

RECEIVED
LEGISLATIVE AUDITOR

00 JUN 20 PM 1:33

City Judge
City Court of Oakdale and
Ward 5 of Allen Parish, Louisiana
A Component Unit of the
City of Oakdale, Louisiana
Financial Statements
For the Year Ended December 31, 1999

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

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 ~~July 19 2000~~

TABLE OF CONTENTS

Independent Auditors' Report	1
General Purpose Financial Statements (Combined Statements – Overview)	
Combined Balance Sheet – All Fund Types and Account Group.....	3
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	4
Notes to the Financial Statements.....	5
Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12

KNIGHT \diamond MASDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Coan I. Knight, Jr., CPA
K. Martin Masden, CPA
John E. Theriot II, CPA

May 4, 2000

Associate:
Carolyn N. Craft, CPA

Independent Auditors' Report

Perrell Fuselier, City Judge
City Court of Oakdale, Louisiana

We have audited the accompanying general purpose financial statements of the City Judge, City Court of Oakdale and Ward 5 of Allen Parish, Louisiana (the Judge's Office) a component unit of the City of Oakdale, Louisiana as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose statements are the responsibility of the Judge's Office. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the 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 general purpose 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 audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above presents fairly, in all material respects, the financial position of the Judge's Office of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principals.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2000, on our consideration of the Judge's Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

KNIGHT \diamond MASDEN

Knight - Masden

**General Purpose Financial Statements
(Combined Statements -- Overview)**

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Combined Balance Sheet – All Fund Types and Account Group
December 31, 1999

	<u>Governmental</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	<u>Account</u> <u>Group</u>	<u>Total</u>
	General Fund	Agency Fund	General Fixed Assets	(Memorandum Only)
Assets				
Cash and cash equivalents	\$ 76,992	\$ 4,117	\$ -	\$ 81,109
Fixed assets	-	-	97,491	97,491
Total Assets	\$ 76,992	\$ 4,117	\$ 97,491	\$ 178,600
Liabilities and Fund Equity				
Liabilities				
Payroll taxes payable	\$ 307	\$ -	\$ -	\$ 307
Accounts and note payable	7,333	-	-	7,333
Due to others	-	1,370	-	1,370
Advance costs	-	2,747	-	2,747
Accrued absences	1,269	-	-	1,269
Total Liabilities	\$ 8,909	\$ 4,117	\$ -	\$ 13,026
Fund Equity				
Contributed capital	\$ 2,672	\$ -	\$ -	\$ 2,672
Investment in general fixed assets	-	-	97,491	97,491
Fund Balance				
Unreserved-undesignated	65,411	-	-	65,411
Total Fund Equity	68,083	-	97,491	165,574
Total Liabilities and Fund Equity	\$ 76,992	\$ 4,117	\$ 97,491	\$ 178,600

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

CITY JUDGE
 CITY COURT OF OAKDALE AND
 WARD 5 OF ALLEN PARISH, LOUISIANA
 A Component Unit of the City of Oakdale, Louisiana
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance – Governmental Fund Type
 For the Twelve Months Ended December 31, 1999

Revenues	
Court costs	\$ 86,108
Allen Parish Police Jury gaming revenue	20,000
Other income	23,362
Grant	<u>39,004</u>
Total Revenues	<u>168,474</u>
Expenditures	
General Government	
Office expense	29,092
Salaries, payroll taxes and benefits	71,825
Operating services	14,779
Professional fees	25,402
Travel and seminar	6,798
Capital outlay	8,906
Repairs and maintenance	3,833
Telephone	<u>7,368</u>
Total Expenditures	<u>168,003</u>
Excess of Revenues Over Expenditures	471
Fund Balance, January 1, 1999	<u>64,940</u>
Fund Balance, December 31, 1999	<u><u>\$ 65,411</u></u>

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Notes to the Financial Statements
December 31, 1999

Note 1 - Summary of Significant Accounting Policies

The City Judge, City Court of Oakdale and Ward 5 of Allen Parish, Louisiana a component unit of the City of Oakdale, Louisiana, was established by Louisiana Revised Statute 13:2485. Its territorial jurisdiction extends throughout Ward 5 of Allen Parish in which the City of Oakdale is located. The Judge's Office is composed of a city judge (elected), a ward marshal (elected) and a city clerk (appointed by the city judge). The city judge in all criminal matters including traffic violations assesses Court costs. These costs are utilized in operation of the Judge's Office. Costs are deposited into separate special accounts for the ward marshal and the city judge.

The accompanying statements of the City Judge, City Court of Oakdale and Ward 5 of Allen Parish Louisiana (Judge's Office) 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.

The following is a summary of certain significant accounting policies and practices of the Judge's Office.

A. Financial Reporting Entity

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

B. Fund Accounting

The Judge's Office uses funds and account groups to report on the 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 this financial statement, funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types". The fund classifications and a description of the existing fund type follow:

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Notes to the Financial Statements
December 31, 1999

Note 1 - Summary of Significant Accounting Policies, Continued

Governmental funds are used to account for all or most of a government'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 Judge's Office consists of three agency funds: Fines and Restitution, Civil Fee Fund, Cash Bond Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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 results of operations. The only account group presently used by the Judge's Office is that for general fixed assets.

C. Basis of Accounting

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Penalties, fines, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income is accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

D. Budgets

The Judge's Office does not adopt a budget for any of its funds and is not required to by state law.

E. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and they are recorded as expenditures in the governmental fund type when purchased. No depreciation has been provided on general fixed assets. Fixed assets are recorded at historical cost.

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Notes to the Financial Statements
December 31, 1999

Note 1 - Summary of Significant Accounting Policies, Continued

F. Total Column on Combined Statements - Overview

The total column on the combined statements – overview is 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.

G. Advance Cost

Advance cost represents 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 cost account until they are earned by the court, at which time they are disbursed to the proper entities, or until the case has been dismissed and the remaining amount is refunded.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits and cash equivalents include investments with a maturity date of ninety-one days or less.

I. Encumbrances

The Judge’s Office does not use encumbrance accounting or reporting.

Note 2 – Judge’s Office Operation

Fines collected by the Judge’s Office are required to be remitted to the City of Oakdale, when prosecutions is on behalf of the City, to the Allen parish Police Jury when the prosecution is on behalf of the state or parish and to other various state agencies as required by law. Article 895.1 allows the Judge’s Office to keep a portion of fines collected to defray operation of the Judge’s Office.

Court costs are assessed by the City Judge in both criminal and civil cases under the authority of Louisiana Revised Statutes 13:1891 and 13:1899. Costs collected in criminal cases (including traffic violations) are used to pay the operational expenses of the Judge’s Office. The Judge receives no fees in criminal matters, including peace bonds. Court costs collected in civil cases are paid to the City Judge, the City Marshal and other agencies.

CITY JUDGE
 CITY COURT OF OAKDALE AND
 WARD 5 OF ALLEN PARISH, LOUISIANA
 A Component Unit of the City of Oakdale, Louisiana
 Notes to the Financial Statements
 December 31, 1999

Note 2 – Judge’s Office Operation, Continued

The Police Jury of Allen Parish provides the Court funds from its gaming fund quarterly. This income is for general operations and is divided seventy-five percent to the Court and twenty-five percent to the Ward Marshal.

The City of Oakdale and the Police Jury of Allen Parish pay salary payments directly to the city Judge and the city Court Clerk. The Judge’s Office supplements the City Court Clerk’s salary. The Judge’s Office is provided office space by the City of Oakdale without charge.

Note 3 - Cash and Cash Equivalents

Under state law, the Judge’s Office 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. The Judge’s Office may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana Law and national banks having principal offices in Louisiana.

At December 31, 1999, the Judge's Office had cash and cash equivalents totaling \$81,109 as follows:

Demand deposits	\$ 77,109
Certificate of deposit	<u>4,000</u>
Total	<u>\$ 81,109</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge or securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. Cash and cash equivalents (collected bank balances) at December 31, 1999, are secured as follows:

Bank balances	<u>\$ 92,183</u>
Federal deposit insurance	<u>\$ 92,183</u>

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Notes to the Financial Statements
December 31, 1999

Note 4 – Changes in General Fixed Assets

The changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
Machinery and equipment	\$ 80,831	\$ 8,906	\$ -	\$ 89,737
Furniture and fixtures	7,754	-	-	7,754
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 88,585	\$ 8,906	\$ -	\$ 97,491
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 5 – Retirement Commitments

Louisiana State Employees' Retirement System

On behalf of the Judge, the Judge's Office 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 also 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.

Covered employees are required by state statute to contribute 11.5 percent of their salary to the plan. The Judge's Office is required by the same statute to contribute 11.9 percent. The Judge's Office's contributions to the system for the years ended December 31, 1999, 1998 and 1997 were \$1,422, \$1,404 and \$1,472, respectively, equal to the required contributions for each year.

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Notes to the Financial Statements
December 31, 1999

Note 5 – Retirement Commitments, Continued

Municipal Employees' Retirement System of Louisiana

On behalf of all eligible employees, other than the Judge, the Judge's Office contributes to the Municipal Employees Retirement System (the System), a cost sharing multiple-employer, public retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two district plans (Plan A and Plan B). Employees are members of Plan B.

The System also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Municipal 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 Municipal Employees Retirement System, 7937 Office Park Blvd., Baton Rouge, LA 70809 or by calling (504) 925-4810. Covered employees are required by state statute to contribute 4 percent of their salary to the plan. The Judge's Office is required by the same statute to contribute 3 percent. In addition, contributions to the System include $\frac{1}{4}$ of one percent of the taxes shown to be collected by the sheriff of each respective parish, except Orleans Parish. The Judge's Office's contributions to the system for the years ended December 31, 1999, 1998 and 1997 were \$2,123, \$1,001 and \$1,473, respectively, equal to the required contributions for each year.

Note 6 – Risk Management

The Judge's Office 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 Judge's Office is covered by the City of Oakdale's commercial insurance, including workers' compensation and employee health and accident insurance. No claims from these risks have exceeded commercial insurance coverage in any of the past three years.

Note 7 – Subsequent Event

The Families In Need of Services (FINS) program is being moved to the District Court. It is anticipated that the City Court will be allowed to expend any remaining funds it has for this program, but funding in the future is uncertain. The FINS program is accounted for in the general fund and its revenue is recorded as grant income.

CITY JUDGE
CITY COURT OF OAKDALE AND
WARD 5 OF ALLEN PARISH, LOUISIANA
A Component Unit of the City of Oakdale, Louisiana
Notes to the Financial Statements
December 31, 1999

Note 7 – Changes in Agency Fund Assets and Liabilities

	Balance January 1, 1999	Additions	Deductions	Balance December 31, 1999
Civil Fee Fund				
Assets				
Cash	\$ 2,940	\$ 32,603	\$ 32,796	\$ 2,747
Liabilities				
Advanced Costs	\$ 2,940	\$ 32,603	\$ 32,796	\$ 2,747
Cash Bond Fund				
Assets				
Cash	\$ 895	\$ 1,675	\$ 1,200	\$ 1,370
Liabilities				
Due to others	\$ 895	\$ 1,675	\$ 1,200	\$ 1,370
Fines and Restitution Fund				
Assets				
Cash	\$ 28	\$ 206,744	\$ 206,772	\$ -
Liabilities				
Due to others	\$ 28	\$ 206,744	\$ 206,772	\$ -

KNIGHT < > MASDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

Coan L. Knight, Jr., CPA
K. Martin Masden, CPA
John E. Theriot II, CPA

Associate:
Carolyn N. Craft, CPA

May 4, 2000

**Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of the General
Purpose Financial Statements Performed in Accordance With
*Government Auditing Standards***

Perrell Fuselier, City Judge
City Court of Oakdale, Louisiana

We have audited the general purpose financial statements of the City Judge, City Court of Oakdale and Ward 5 of Allen Parish, Louisiana, (the Judge's Office) a component unit of the City of Oakdale, Louisiana as of and for the year ended December 31, 1999, and have issued our report thereon dated May 4, 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 Judge's Office's general purpose financial statements are free of material misstatement, we 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 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 Judge's Office'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 general purpose financial statements being audited may

Perrell Fuselier, City Judge
City Court of Oakdale, Louisiana

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 for the information of the Judge, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record.

KNIGHT ◊ MASDEN

Knight - Masden