <u>293,223</u>	\$ <u>16,915</u>

A summary of changes in fiduciary fund unsettled deposits at December 31, 1998 follows:

Fiduciary Funds	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Criminal Court Fund	\$ 1,227	\$ 180,962	\$ 180,849	\$ 1,340
Criminal Restitution Fund	208	832	805	235
Civil Fund	19,890	138,555	145,549	12,896
	\$ 21,325	\$ 320,349	\$ 327,203	\$ 14,471

Note 6 **Litigation**

The Court is not a defendant in any litigation seeking damages from the Court. The Judge estimates that any potential claims against the Court would not materially affect the financial statements.

Note 7 **Retirement Plan**

Louisiana State Employees' Retirement System

The City Court of Minden provides retirement, death, and disability benefits to the Court's judge through a pension plan administered by another governmental entity. The plan is the Louisiana State Employees' Retirement System (LASERS or the System). Only the judge of the Court is a member of this cost-sharing multiple-employer public employee retirement system (PERS). All state employees, except certain classes of employees specifically 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 remain eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of LASERS. Benefit provisions are established in accordance with Louisiana State Statute.

Employees are eligible for retirement if the employee has: (a) 30 years of creditable service, regardless of age, or (b) 25 years of service and is at least age 55 or (c) 10 years of service and is at least age 60. The monthly retirement allowance is equal to two and one-half percent (2 1/2%) of the employee's average compensation multiplied by years of creditable service. The maximum annual benefits cannot exceed the lesser of one hundred percent (100%) of the employee's average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to one (1%) percent of average compensation multiplied by the number of years of creditable service in their respective capacity.

Upon the death of any Louisiana State Employees' Retirement System member in active service with five or more years of service and not eligible for retirement, survivor benefits are paid to certain eligible surviving dependents based on the deceased member's compensation and their relationship to them. For LASERS members who are eligible for retirement, the surviving spouse is eligible for normal retirement benefits.

Substantially all members with ten or more years of credited service who become disabled receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Contribution rates are established by Statute. Employee member contributions are deducted from their salary and remitted to the System by participating employers. The rates in effect for 1999 for judges are eleven and one-half (11.5%) percent of their covered compensation.

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established annually by the Actuarial Forecasting Committee.

The City Court contributed \$3,398 to the plan and the employee contributions were \$3,162 for the year ended December 31, 1999.

Ten-year historical trend information of the Louisiana State Employees' Retirement System is available in the separately issued retirement system report. The trend information provides information about progress made in accumulating sufficient assets to pay benefits when due.

The City Court of Minden does not guarantee the benefits granted by the above plan. The City Court of Minden does not provide any other post employment benefits.

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 State Employees Retirement System, P.O. Box 44213, Baton Rouge, LA 70809

ROBERTS, CHERRY & COMPANY
Certified Public Accountants, Consultants

Independent Auditor's Report

Honorable John C. Campbell, Judge
City Court of Minden
Webster Parish, Louisiana

We have audited the accompanying general-purpose financial statements of the City Court of Minden, a component unit of the City of Minden as of and for the years ended December 31, 1999 and 1998, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the City Court of Minden's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audits 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 general purpose 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 audits provide a reasonable basis for our opinion.

The general-purpose financial statements referred to above include only the financial activities of the City Court of Minden. Financial activities of other component units that form the reporting entity are not included. As discussed in Note 1, the general-purpose financial statements of the City Court of Minden are intended to present the financial position and results of operations and changes in fund balances of only those funds which are controlled by the City Court of Minden.

The City Court of Minden has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the City Court of Minden is or will become year 2000 compliant, that the City Court of Minden year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City Court of Minden does business are or will become year 2000 compliant.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Minden, a component unit of the City of Minden as of December 31, 1999 and 1998, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2000 on our consideration of the City Court of Minden, a component unit of the City of Minden's internal control over financial reporting 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 audit.

ROBERTS, CHERRY AND COMPANY
ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
June 15, 2000

ROBERTS, CHERRY & COMPANY

Certified Public Accountants, Consultants

**Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial
Statements Performed in Accordance with
Government Auditing Standards**

Honorable John C. Campbell, Judge
City Court of Minden
Webster Parish, Louisiana

We have audited the accompanying general-purpose financial statements of the City Court of Minden, a component unit of the City of Minden, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 15, 2000. We conducted our audits 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 City Court of Minden's general-purpose 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Minden's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose 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.

This report is intended solely for the information and use of the Court's management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

ROBERTS, CHERRY AND COMPANY

ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
June 15, 2000

City Court of Minden

Webster Parish, Louisiana

Schedule of Findings and Questioned Costs December 31, 1999

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

Summary of Auditor's Results

- We have issued an unqualified opinion on the financial statements of the City Court of Minden, a component unit of the City of Minden as of and for the years ended December 31, 1999 and 1998.
- Our audit procedures did not disclose any instances of noncompliance material to the financial statements of the City Court of Minden.
- We did not issue a management letter.