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Financial Report
City Court of Morgan City, Louisiana
December 31, 1996

STATE OF LOUISIANA
COUNTY OF ORLEANS
CITY OF MORGAN CITY
CITY COURT
FINANCIAL REPORT
FOR THE YEAR ENDING
DECEMBER 31, 1996
PREPARED BY THE CITY CLERK
IN ACCORDANCE WITH
SECTION 222 OF THE LOUISIANA
CONSTITUTION AND
ARTICLE 10 OF THE LOUISIANA
CONSTITUTION

Volume 100, 416 of 487

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December 31, 1996

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Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Honorable Kim F. Stansbury, Judge,
City Court of Morgan City,
Morgan City, Louisiana

We have audited the accompanying general purpose financial statements of the City Court of Morgan City, Louisiana (the Court) as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Court's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Morgan City, Louisiana as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information presented in the following Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Court. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated March 3, 1997, on our consideration of the Court's internal control structure and a report dated March 3, 1997 on its compliance with laws and regulations.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, LA,
March 3, 1997.

**COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUP**

City Court of Morgan City, Louisiana

December 31, 1996

	Governmental Fund Type			Proprietary Fund Type			Account Group - Unsettled Fund Assets	Total (Millions of Dollars)
	General Fund Operations and Maintenance Fund	Special Revenue Fund (FWS Special Cut Fund)	Fines and Costs Fund	Water and Sewer Fund	Hotel Fund	Total		
Assets								
Cash	\$ 11,481	\$ 28,794	\$ 80	\$ 21,282	\$ 28,670	\$ 80,687		\$ 181,114
Due from other funds	7,170	30,438	21,384		1,918	13,822		54,977
General fund assets							\$ 100,000	100,000
Total	\$ 18,651	\$ 59,232	\$ 21,384	\$ 21,282	\$ 30,588	\$ 115,509	\$ 100,000	\$ 346,554
Liabilities								
Accounts payable	\$ 1,489							\$ 1,489
Due to other funds	31,288		\$ 4,058	\$ 4,382	\$ 11,884	\$ 79,854		81,677
Due to other governmental units	1,483		37,500	1,039		14,744		28,794
Due to Agency				1,881		1,000		2,881
Bonds held					8,666	8,666		8,666
Deposits held				14,688		19,889		34,577
Total liabilities	34,260		41,638	14,362	30,530	115,853		226,713
Fund Equity								
Investments in general assets							\$ 100,000	100,000
Fund balances	44,845	\$ 59,232						\$ 104,077
Total fund equity	44,845	\$ 59,232					100,000	104,077
Total	\$ 33,496	\$ 118,464	\$ 21,384	\$ 21,282	\$ 30,578	\$ 115,509	\$ 100,000	\$ 346,554

See accompanying financial statements.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUND TYPES**

City Court of Morgan City, Louisiana

For the year ended December 31, 1996

	General Fund Operations and Maintenance Fund	Special Revenue Fund D901 Special Cost Fund	Total (Minorities Only)
Revenues			
Court's share of fines assessed	\$ 48,405	\$	\$ 48,405
Court costs		3,600	3,600
Traffic ticket fees	3,350		3,350
Interest earned	4,464	988	5,452
Miscellaneous	1,052		1,052
Total revenues	<u>57,281</u>	<u>4,588</u>	<u>61,869</u>
Expenditures			
<i>General Government:</i>			
Automobile expenses	301		301
Books and journals	1,578		1,578
Clerical assistance	3,612		3,612
Conventions and conferences	5,092		5,092
Dues and subscriptions	1,253		1,253
Insurance	2,725		2,725
Maintenance and repairs	4,079		4,079
Miscellaneous	648		648
Office supplies	5,856		5,856
Postage	2,984		2,984
Professional fees	16,526		16,526
Telephone	3,942		3,942
Capital expenditures	15,362		15,362
Total expenditures	<u>63,956</u>		<u>63,956</u>
Excess (Deficiency) of Revenues Over Expenditures	6,685	4,188	(2,901)
Fund Balances			
Beginning of year	51,523	33,876	185,309
End of year	<u>\$ 44,845</u>	<u>\$ 60,164</u>	<u>\$ 185,009</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**City Court of Morgan City, Louisiana**

December 31, 1996

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Morgan City accounts for the operations of the Court's office. The Court employee salaries are funded by the St. Mary Parish Council and the City of Morgan City. The Judge's salary is funded by the State of Louisiana, City of Morgan City and St. Mary Parish Council.

For the year ended December 31, 1996, the Honorable Robert S. Robertson presided as judge. On January 6, 1997, the Honorable Kim P. Stansbury, became the judge for the court.

The accounting policies of the City Court of Morgan City conforms to generally accepted accounting principles as applicable to governments in the following summary of the more significant policies:

a. Fund Accounting

The accounts of the City Court are organized on the basis of funds and account group, 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, expenditures, or expenses, as appropriate. 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 in the financial statements in this report are grouped into two broad fund categories as follows:

Governmental Fund Types**General Fund**

Operations and Maintenance Fund - The Operations and Maintenance Fund is used to account for all financial resources of the Court except those required to be accounted for in other funds.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Fund Accounting (Continued)

Special Revenue Fund

DWI - Special Cost Fund - The DWI Special Cost Fund assesses special cost against persons operating vehicles while intoxicated or under the influence of drugs. The Court uses these funds to defray the cost of agencies or persons administering substance abuse programs and driver improvement programs and the related additional administrative cost as part of probation for the offenders.

Fiduciary Fund Types

Agency Funds

Fines and Cost Fund - The Fines and Cost Fund is used to account for fines and costs collected for and payable to the City of Morgan City, St. Mary Parish Council, Operations and Maintenance Fund, Jail Maintenance Fund, Academics/Criminologic Laboratory, Indigent Defender Board, Marsh's Cost Fund, State - Crime Victim's Cost Fund and DWI Special Cost Fund.

Civil Court Fund - The Civil Court Fund is maintained to account for deposits and garnishments received from litigants.

Bond Fund - The Bond Fund is maintained to account for bonds deposited with the Court.

b. Fixed Assets

The accounting and reporting treatment applied to the fixed assets are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fixed Assets (Continued)

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Fixed assets are stated at historical cost.

Basis of accounting refers to *when* revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the *timing* of measurements made, regardless of the measurement focus applied.

All Governmental Funds and agency are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Miscellaneous revenues are recorded as revenues when received in cash by the Court. Charges for services are recorded when earned since they are measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

c. Budgets and Budgetary Accounting

City Courts are not required under state statutes to adopt a budget. The City Court of Morgan City has elected not to prepare an annual budget.

d. Employee Retirement Benefits

Employees of the Court are included on the City of Morgan City and St. Mary's Parish payroll and participate in the same retirement system as the City of Morgan City and St. Mary's Parish employees. In addition, fees earned from Civil Court cases are eligible for retirement funding in this system at the same percentages as employee payroll.

e. Vacation and Sick Leave

Vacation and sick leave benefits are paid by the City of Morgan City and St. Mary Parish.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Total Columns on Combined Statements - Overview

The total columns on the Combined Statements are captioned "Microenterprises Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, 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.

Note 2 - CASH AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the \$100,000 FDIC/SSJIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

At December 31, 1996, the Court's cash was not in excess of the FDIC insurance.

Note 3 - GENERAL FIXED ASSET ACCOUNT GROUP

The following is a summary of the changes in general fixed asset account group during the year:

	January 1, 1996	Additions	Balance, December 31, 1996
Furniture, fixtures and equipment	\$ 88,929	\$15,362	\$104,291
Automobile	28,081	—	28,081
Totals	\$117,010	\$15,362	\$132,372

Note 4 - INTERFUND RECEIVABLE AND PAYABLE BALANCES

Details of interfund receivable and payable at December 31, 1996 follow:

Individual Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 7,570	\$21,098
Special Revenue Fund	36,430	-
Agency Funds:		
Fines and Cost Fund	21,504	4,008
Civil Court Fund	-	4,382
Bond Fund	1,518	21,504
Totals	\$67,022	\$61,092

Note 5 - DUE TO OTHER GOVERNMENTAL UNITS

At December 31, 1996, due to other governmental units were as follows:

	Operations and Maintenance Fund	Fines and Cost Fund	Civil Court Fund	Totals
Police Subpoena Fund		\$ 685		\$ 685
Law Enforcement Training		278		278
City of Morgan City	\$1,443	9,385		11,228
Acadiana Criminalistic Laboratory		403		403
Indigent Defender Board		2,432		2,432
Marshal's Cost Fund		2,885	\$ 322	2,607
St. Mary's Clerk of Court			262	262
State-Judge Supplemental Compensation Fund			133	133
State-Crime Victim's Cost Fund		288		288
Other	—	1,598	322	1,518
Totals	\$1,443	\$12,552	\$1,239	\$28,234

Note 6 - INTERGOVERNMENTAL - CITY OF MORGAN CITY

In May 1995, the Louisiana Legislature passed Senate Bill 881 which changed the financial responsibilities of the City Court of Morgan City. As under prior law, the Operations and Maintenance Fund of the Court receives twenty-five percent of all fines, forfeitures and penalties to pay the operational expenses of the Court. The new law provides for funds accumulated in the Operations and Maintenance Fund in excess of \$50,000 to be transferred to the General Fund of the City of Morgan City and shall be used for the purpose of construction and maintenance of the City Court facilities, etc. At December 31, 1996, the fund equity of the Operations and Maintenance Fund was \$44,845, and therefore there are no excess funds to transfer.

SUPPLEMENTARY DATA

**STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS - FINES AND COSTS FUND**

City Court of Morgan City, Louisiana

For the year ended December 31, 1996

Cash Balance, January 1, 1996	\$ 85
Receipts	
Transfer from Bond Fund	329,551
To be accounted for	329,636
Disbursements	
Transfer of fines and costs to:	
City of Morgan City	161,789
Operations and Maintenance Fund	51,836
Acadiana-Criminologic Laboratory	6,699
Indigent Defender Board	43,838
Marshals Cost Fund	37,575
State Crime Victim's Cost Fund	4,520
D981 - Special Cost Fund	3,050
Department of Public Safety	1,725
Louisiana Rehab Services	4,515
Prosecutor's Fund	8,996
Other	5,007
Total disbursements	329,550
Cash Balance, December 31, 1996	\$ 86

**STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS - CIVIL COURT FUND**

City Court of Morgan City, Louisiana

For the year ended December 31, 1996

Cash Balance, January 1, 1996	\$ 15,911
Receipts	
Deposits and payments received from litigants	35,844
To be accounted for	31,773
Disbursements	
Deposits refunded	1,315
Cost paid to:	
Judge	14,947
Marshal	829
Marshal's Cost Fund	3,512
Retirement - Judges Supplemental Compensation Fund	4,546
Others	5,144
Total disbursements	30,493
Cash Balance, December 31, 1996	\$ 21,282

**STATEMENT OF CASH RECEIPTS AND
DISBURSEMENTS - BOND FUND**

City Court of Morgan City, Louisiana

For the year ended December 31, 1996

Cash Balance, January 1, 1996	\$ 26,170
Receipts	
Appearance bonds, fines and costs collected	251,061
To be accounted for	577,251
Disbursements	
Transfers to Fines and Costs Fund	320,551
Refunds of appearance bonds	19,028
Total disbursements	339,579
Cash Balance, December 31, 1996	\$ 28,652

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Georgie Bennett

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Kim P. Stansbury, Judge,
City Court of Morgan City,
Morgan City, Louisiana.

We have audited the general purpose financial statements of the City Court of Morgan City, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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.

The management of the City Court of Morgan City is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with the management authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of City Court of Morgan City, State of Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for information of the management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, La.,
March 3, 1997.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Kim P. Stansbury, Judge,
City Court of Morgan City,
Morgan City, Louisiana.

We have audited the general purpose financial statements of the City Court of Morgan City, State of Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated March 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 misstatements.

Compliance with laws, regulations, contracts and grants applicable to the City Court of Morgan City is the responsibility of the management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Court's compliance with certain provisions of laws, regulations, contracts and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our test disclosed no instances of noncompliance that are to be reported
herein under Government Auditing Standards.

This report is intended for information of the management, the State of Louisiana and the
Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and
its distribution is not limited.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, La.,
March 3, 1997.



Peergoia Bennett

June 23, 1997

Honorable Kim P. Stanbury, Judge
City Court of Morgan City
Morgan City, Louisiana

In connection with our audit of the general purpose financial statements of the City Court of Morgan City, Louisiana (the Court) as of and for the year ended December 31, 1996, we noted the following matters which we consider deserving of your attention:

Court Appointed Probation Officer

As we previously discussed, the Court's probation officer receives compensation by collecting a monthly probation fee from each person under his supervision. Greater accountability can be achieved by having the probation officer become an employee of the Court and have the probation fees reported as revenue. We understand that both of the above options are used at City Courts throughout the state.

Debit to Other Funds

At December 31, 1996, the General Fund owed the following funds:

DWI Special Cost Fund	\$29,579.67
Hard Fund	1,518.13
	<u>\$31,097.80</u>

We suggest the General Fund transfer the above amounts to each fund in order to satisfy these obligations.

Honorable Kim P. Stansbury, Judge
City Court of Morgan City
June 23, 1997
Page 1

Due to the City of Morgan City

At December 31, 1995, the Court owed the City of Morgan City \$299,666. During 1996, \$198,223 was transferred to the City for payment on this liability leaving a balance due of \$1,443 at December 31, 1996. The Court should pay the remaining amount due to the City.

Reimbursement of Fines and Cost

In September 1996 certain fines were distributed twice. The duplication of payment was caused by a paperwork error which is attributed to the Court moving into a new facility during this time. In order to avoid this in the future, the outstanding bonds held listing should be reconciled to the general ledger on a monthly basis.

Bonds and Deposits Held

During our audit we noted differences between the detail listings of bonds held in the Bond fund and deposits held in the Civil fund and the respective general ledger account balances. These general ledger balances should be reconciled to the detail listings on a monthly basis.

This information is intended solely for the use of the Court and the Legislative Auditor of the State of Louisiana. This report is a matter of public record and its distribution is not limited.

Very truly yours,



For the Firm.

CLAs