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CITY COURT OF  
LEESVILLE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
As of and for the Two Years  
Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 1-19-00

CITY COURT OF LEESVILLE, LOUISIANA  
GENERAL-PURPOSE FINANCIAL STATEMENTS

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UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL  
STATEMENTS-GOVERNMENTAL ENTITY

INDEPENDENT AUDITOR'S REPORT

Chris Smith, III, City Judge  
City Court of Leesville, Louisiana:

I have audited the accompanying general-purpose financial statements of the City Court of Leesville, Louisiana (City Court), a component unit of the City of Leesville, as of and for the two years ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City Court's management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my 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 I 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 general-purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court as of and for the two years ended June 30, 1999, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 29, 1999 on my consideration of the City Court's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

The year 2000 supplementary information on page 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and the presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the City Court is or will become year 2000 compliant, that the City Court's 2000 remediation efforts will be successful in whole or in part, or that parties with which the City Court does business are or will become year 2000 compliant.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the City Court taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Elliott & Assoc. "APAC"*  
Leesville, Louisiana  
December 29, 1999

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

Chris Smith, III, City Judge  
City Court of Leesville, Louisiana:

I have audited the financial statements of the City Court of Leesville, Louisiana (City Court), as of and for the two years ended June 30, 1999, and have issued my report thereon dated December 29, 1999. I conducted my 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 City Court's 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 statement 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 tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City Court's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

Elliott & Assoc. "APAC"

Leesville, Louisiana

December 29, 1999





c. Identification of Major Programs

CFDA Number(s)

Name of Federal Program

None

None

Dollar threshold used to distinguish between Type A and Type B Programs:  
\$ N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?  
 Yes  No  N/A

Section II Financial Statement Findings

N/A

Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.



CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of Leesville, Louisiana  
Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1999

	Governmental		Fiduciary		Account Group		Total	
	<u>Fund Type</u>	<u>Fund Type</u>	<u>General</u>	<u>General</u>	<u>(Memorandum only)</u>		<u>1999</u>	<u>1998</u>
	<u>General</u>	<u>Agency</u>	<u>Fixed</u>	<u>Long</u>				
	<u>Fund</u>	<u>Fund</u>	<u>Assets</u>	<u>Term Debt</u>				
<b>ASSETS</b>								
Cash and cash equivalents	\$8,872	\$10,887	\$ —	\$ —	\$19,759		\$41,795	
Due from other fund	---	---	---	---	---		2,223	
Due from other governments	2,650	---	---	---	2,650		364	
Prepaid expenses	---	---	---	---	---		---	
Fixed assets	---	---	88,176	---	88,176		72,265	
Amount to be provided for retirement of long-term debt	---	---	---	2,192	2,192		6,094	
<b>Total Assets</b>	<b><u>\$11,522</u></b>	<b><u>\$10,887</u></b>	<b><u>\$88,176</u></b>	<b><u>\$2,192</u></b>	<b><u>\$112,777</u></b>		<b><u>\$122,741</u></b>	
<b>LIABILITIES AND FUND EQUITY</b>								
<b>Liabilities</b>								
Accounts payable	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---		\$281	
Due to other funds	---	---	---	---	---		2,223	
Due to other governments	---	8,314	---	---	8,314		---	
Bonds posted/advanced costs	---	2,573	---	---	2,573		4,950	
Other payables	3,629	---	---	---	3,629		1,175	
Capital lease payable	---	---	---	2,192	2,192		6,094	
<b>Total Liabilities</b>	<b><u>3,629</u></b>	<b><u>10,887</u></b>	<b><u>---</u></b>	<b><u>2,192</u></b>	<b><u>16,708</u></b>		<b><u>14,723</u></b>	
<b>Fund Equity</b>								
Investment in general fixed assets	---	---	88,176	---	88,176		72,265	
Fund balance								
Unreserved-								
undesignated	7,893	---	---	---	7,893		35,753	
<b>Total fund equity</b>	<b><u>7,893</u></b>	<b><u>---</u></b>	<b><u>88,176</u></b>	<b><u>---</u></b>	<b><u>96,069</u></b>		<b><u>108,018</u></b>	
<b>Total Liabilities and Fund Equity</b>	<b><u>\$11,522</u></b>	<b><u>\$10,887</u></b>	<b><u>\$88,176</u></b>	<b><u>\$2,192</u></b>	<b><u>\$112,777</u></b>		<b><u>\$122,741</u></b>	

The accompanying notes are an integral part of this statement.

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Comparative Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
General Fund  
For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Court cost from Traffic Fund	\$41,965	\$49,013
Intergovernmental	49,350	45,340
Other		
Interest	367	605
Miscellaneous	<u>1,908</u>	<u>---</u>
Total Revenues	<u>93,590</u>	<u>94,958</u>
Expenditures		
Current		
General Government		
Salaries and related benefits	65,778	48,874
Retirement	1,834	1,537
Telephone	3,105	2,184
Office expense	7,151	6,526
Printing and copy services	6,255	2,637
Dues and subscriptions	895	260
Accounting	4,330	2,265
Insurance	683	100
Interest and penalty	1,288	---
Miscellaneous	9,056	3,658
Capital outlay	15,911	3,101
Debt Service		
Principal	3,902	5,883
Interest	<u>1,262</u>	<u>3,224</u>
Total expenditures	<u>121,450</u>	<u>80,249</u>
Excess of revenue over expenditures before other financing sources (uses)	(27,860)	14,709
Other financing sources (uses)		
Capital lease	<u>---</u>	<u>3,101</u>
Excess of revenues over expenditures	(27,860)	17,810
Fund balance, beginning of year	<u>35,753</u>	<u>17,943</u>
Fund balance, end of year	<u>\$7,893</u>	<u>\$35,753</u>

The accompanying notes are an integral part of this statement.

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 1999

Note - 1 Summary of Significant Accounting Policies

The City Court of Leesville, Louisiana was established by Louisiana Revised Statute 13:2485. Its territorial jurisdiction extends throughout Ward 1 of Vernon Parish in which the City of Leesville is located. The Court is composed of a city judge (elected), a city marshal (elected) and a city clerk (appointed by the city judge.) Court cost is assessed by the city judge in all criminal matters including traffic violations. These costs are utilized in operation of the court. Costs are deposited into separated special accounts for the city marshal and the city judge.

The accompanying financial statements of the City Judge of the City Court of Leesville, 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.

**A. Financial Reporting Entity**

For financial reporting purposes, the Judge's Office is a component unit of the City of Leesville, Louisiana (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 fund 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 related 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 each existing fund type follows:

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 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 acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. The general fund is the only governmental fund necessary for the Judge's Office.

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 funds used in the Judge's Office consist of two agency funds: Traffic Fund and Civil Fund.

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 expandable 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 groups presently used by the Judge's office are for general fixed assets and general long term debt.

**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 bonds, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenue and interest income are accrued when their receipt occurs soon enough after the end of 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.



CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 1999

Note 1 - Summary of Significant Accounting Policies, Continued

**E. Due To/From Other Funds**

Amounts in each fund listed as due to/from are offset by corresponding entries in another fund. Funds shown as such are considered available for expenditure unless specifically restricted within the statements.

**F. Fixed Assets and Long-Term Liabilities**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset 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 costs except for those assets acquired before July, 1976 which are recorded at an estimated cost (\$3,278).

**G. Compensated Absences**

An employee may earn from 5 to 30 days vacation and 10 sick leave per year depending on length of service. All vacation and sick leave accrues on January 1 of each year. The Judge's Office liability for accumulated unpaid vacation and sick leave, was approximately, \$1,175 at June 30, 1998 and is reflected in other payables in the general fund.

**H. Cash Equivalents**

Cash equivalents include amounts in bank time deposits (money market account).

**I. Cost**

Advance cost represents money received in connection with civil suits. The plaintiff of each is required to make an advance payment to this account to cover the cost incurred by the court in processing the suit. These cash advances remain in this 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.

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 1999

Note 1 - Summary of Significant Accounting Policies , Continued

**J. Total Column on Combined Balance Sheet- All Fund Types and Account Groups**

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column 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.

**K. Comparative Data**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City Judge's financial position and operations.

Note 2 - Court Operation

All fines collected by the Court are required to be remitted to the City of Leesville, when prosecution is on behalf of the City; to the Town of New Llano when prosecution is on behalf of the Town; and to the Vernon Parish Police Jury when the prosecution is on behalf of the state or parish.

Court costs are assessed by the City Judge in both criminal and civil cases under the authority of Louisiana Revised Statute 13:2485. Costs collected in criminal cases (including traffic violations) are used to pay the operational expenses of the court including salaries of the Clerk and other office personnel. The Judge receives no fees in criminal matters, including peace bonds. Court costs collected in civil cases are paid to the City Judge.

Each traffic violation is also assessed additional costs as provided by various statutes for the operation of the City Marshal's Office, the Indigent Defender Fund, the area crime lab and the Louisiana Commission of Law Enforcement. These costs are deposited in the Traffic Fund and remitted directly to the agencies involved. In all other criminal cases, costs are collected by the City Marshal and a portion is remitted to the Judge's Office General Fund.

Supplemental salary payments are paid directly to the City Judge and the City Court Clerk by the City of Leesville and the Police Jury of Vernon Parish. The City Court is provided office space by the City of Leesville without charge.



CITY JUDGE  
 CITY COURT OF LEESVILLE, LOUISIANA  
 A Component Unit of the City of Leesville, Louisiana  
 Notes to the Financial Statements  
 June 30, 1999

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 June 30, 1999, the Judge's Office had cash and cash equivalents (investments with a maturity date of 90 days or less) totaling \$19,758 as follows:

Demand and time deposits	<u>\$19,759</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 (bank balances) at June 30, 1999, are secured as follows:

Bank balances	<u>\$48,571</u>
Federal deposit insurance	<u>\$48,571</u>

Note 4 - Intergovernmental Receivables, Payables

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Leesville City Court - Marshal Bond Fund	<u>\$2,650</u>
<u>Payable Fund</u>	<u>Governmental Entity</u>	<u>Amount</u>
Fiduciary Traffic Fund	Other governments	<u>\$8,314</u>

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
June 30, 1999

Note 6 - General Fixed Assets

A summary of general fixed assets at June 30, 1999 is shown below.

Courtroom and furnishings	\$ 8,418
Office equipment	<u>79,758</u>
Total	<u>\$88,176</u>

Note 7 - Pension Plans

The Judge's Office contributes to the Louisiana State Employees Retirement System (the system), a cost sharing multiple-employer, public 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 only covered employee for 1999 was the Judge. Payments were based on fees paid to the Judge from the Civil Fund. The Judge's Office's contributions to the system for the years ended June 30, 1999, and 1998 were \$1,834 and \$1,537, respectively, equal to the required contributions for the year.

CITY JUDGE  
 CITY COURT OF LEESVILLE, LOUISIANA  
 A Component Unit of the City of Leesville, Louisiana  
 June 30, 1999

Note 8 - Changes in Long-Term Debt

The following is a summary of debt transactions of the Judge's Office for the two years ended June 30, 1999:

Capital lease payable, beginning of year	\$ 8,876
Capital lease additions:	
1998	3,101
1999	---
Capital lease payments	
1998	(5,883)
1999	<u>(3,902)</u>
 Capital lease payable, end of year	 <u>\$ 2,192</u>

Debt as of June 30, 1999, is comprised of the following item:

Capitalized Leased Obligation:

\$3,101 issued April, 1998 - Due in monthly installments of \$142.50, including interest at 36% (secured by equipment)	\$ 2,192
	<u>\$ 2,192</u>

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$800 are as follows:

<u>Year Ending June 30</u>	<u>Lease Obligation</u>
2000	\$ 1,710
2001	<u>1,282</u>
	<u>\$ 2,992</u>

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 1999

Note 9 - Changes in Agency Fund Assets and Liabilities

	<u>July 1, 1997</u>	<u>Balance Additions</u>	<u>Balance Deductions</u>	<u>June 30, 1998</u>
<b>TRAFFIC FUND</b>				
Assets				
Cash	\$ <u>4,479</u>	\$ <u>182,315</u>	\$ <u>184,071</u>	\$ <u>2,723</u>
Total Assets	\$ <u>4,479</u>	\$ <u>182,315</u>	\$ <u>184,071</u>	\$ <u>2,723</u>
Liabilities				
Bonds posted	\$ 600	\$ 500	\$ 600	\$ 500
Due to other funds	1,612	2,223	1,612	2,223
Due to other governments	<u>2,267</u>	<u>—</u>	<u>2,267</u>	<u>—</u>
Total Liabilities	\$ <u>4,479</u>	\$ <u>2,723</u>	\$ <u>4,479</u>	\$ <u>2,723</u>
<b>CIVIL FUND</b>				
Assets				
Cash	\$ 3,131	\$ 48,137	\$ 46,989	\$ 4,279
Due from other funds	<u>—</u>	<u>171</u>	<u>—</u>	<u>171</u>
Total Assets	\$ <u>3,131</u>	\$ <u>48,308</u>	\$ <u>46,989</u>	\$ <u>4,450</u>
Liabilities				
Advanced costs	\$ <u>3,131</u>	\$ <u>4,450</u>	\$ <u>3,131</u>	\$ <u>4,450</u>
Total Liabilities	\$ <u>3,131</u>	\$ <u>4,450</u>	\$ <u>3,131</u>	\$ <u>4,450</u>

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 1999

Note 9 - Changes in Agency Fund Assets and Liabilities (Continued)

	<u>July 1, 1998</u>	<u>Balance Additions</u>	<u>Balance Deductions</u>	<u>June 30, 1999</u>
TRAFFIC FUND				
Assets				
Cash	\$ 2,723	\$203,583	\$197,392	\$ 8,914
Total Assets	<u>\$ 2,723</u>	<u>\$203,583</u>	<u>\$197,392</u>	<u>\$ 8,914</u>
Liabilities				
Bonds posted	\$ 500	\$ 600	\$ 500	\$ 600
Due to other funds	2,223	---	2,223	---
Due to other governments	<u>----</u>	<u>---</u>	<u>8,314</u>	<u>8,314</u>
Total Liabilities	<u>\$ 2,723</u>	<u>\$ 600</u>	<u>\$ 11,037</u>	<u>\$ 8,914</u>
CIVIL FUND				
Assets				
Cash	\$ 4,279	\$ 42,395	\$ 44,701	\$ 1,973
Due from other funds	<u>171</u>	<u>---</u>	<u>171</u>	<u>---</u>
Total Assets	<u>\$ 4,450</u>	<u>\$ 42,395</u>	<u>\$ 44,872</u>	<u>\$ 1,973</u>
Liabilities				
Advanced costs	\$ 4,450	\$ 1,973	\$ 4,450	\$ 1,973
Total Liabilities	<u>\$ 4,450</u>	<u>\$ 1,973</u>	<u>\$ 4,450</u>	<u>\$ 1,973</u>

CITY JUDGE  
CITY COURT OF LEESVILLE, LOUISIANA  
A Component Unit of the City of Leesville, Louisiana  
Notes to the Financial Statements  
June 30, 1999

Note 10 - Risk Management

The City Court is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City Court carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OF <u>COVERAGE</u>
Workmen's compensation	Statutory
Auto liability	None
Commercial general liability	None
City Court-owned buildings and equipment	None

The City Court covers all other losses, claim settlements, and judgments from operating resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The City Court was not involved in any litigation nor did it have asserted claims lodged against it.



SUPPLEMENTAL INFORMATION

CITY COURT OF LEESVILLE, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Two Years Ended June 30, 1999

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

The audit report for the year ended June 30, 1997, contained a finding related to the report not being issued within the six months of the close of its' year-end. This was a violation of LA R.S. #24:513 (A)(5)(a), but did not effect the financial statements. The current report will be issued to the Legislative Auditor within the statutory period.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

**SECTION III MANAGEMENT LETTER**

There was no management letter with prior year audit report.

See independent auditor's report.

CITY COURT OF LEESVILLE, LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Two Years Ended June 30, 1999

**SECTION I            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENT**

N/A

**SECTION II           INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

N/A

**SECTION III         MANAGEMENT LETTER**

N/A

See independent auditor's report.

CITY COURT OF LEESVILLE, LOUISIANA

Required Supplemental Information  
Year 2000 Supplementary Information  
June 30, 1999

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the City Court's operations as early as fiscal year 1999.

The City Court has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting City Court operations and has identified such systems as being financial reporting and cash receipts. All necessary modifications and/or additional procedures have been performed in order to make these systems Year 2000 compliant.

The City Court has purchased hardware and software to be installed by December 28, 1999, that is certified by the vendor to be Year 2000 compliant.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of the related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the City Court is or will be Year 2000 ready, the City Court's remediation efforts will be successful in whole or in part, or that parties with whom the City Court does business will be Year 2000 ready.

See independent auditor's report.