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**CITY COURT OF
LAKE CHARLES, LOUISIANA
CITY OF LAKE CHARLES, LOUISIANA
COMPONENT UNIT FINANCIAL REPORT
DECEMBER 31, 2003 AND 2002**

Under provisions of state law, this report is a public document. Copies of the report has been submitted to the audit and other appropriate public officials. The report is available for public inspection at the State Budget office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3-17-04

CITY COURT OF
LAKE CHARLES, LOUISIANA

December 31, 2022

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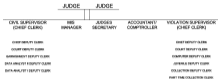
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CITY COURT OF
LAKE CHARLES, LOUISIANA

December 11, 1993

ORDER

Honorable John S. Hood
Honorable Thomas P. Quirt



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REPORT OF INDEPENDENT AUDITORS

Honorable John E. Hood
Honorable Thomas P. Quirk
CITY COURT OF LAKE CHARLES
LAKE CHARLES, LOUISIANA

We have audited the accompanying financial statements of the City Court of Lake Charles, Louisiana, a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the City Court of Lake Charles, Louisiana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Lake Charles, Louisiana, as of December 31, 2003, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 7 through 20 and budgetary comparison information on pages 24 and 27 are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express an opinion on it.

In accordance with Government Auditing standards, we have also issued our report dated January 30, 2004, on our consideration of the City Court of Lake Charles, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of our audit performed in accordance with Government Auditing standards and should be read in conjunction with this report in considering the results of our audit.

Mr. Elroy Smith & Co.
Lake Charles, Louisiana
January 30, 2004



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VIOLATION BUREAU 481-1365
Fees/Info 481-1363

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Lake Charles City Court's financial performance provides an overview of the City Court's financial activities for the years ended December 31, 2012 and 2011.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of net assets and the statement of activities provide information about the activities of City Court as a whole and present a longer-term view of the City Court's finances. For governmental activities, these statements tell how those services were financed in the short term as well as what remains for future spending. read financial statements also report the City Court's operations in more detail than the government-wide statements by providing information about the City Court's most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as an agent for the benefit of those outside of the government.

Reporting the City Court as a Whole

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City Court's net assets and changes in them. The City Court's net assets - the difference between assets and liabilities - is one way to measure the City Court's financial position. Over time, increases or decreases in the City Court's net assets are one indicator of whether its financial health is improving or deteriorating.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the City Court as a whole. Some funds are required to be established by State law. However, the City Court establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain money. City Court's governmental fund uses a certain account approach described below:

governmental funds - All of the City Court's basic services are reported in governmental funds, except for one fiduciary fund. The governmental fund focuses on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City Court's general government operations and the basis services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City Court's programs.

Reporting the City Court's Fiduciary Responsibilities

The City Court is the agent, or fiduciary for the civil fund. All the city Court's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City Court's other financial statements because the City Court cannot use these assets to finance its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY COURT AS A WHOLE

For the years ended December 31, 2003 and 2002, net assets changed as follows:

	<u>2003</u>	<u>2002</u>
Beginning net assets	\$ 573,533	\$ 336,394
Increase in net assets	93,182	33,132
Ending net assets	<u>\$ 666,715</u>	<u>\$ 371,526</u>

The City of Lake Charles Police department ran the campaign, "Click-It or Ticket" during the year ended December 31, 2003. The campaign increased the level of seatbelt tickets written during the year, which resulted in additional judicial building collections of approximately \$93,000 from the prior year. This increase in revenue is one reason for the increase in net assets.

an additional reason for the increase in net assets is due to the bill 88-11107 being passed for City Court stating that "the civil fee account and such fee or cost has remained unclaimed in excess of five years and upon receipt of evidence that notice has been provided or attempted at the last known address to the person who would be due a refund, the judge of the court may transfer the amount of the surplus to the general operational fund of the court." The unclaimed amounts at December 31, 2003 and 2002 were \$20,423 and \$99,731, and were recorded in the general fund as revenue.

Governmental Activities

This section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences. To add in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. It also identifies how much each function draws from the general revenues or if it is self-financing through fees. Some of the individual lines from revenues reported for each function are:

Administration (General government)	Fees earned from court cost on civil suits filed and violation tickets paid
Judicial	Fees earned through civil suits filed to pay for Judge's salary/pension
Judicial Building	Fees collected for current rent, maintenance and future building for City Court

	FUNCTION/PROGRAM			Totals	
	Administration	Judicial	Building	2003	2002
Expenses:					
Salaries and benefits	\$ 21,187	\$ 188,188	\$ -	\$ 209,375	\$ 224,216
Rent	-	-	88,888	88,888	88,977
Other expenses	88,483	23,358	-	111,841	82,711
Total expenses	89,670	211,546	88,888	390,104	395,904
Program revenues:					
Charges for services	88,888	88,187	-	177,075	181,715
Judicial building collection	-	-	188,878	188,878	87,388
General revenues				87,888	88,818
Total revenues				265,963	277,921
Change in net assets				\$ -124,141	\$ -118,013

THE CITY COURT'S FUNDS

The fund balance of the City Court's general fund and special revenue fund increased by \$78,888 during the year ended December 31, 2002. This is primarily due to an increase in seatbelt tickets that were written and the forfeited money from the civil filing fees.

The following schedule presents a summary of the general and special revenue funds and expenditures for the years ended December 31, 2002 and 2001. Also presented on the schedule is the amount and percentage of increase or decrease from amounts for the year ended December 31, 2001.

	<u>Totals</u>		<u>Change</u> <u>From 2001</u>	<u>%</u> <u>Variance</u>
	<u>2002</u>	<u>2001</u>		
Revenues:				
Charge for services	\$ 179,087	\$ 143,713	\$ 35,374	24.7 %
Court cost and fines	83,088	78,488	4,600	5.9 %
Interest income	3,189	3,578	(259)	(7.3 %)
Miscellaneous income	3,138	3,148	(10)	(.3 %)
Judicial building collections	<u>145,305</u>	<u>107,133</u>	<u>38,172</u>	<u>35.6 %</u>
Total revenues	\$ 313,807	\$ 237,058	\$ 76,749	32.4 %

*Court cost decreased due to fewer people paying on tickets written

*Judicial building collections increased due to more seatbelt tickets being paid

	<u>Totals</u>		<u>Change</u> <u>From 2001</u>	<u>%</u> <u>Variance</u>
	<u>2002</u>	<u>2001</u>		
Expenditures:				
Accounting and legal	\$ 389	\$ 31,383	\$ (31,000)	(98.8 %)
Bank service charges	2,388	2,334	54	2.3 %
Rents and subscriptions	4,774	6,185	(1,411)	(22.8 %)
Equipment lease	3,729	3,433	296	8.6 %
Intergovernmental transfer	-	3,995	(3,995)	(100.0 %)
Maintenance	2,188	2,188	(1)	(.1 %)
Miscellaneous	8,885	9,328	(443)	(4.7 %)
Office supplies	33,478	34,389	(911)	(2.6 %)
Professional development and training	28,283	28,097	186	0.7 %
Rent	86,485	98,977	(12,492)	(12.6 %)
Retirement	8,888	12,784	(3,896)	(30.5 %)
Salaries	129,738	113,438	16,300	14.4 %
Travel/payroll	3,407	3,324	83	2.5 %
Telephone	4,838	4,885	(47)	(.9 %)
Capital outlay	<u>12,432</u>	<u>4,268</u>	<u>8,164</u>	<u>191.3 %</u>
Total expenditures	\$ 332,484	\$ 253,583	\$ 78,901	31.1 %

- *Accounting and legal decreased due to new auditor being hired at lower fee
- *Office expense increased due to going over budget with city low supplies
- *Professional development and training increased due to more seminars attended for fiscal year
- *Capital outlay increased due to new computers and video equipment being purchased

SIGNIFICANT BUDGET VARIANCES

Over the course of the year, the City Court revised the general fund and special revenue fund budgets one time. This amendment reduced budgeted revenues and expenditures by \$14,800 and \$9,815, respectively. A list of the major changes from the original budget and explanations for those changes are as follows:

Revenues:

\$140,000 court cost and fines: Not as many tickets were being paid as projected at the beginning of the year.

\$70,000 judicial building revenues: More postpaid tickets were being written than was estimated.

Expenses:

\$28,000 accounting and legal: The City Court hired a new auditor and additional meals were not incurred.

\$8,000 office expenses: The City Court changed suppliers during the year. Supplies bought were in bulk and should last throughout next year.

\$112,000 rent expenses: The City of Lake Charles began to pay for utilities as of October 1, 2001.

\$21,000 capital outlay: There were unforeseen expenditures during the year due to computer equipment failures.

CAPITAL ASSETS

At the end of December 31, 2001 and 2000, the City Court had \$200,000 and \$170,000 in capital assets. City Court does not have infrastructure of assets to report. This represents a net decrease of \$12,000 and \$4,000 over the last two years due to a purchase of computers and a video camera.

	<u>2001</u>	<u>2000</u>
Furniture and fixtures (i.e., desks, chairs & filing cabinets)	\$ 11,343	\$ 10,014
Equipment (i.e., computers, copy machines)	<u>178,657</u>	<u>160,986</u>
	<u>\$ 190,000</u>	<u>\$ 170,900</u>

Difference (\$12,000 and \$4,000) computers and video equipment purchased

ECONOMIC FACTORS AND NEXT YEAR'S REVENUE

In the last year, tickets were projected to increase, which caused more fees to be generated. It is foreseen that this pattern will continue for some time but there is no indication when this pattern will decrease. Also, it has gone to the Legislature and passed that civil suits filed with Lake Charles City Court be raised to the maximum limit of \$20,000. This change will allow more suits to be filed in our court creating more income for our Judicial Building Fund.

CONNECTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and employees with a general overview of the City Court's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Court Clerk's office at PO Box 3664, Lake Charles, Louisiana.

Rebecca Liles
City Court Comptroller

CITY COURT OF
LAKE CHARLES, LOUISIANA

STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
December 31, 2003 and 2002

ASSETS	<u>2003</u>	<u>2002</u>
Current assets:		
Cash	\$ 349,192	\$ 219,187
Accounts receivable	1,997	-
Due from other funds	<u>28,818</u>	<u>168,748</u>
Total current assets	<u>379,997</u>	<u>387,935</u>
Noncurrent assets:		
Cash - restricted	96,719	87,489
Capital assets (net)	<u>17,815</u>	<u>15,886</u>
Total noncurrent assets	<u>114,534</u>	<u>103,375</u>
TOTAL ASSETS	<u>494,531</u>	<u>491,310</u>
Liabilities:		
Accounts payable	-	38,948
Due to other agencies	<u>33,811</u>	<u>47,876</u>
Total liabilities	<u>33,811</u>	<u>86,824</u>
Net assets		
Invested in capital assets, net of related debt	17,819	15,888
Unrestricted	<u>467,712</u>	<u>475,622</u>
TOTAL NET ASSETS	<u>\$ 485,531</u>	<u>\$ 491,510</u>

The accompanying notes are an integral part of these statements.

CITY COURT OF
LAWRENCE, MISSOURI

STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
Year Ended December 31, 2002

	FUNCTIONAL PROGRAMS			Total
	Administration	Judicial	Judicial Building	
Expenses:				
Salaries and benefits	\$ 11,147	\$ 109,146	\$ -	\$ 120,293
Materials and supplies	12,924	3,728	-	16,652
Professional development and training	13,490	11,599	-	25,089
BOC	-	-	86,808	86,808
Other program expense	14,174	4,143	-	18,317
Depreciation	<u>3,452</u>	<u>1,814</u>	<u>-</u>	<u>5,266</u>
Total expenses	48,191	131,432	86,808	366,431
Program revenues:				
Charges for services	88,388	94,487	-	182,875
Judicial building collections	-	-	149,935	149,935
Net program expense (income)	<u>\$ 8,803</u>	<u>\$ 37,155</u>	<u>\$ 141,933</u>	<u>\$ 187,991</u>
General revenues:				
Interest				2,149
Miscellaneous				2,318
Violations income				<u>53,834</u>
Total general revenue				<u>58,301</u>
Change in net assets				81,303
Net assets - beginning				<u>153,513</u>
Net assets - ending				<u>\$ 234,816</u>

The accompanying notes are an integral part of these statements.

CITY COURT OF
LAKE CHARLES, LOUISIANA

STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
Year Ended December 31, 2002

	<u>Functions/Programs</u>			<u>Total</u>
	<u>Administration</u>	<u>Judicial</u>	<u>Judicial Auxiliary</u>	
Expenses:				
Salaries and benefits	\$ 37,388	\$ 107,028	\$ -	\$ 144,416
Materials and supplies	37,311	3,075	-	40,386
Professional development and training	18,898	1,438	-	20,336
Rent	-	-	90,973	90,973
Other program expense	36,665	13,741	-	50,406
depreciation	<u>3,782</u>	<u>3,082</u>	<u>-</u>	<u>6,864</u>
Total expenses	<u>92,812</u>	<u>124,375</u>	<u>90,973</u>	<u>307,960</u>
Program revenues:				
Charges for services	19,326	91,548	-	110,874
Judicial building collections	<u>-</u>	<u>-</u>	<u>87,798</u>	<u>87,798</u>
Net program expense (income)	<u>\$ 73,486</u>	<u>\$ 32,785</u>	<u>\$ (8,975)</u>	<u>\$ 97,296</u>
General revenues:				
Interest				3,878
Miscellaneous				3,548
Violations income				<u>78,602</u>
total general revenues				<u>82,028</u>
Change in net assets				15,268
Net assets - beginning				<u>318,354</u>
Net assets - ending				<u>\$ 333,622</u>

The accompanying notes are an integral part of these statements.

CITY OF
LAKE CHARLES, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2003

With Comparative Totals for December 31, 2002

ASSETS	General Fund	Special Revenue Fund	Total Governmental Funds	
	2003	2002	2003	2002
CURRENT ASSETS:				
Cash	\$ 152,098	\$ 197,298	\$ 349,296	\$ 178,207
Accounts receivable	1,947	-	1,947	-
Due from other funds	<u>31,548</u>	<u>8,858</u>	<u>40,406</u>	<u>204,214</u>
Total current assets	175,593	206,156	379,709	382,421
RESTRICTED ASSETS:				
Cash	<u>50,318</u>	<u>-</u>	<u>50,318</u>	<u>50,608</u>
Total assets	<u>\$ 225,911</u>	<u>\$ 206,156</u>	<u>\$ 276,027</u>	<u>\$ 433,029</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	\$ -	\$ -	\$ -	\$ 8,893
Due to other agencies	<u>31,831</u>	<u>-</u>	<u>31,831</u>	<u>47,278</u>
Total current liabilities payable from current assets	31,831	-	31,831	56,171
Current liabilities (payable from restricted assets):				
Long term payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,892</u>
Total liabilities	31,831	-	31,831	78,063
FUND BALANCES				
Unreserved fund balance	<u>193,714</u>	<u>206,156</u>	400,790	361,817
Total liabilities and fund balances	<u>\$ 225,545</u>	<u>\$ 206,156</u>		
Accounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$40,120			<u>17,514</u>	<u>41,426</u>
Net assets of government activities			<u>\$ 430,484</u>	<u>\$ 354,966</u>

The accompanying notes are an integral part of these statements.

CITY BOARD OF
 SAINT CHARLES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
 GOVERNMENTAL FUNDS

Year Ended December 31, 2021

With Comparative Totals for Year Ended December 31, 2020

	Special		Total Governmental	
	General	Revenues	Funds	
	Fund	Fund	2021	2020
Revenues:				
Charges for services	\$ 80,880	\$ 88,487	\$ 179,367	\$ 140,710
Court costs and fines	51,884	-	51,884	78,888
Interest income	1,248	983	2,231	3,516
Miscellaneous	3,318	-	3,318	3,348
Judicial building collections	<u>148,925</u>	<u>-</u>	<u>148,925</u>	<u>87,788</u>
Total revenues	<u>287,811</u>	<u>89,470</u>	<u>377,281</u>	<u>313,230</u>
Expenditures:				
Current:				
Accounting and legal	888	-	888	11,180
Bank service charges	611	787	1,398	3,314
Books and subscriptions	3,774	3,888	7,662	8,185
Equipment lease	3,720	-	3,720	3,433
Intergovernmental transfer	-	-	-	3,698
Maintenance	3,188	-	3,188	3,198
Miscellaneous	3,148	3,438	6,586	8,338
Office expense	38,350	3,738	42,088	24,268
Professional development and training	34,403	3,288	37,691	30,287
Rent	88,088	-	88,088	90,973
Retirement	8,888	-	8,888	21,788
Salaries	50,147	890,583	131,730	131,428
Taxes - payroll	3,427	-	3,427	1,328
Telephone	3,488	1,218	4,706	4,871
Capital outlay	<u>3,388</u>	<u>9,188</u>	<u>12,576</u>	<u>8,227</u>
Total expenditures	<u>285,332</u>	<u>117,103</u>	<u>402,435</u>	<u>388,286</u>
excess (deficiency) of revenues over expenditures	84,479	(27,633)	56,846	24,944
Fund balances - beginning	<u>127,873</u>	<u>221,858</u>	<u>349,731</u>	<u>318,821</u>
Fund balances - ending	<u>\$ 212,352</u>	<u>\$ 194,225</u>	<u>\$ 406,577</u>	<u>\$ 343,765</u>

(continued on next page)

CITY OF
LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS

Year Ended December 31, 2021

With Comparative Totals for Year Ended December 31, 2020

	Total Governmental Funds	
	2021	2020
Reconciliation of the changes in Fund Balances-Total governmental funds to the change in net assets of governmental activities:		
Net change in fund balances-total governmental funds	\$ 78,898	\$ 14,898
Amounts reported for governmental activities in the statement of activities are different because:		
governmental funds report capital outlays while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	13,494	4,207
Depreciation expense	(6,296)	(5,884)
Loss on disposal of assets	<u> </u>	<u>(128)</u>
Change in net assets of governmental activities	<u>\$ 86,096</u>	<u>\$ 23,200</u>

The accompanying notes are an integral part of these statements.

CITY COURT OF
LAKE CHARLES, LOUISIANA

STATEMENTS OF NET ASSETS - FIDUCIARY FUNDS
December 31, 2003 and 2002

ASSETS	Agency Funds	
	2003	2002
Cash	\$ 318,460	\$ 343,867
Receivables for civil cases	<u>43,185</u>	<u>78,488</u>
Total assets	<u>\$ 361,645</u>	<u>\$ 422,355</u>
LIABILITIES		
Accounts payable	\$ 18,488	\$ 4,742
Deposits held for disposition of civil cases	321,861	313,482
Due to other funds	<u>58,515</u>	<u>104,131</u>
Total liabilities	<u>\$ 398,864</u>	<u>\$ 422,355</u>

The accompanying notes are an integral part of these statements.

CITY COURT OF
LAKE CHARLES, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 1993

1. Summary of Significant Accounting Policies

The City Court of Lake Charles, Louisiana (City Court) is responsible for judicial court hearings held for the City of Lake Charles, Louisiana (City).

The financial statements of the City Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City Court applies all relevant GSNB pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City Court does not apply GSNB pronouncements or APB opinions issued after November 30, 1989. The City Court's more significant accounting policies are described below.

A. Financial reporting entity

The accompanying financial statements include the various activities that are within the control and authority of the City Court. The decision to include a potential component unit as the reporting entity was made by applying the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board. This statement defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Based on the foregoing criteria, the City Court is a component unit of the City and has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of the City Court.

B. Change in Accounting Principles

The City Court adopted the provisions of GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34) and GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions* (Statement 33) for the year ended December 31, 2002. Statement 34 establishes financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. This had an impact capital assets, the presentation of net assets and the inclusion of management's discussion and analysis. Concurrent with the implementation of Statement 34, the following additional standards have been adopted. GASB Statement 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. This statement amends Statement 34 to either (1) clarify certain provisions or (2) modify other provisions that the GASB believes may have unintended consequences in some circumstances. GASB Statement 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes and reinstates certain financial statement disclosure requirements.

C. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

The Statement of Net Assets and the Statement of Activities report financial information for the City Court as a whole so that individual funds are not displayed. However, the Statement of Activities reports the expense of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) grant monies charged to users for the City Court's services; (2) court cost charges which finance annual building rental and maintenance. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

FUND FINANCIAL STATEMENTS

The accounts of the city are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Special Revenue Funds are used to account for all specific revenue sources that are legally restricted to expenditures for specified purposes.

FIDUCIARY FUND TYPES

Agency Fund - The Agency Fund is used to account for assets held by the City Court as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results in operations.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures for operations are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity (between or within funds) has been eliminated from the government-wide financial statements.

In the fund financial statements, governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The City Court currently has one agency fiduciary fund. Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

E. Budgets and Budgetary Accounting

The Comptroller prepares a proposed budget and submits it to the City Court Judges prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them.

Any deviations that alter total expenditures of any fund must be approved by the Judges. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. All budgetary appropriations lapse at the end of each fiscal year.

Budgets for the General and Special Revenue Funds are adopted on a modified accrual basis of accounting. Budgeted amounts are as originally adopted, or as amended by the City Court Judges.

F. Cash

The City Court's cash is considered to be cash on hand and demand deposits.

G. Restricted Assets

These assets consist of cash deposits restricted for various purposes as detailed in Note 2.

B. Capital assets and Depreciation

The accounting and reporting treatment applied to capital assets associated with a fund are determined by their measurement focus. General capital assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than \$1,000.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	18 to 60 years
Improvements, other than buildings	5 to 60 years
Machinery and equipment	3 to 15 years
Furniture and fixtures	3 to 10 years

C. Compliance and Accountability

Deposit laws and regulations (restricted assets):

Judicial Building Fund - In accordance with Louisiana Statute 89 11:1879, the city court collects a filing fee and places in an account dedicated exclusively to the acquisition, leasing, construction, equipping and maintenance of new and existing city courts.

Judicial Expense Fund - In accordance with Louisiana Statute 89 12:874, the City Court collects from every person filing any type of civil suit or proceeding and who is not otherwise exempt by law from payment of court costs, an additional sum to be placed in a separate account designated as the Judicial Expense Fund. This Fund is established and may be used for any purpose or purposes connected with, incidental to or related to the proper administration or function of the city court. No salary may be paid from the Judicial Expense Fund to any of the judges of the City Court.

D. Cash

In accordance with a fiscal agency agreement which is approved by the City Judges, the City Court maintains demand and time deposits through an administrator bank at participating local depository banks which are members of the Federal Reserve System.

The City Court's Deposits as of the balance sheet dates are entirely covered by FDIC insurance or by pledged collateral held by the City Court's agent banks in the City Court's name. Under state law these deposits must be secured by

Federal deposit insurance or the pledge of 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 table presented below is designed to disclose the level of custody credit risk assumed by the City Court based upon how its demand deposits were insured or secured with collateral as December 31, 2003. The categories of risk are defined as follows:

Category 1 - Insured by FDIC or collateralized with securities held by the City Court (or public trust) or by its agent in its name

Category 2 - Uninsured but collateralized with securities held by the pledging institution's trust department or agent in the City Court's name

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City Court's name; or collateralized with an written or approved collateral agreement

Cash balances as December 31, 2003 were as follows:

	<u>Carrying Amount</u>	<u>Book Balance</u>
Demand deposits-interest bearing Category 1	\$ 200,000	\$ 200,000
Demand deposits-interest bearing Category 2	100,000	100,000
Cash on hand Category 1	<u>3,018</u>	<u>3,018</u>
Total cash and cash equivalents	<u>\$ 303,018</u>	<u>\$ 303,018</u>

4. Restricted Assets - Cash

Restricted assets described in Note 3 as of December 31, 2003 and 2002, are as follows:

	<u>2003</u>	<u>2002</u>
Cash deposits:		
Judicial building fund	\$ 71,000	\$ 66,000
Judicial expense fund	<u>10,018</u>	<u>11,018</u>
Total restricted cash	<u>\$ 81,018</u>	<u>\$ 77,018</u>

5. Capital Assets

Capital asset activity for the year ending December 31, 2003, was as follows:

	Balance	Additions	Deletions	Balance
	<u>111,000</u>			<u>117,010</u>
Governmental activities:				
Equipment	\$ 100,000	\$ 10,400	\$ 400	\$ 210,400
Furniture and fixtures	<u>10,000</u>	<u>3,000</u>	<u>-</u>	<u>13,000</u>
Trade & historical cost	<u>20,000</u>	<u>10,000</u>	<u>400</u>	<u>30,000</u>
Less accumulated depreciation:				
Equipment	240,000	5,000	400	245,000
Furniture and fixtures	<u>10,000</u>	<u>200</u>	<u>-</u>	<u>10,200</u>
Total accumulated depreciation	<u>250,000</u>	<u>5,200</u>	<u>400</u>	<u>255,200</u>
Governmental activities capital assets, net	<u>\$ 11,000</u>	<u>\$ 8,200</u>	<u>\$ -</u>	<u>\$ 11,810</u>

6. Retirement Benefits

Louisiana State Employees' Retirement System (LASERS):

Plan Description:

The City Court Judges participate in the LASERS, a cost sharing municipal employee defined benefit pension plan administered by a separate board of Trustees. LASERS provides retirement, disability and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana's State Employees' Retirement System, PO Box 46113, Baton Rouge, Louisiana, 70804-0113, or by calling (225)833-0600.

Funding policy:

The City Court Judges are required by Louisiana State Statute to contribute 11.8% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current employer rate is 15.8% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year fiscal year. The City Court's contributions to LASERS for the years ended December 31, 2001 and 2002 were \$8,800 and \$12,760 and was equal to the required contribution for the years.

7. Operating Leases

Operating lease - building:

The City Court of Lake Charles and the Housing Authority of the City of Lake Charles had a lease agreement for the year ended December 31, 2003. The City Court leased 11,000 square feet of the property located at 800 Bilbo Street, Lake Charles, Louisiana from the Housing Authority. A sum of \$1,273.48 assessed as monthly rent and 70% of the utilities required for the operation of the building was paid quarterly by the City Court. As of October 1, 2003, the City of Lake Charles, Louisiana began to pay the utilities for the City Court. Total payments for the years ended December 31, 2003 and 2002 were \$46,086 and \$59,977, of which \$- and \$11,957 was payable at year end.

Operating lease - copier:

During the year, City Court of Lake Charles leased copiers with LA Office Systems and Best Copier Services. Monthly payments for the years ended December 31, 2003 and 2002 totaled \$1,700 and \$2,433.

8. Louisiana Revised Statutes Concerning Mandated Fees

Louisiana Revised Statutes mandate fees to be assessed to each claim filed through the City Court Civil Section. The Judges are legally entitled to a portion of those fees. Louisiana revised statute 13:1879.1 limits the amount of salary legally of a City Court Judge to that not exceeding a District Court Judge of the Judicial District in which the City Court is located. Because the fees assessed amount to greater than the judges' salary expended, an coverage has been created. The coverage can be used by the judges as they deem proper, as long as the expenditures from the coverage are not direct or indirect compensation to the judges. Once the fee is assessed and collected in the Agency Fund it is transferred to the Special Revenue Fund where the judges' salaries and retirement payments are expended.

9. Louisiana Revised Statute Concerning Forfeited Deposits

Louisiana Revised Statute 13:1867 establishes whenever a surplus of filing fees and cost has accumulated in the City Court of Lake Charles civil fee account and such fee or cost has remained unclaimed in excess of five years, the City Court may transfer the amount of surplus to the general operational fund of the court upon receipt of evidence that notice has been provided or attempted at the last known address to the person who would be due a refund.

CITY COURT OF
LAKE CHARLES, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2002

Required supplementary information includes financial information and disclosures that are required by GARS and are not considered a part of the basic financial statements. Such information includes:

- * Budgetary comparison schedules - General Fund and Special Revenue Fund

CITY COURT OF BAY CHARLES, LOUISIANA

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND REPORT (MAY BE SPLIT) AND TOTAL
Years ended December 31, 1961 and 1962

	1961				1962
	Individual Accounts		Fees and Fines	Various Reversible Unclassified	Annual
	Original	Actual			
Revenues:					
Charges for services	\$ 20,000	\$ 20,000	\$ 20,000	\$ 000	\$ 20,000
Court costs and fines	25,000	22,000	23,000	11,000	26,000
Interest income	000	000	1,000	000	1,000
Miscellaneous income	2,000	2,000	2,100	100	3,500
Additional building collections	110,000	120,000	100,000	200	87,000
Total revenues	167,000	164,000	146,100	11,300	147,500
Expenditures:					
Accounting and legal	4,000	000	000	000	4,000
Bank service charges	000	000	000	000	000
Bonds and subscriptions	1,000	2,000	2,000	100	4,100
Equipment lease	1,000	2,000	2,000	100	3,400
Maintenance	1,400	1,400	1,100	000	2,500
Miscellaneous	3,000	3,000	2,100	00	4,500
Office expenses	20,000	21,000	20,100	000	22,000
Professional development and training	27,000	25,000	24,000	000	28,000
Rent	107,000	88,000	88,000	000	90,000
Services	0,000	0,000	0,000	000	10,000
Salaries	23,000	23,000	21,100	1,000	27,100
Taxes - payroll	0,000	0,000	1,000	000	1,000
Telephone	2,000	2,000	2,000	1000	4,000
Capital outlay	0	4,000	1,100	000	2,000
Total expenditures	118,400	180,000	180,300	1,100	180,000
Excess (deficiency) of revenues over expenditures	48,600	84,000	66,800	0,200	67,500
Fund balance - beginning	117,000	117,000	117,000	0	84,000
Fund balance - ending	\$ 165,600	\$ 201,000	\$ 183,800	\$ 0,200	\$ 151,500

CITY OF LAKE CHARLES, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 SPECIAL REVENUE FUND (SEWER TREATMENT PLANT) AND ACTUAL
 YEARS ENDED DECEMBER 31, 2011 and 2010

	2011			2010	
	Budgeted Amounts		Actual	Balance	
	Original	Final		Revenue	Available
Revenues:					
Charges for services	\$ 31,000	\$ 38,000	\$ 38,467	\$ 0	\$ 31,000
Interest income	2,000	1,000	0	127	1,000
Total revenues	<u>33,000</u>	<u>39,000</u>	<u>38,467</u>	<u>127</u>	<u>32,000</u>
Expenditures:					
Accounting and legal	-	-	-	-	1,277
Bank service charges	1,200	0	797	(277)	\$ 140
Fees and subscriptions	2,000	2,000	2,000	-	1,940
Intergovernmental transfer	-	-	-	-	1,480
Miscellaneous	2,000	2,000	1,418	394	\$ 780
Office expenses	1,000	1,000	1,708	(708)	1,112
Professional development and training	1,000	1,200	1,180	100	1,400
Salaries	90,000	90,000	180,581	0	94,280
Telephone	0	1,000	1,210	(210)	0
Capital outlay	-	0	0	(100)	1,000
Total expenditures	<u>98,000</u>	<u>118,200</u>	<u>189,187</u>	<u>(1,050)</u>	<u>131,880</u>
Excess (deficiency) of revenues over expenditures	11,000	10,800	(18,720)	11,177	(19,880)
Fund balance - beginning	<u>211,000</u>	<u>211,000</u>	<u>211,000</u>	-	<u>211,000</u>
Fund balance - ending	<u>\$ 222,000</u>	<u>\$ 221,800</u>	<u>\$ 192,280</u>	<u>\$ 11,177</u>	<u>\$ 191,120</u>

McELROY, QUIRK & BURCH

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CPA - Certified Public Accountant
CFP - Certified Financial Planner
CFE - Certified Financial Examiner
CFP - International Board

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

Honorable John B. Hood
Honorable Thomas P. Quirk
City Court of Lake Charles
Lake Charles, Louisiana

We have audited the general purpose financial statements of the city court of Lake Charles, Louisiana (City Court), a component unit of the City of Lake Charles, Louisiana, as of and for the year ended December 31, 2001, and have issued our report thereon dated January 16, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 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 instances of noncompliance that as required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as items 2002-01 and 2003-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court'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. However, we noted certain matters, as described below, involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2021-22.

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 occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe some of the reportable conditions described above are material weaknesses.

Other Information and Recommendations

We have also noted other matters involving internal control and its operations that are reported in Appendix A to this report.

This report is intended solely for the information and use of the City Court Judges, management, and state awarding agencies and pass-through entities. However, under Louisiana Revised Statute 24:313, this report is distributed by the Legislative Auditor as a public document.

Mr. Benny David - Chair
Lela Charise, Louisiana
January 10, 2024

CITY COURT OF
LAKE CHARLES, LOUISIANA

SCHEDULE OF FINANCIAL AND QUESTIONED COSTS
Year Ended December 31, 2022

We have audited the financial statements of the City Court of Lake Charles, Louisiana as of and for the year ended December 31, 2022, and have issued our report thereon dated January 30, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2022 resulted in an unqualified opinion.

Section I - Summary of Auditor's Results

Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material weaknesses _____ Yes X No

Other conditions X Yes _____ No

Compliance

Compliance material to financial statements _____ Yes X No

(continued on next page)

CITY COURT OF
JACK CHARLES, LOUISIANA

SCHEME OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Section II - Financial Statement Findings

Compliance Findings:

2013-01

Criteria: Effective internal control requires adequate segregation of duties among client personnel.

Condition: Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Effect: Without proper segregation of duties, errors within the financial records or fraud could go undetected.

Recommendation: To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

This condition was also reported as a result of the prior year's audit.

Response: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve an adequate level of segregation of responsibilities. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures and periodic review of bank reconciliations.

CITY COURT OF
LAKE CHARLES, LOUISIANA

SCHEDULE OF FINANCES AND PERTINENT COSTS
Year Ended December 31, 2019
(Continued)

2019-22

Specific requirement: The Louisiana Supreme Court approves an annual flat per diem rate on January 1, 1991, that may be used for travel reimbursements. However, in accordance with Internal Revenue Service (IRS) regulations, payments of per diem for travel that does not require an overnight stay or payments of per diem in excess of IRS Federal Standard Rates will be reported to the IRS as income on Form W-2 or 1099.

Condition: During the audit, reimbursement rates were found to be in excess of the IRS Federal Standard Rates. The City Court Judges were reimbursed the approved rates by the Louisiana Supreme Court and were unaware of the overpayment. The overpayment results in additional income for the City Court Judges, however the salary of a city court judge is limited by a maximum compensation amount that is established by the Louisiana Supreme Court.

Effect: Salary limitations set by the Louisiana Supreme Court will not have been met.

Recommendation: Since the City Court Judges received the maximum allowable compensation before the excess per diem rates were paid, we recommend that the judges reimburse the City Court for the overpayment of the per diem rates.

We also recommend that reimbursement be paid from receipts of the IRS per diem rates be used instead of the approved Louisiana Supreme Court rates.

CITY COURT OF
LAFAYETTE, LOUISIANA

SCHEDULE OF FINANCIAL AND QUESTIONED COSTS
Year ended December 31, 2003
(Continued)

Response:

The City Court Judges repaid the City Court subsequent to the date of the financial statements. Additionally, management agrees with the recommendation and will implement the use of receipts for reimbursement of travel expenses. If receipts cannot be produced, then IRS Standard Rates will be used.

CITY COURT OF
LAKE CHARLES, LOUISIANAOTHER INFORMATION AND RECOMMENDATIONS
Year Ended December 31, 2011

1. Fixed Asset Accountability

Over the years the City Court has acquired a number of fixed assets. However, there is no specific detailed listing of individual assets. It is recommended that a complete inventory of all City Court owned property and equipment be conducted to specifically identify all fixed assets of the City Court. This procedure would require an inventory process, as well as tagging and identifying fixed asset by type and location. Management would need to adopt a capitalization policy to determine what dollar level of assets are to be accounted for. This procedure would be important for two reasons: first for insurance purposes to insure that in the event of a loss, assets can be specifically identified and second to improve controls over accountability of all City Court owned assets. Additionally, once the inventory process is complete, it is recommended that a procedure be implemented to tag and identify new fixed assets as they are acquired to insure that the inventory process will not have to be repeated.

Management response - The City Court has begun to identify and tag all assets owned. The City Court will continue to take the necessary steps to complete fixed asset listing.

2. Accounting Manual

We noted that the City Court does not have an accounting procedures manual. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficiencies or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions management performs. It will take some time and effort for management to develop a manual, however, we believe this time will be more than offset by time saved labor in training and supervising accounting personnel. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.

Management Response - We concur with the recommendation. Documentation of daily procedures has begun. The process of drafting the accounting procedure manual has also begun, however, the manual will take some time to complete.

3. **Cash Disbursements**

The civil department handles all suits filed with the City Court and is accounted for as the City Court's agency fund. During the audit, we noted that several employees for the Civil Department have the ability to generate checks and that invoices and other documentation were often difficult to locate. Most of the checks issued are generated as a result of legal documents being processed or requesting the money. As a result many of the original documents used to generate the checks are not cancelled. Also, many of the fees are simply to process the documents, therefore, no document supports an individual fee rather a fee was simply imposed. We recommend that all checks generated by the civil department be processed by the comptroller. This would result in fewer mistakes in the processing of checks as well as strengthening controls over cash disbursements. Furthermore, we suggest creating a check request minor fee support of legal or other documents which cannot be cancelled. The same fee can also be used to document fees imposed to process a suit. This would result in a centralization of accounting information and better documentation procedures.

Management Response - The City court agrees with the recommendation and has taken steps to implement the additional documentation and centralization. The process required to properly implement the action plan will take some time to complete.

CITY COURT OF
LAKE CHARLES, LOUISIANA

STATEMENT OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2002

Compliance Findings:

2002-06

Condition: LA Revised Statute 13:1818 established a service charge in which all monies collected are to be placed in a separate account. However, no separate account had been established as of December 31, 2002.

Recommendation: We recommend that a separate bank account be opened for the exclusive purpose of depositing all monies collected and paying of related expenditures established by LA Revised Statute 13:1818.

Current status: The Judicial Building fund bank account was opened during the year ended December 31, 2003 and only appropriate funds were deposited into the account.

2003-02

Condition: All sums collected or received established by LA Revised Statute 13:1818 are to be placed in a separate account designated as the Judicial Expense Fund. The account is established, however, other monies received are all deposited into this bank account.

Recommendation: We recommend that only the fees collected under LA Revised Statute 13:1818 be deposited into the bank account designated Judicial Expense Fund.

Current status: The City Court utilized the judicial Expense Fund account appropriately throughout the year ended December 31, 2003.

CITY COURT OF
LAFAYETTE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 1993
(continued)

1993-03

Condition: Retirement benefits for the judges were paid from the Judicial Expense Fund bank account. This account is prohibited from paying compensation or salaries to any of the judges.

Recommendation: We recommend that all sums received not designated for the Judicial Expense Fund be deposited into a different bank account. Expenditures, such as retirement benefits, should be paid from this separate account.

Current status: An operating account was opened during the year ended December 31, 1993. All expenditures were paid from this account.

1993-04

Condition: During our audit, analytical procedures used to test the collection of crime lab fees found a limited number of instances where the fees were not collected. No payment of the fees for the instances found was made to the criministics laboratory commission, since the amount was not collected.

Recommendation: We recommend that a reconciliation of fees collected be performed on a monthly basis.

Current status: The matter was resolved during the audit year and a monthly reconciliation procedure has been implemented.

CITY COURT OF
LAKE CHARLES, LOUISIANA

SCHEDULE OF FIVE YEAR FINDINGS AND SUSTAINED COSTS
Year Ended December 31, 2000
(Continued)

2001-02

Condition: Effective internal control requires adequate segregation of duties among client personnel. Because of the entity's size and the limited number of accounting personnel, it is not feasible to maintain a complete segregation of duties to achieve effective internal control.

Recommendation: Since increasing staff size would not be cost effective, we recommend that management mitigate this weakness by the supervision and review procedures.

Current status: See current year reportable condition 2001-02.

2001-04

Condition: Reconciliations of the civil cases pending disposition subledger were not performed for the Civil Fund during the year ended December 31, 2001. Subledger reconciliations should be prepared on a timely basis to ensure that the financial records are accurate and fairly stated.

Recommendation: We recommend that procedures be implemented requiring all subledger accounts be reconciled on a monthly basis and reviewed by appropriate City Court personnel.

Current status: Monthly reconciliations were performed timely throughout the year ended December 31, 2001.

2001-07

Condition: Some invoices selected for expense testing had no documentation of approval prior to payment. Also, a few invoices were not marked cancelled after the invoices were paid.

CITY COURT OF
LAKE CHARLES, LOUISIANA

RESULTS OF PRIOR YEAR FINDINGS AND QUESTIONS CONCERN

Year Ended December 31, 1983

(Continued)

- Recommendation: As an enhancement, we recommend that management document the approval prior to payment of an invoice. After the payment is made, the invoice should be cancelled (i.e., "paid" rubber stamp would be obtained) so possible errors will not occur.
- Current status: The approval and cancellation of invoices improved greatly. The appropriate documentation was found on all items tested.
- 1983-88
- Condition: During our audit, the City Court was unable to provide the original invoices for a limited number of items selected for express testing.
- Recommendation: We recommend that management address cash disbursement procedures, accounts payable procedures and internal controls in its development of an improved system of financial management.
- Current status: Original invoices were provided for all items tested during the audit. It appears as though cash disbursement procedures have improved.