

INDEPENDENT
 ACCOUNTANTS' REPORT
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 12/21/92

CITY COURT OF BOSSIER CITY
 City of Bossier City, Louisiana

Financial Statements

December 31, 1995

(With Independent Auditors' Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Justice, or reviewed, utility 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 8-21-96

KPMG Peat Marwick LLP

1900 Louisiana National Tower
200 Texas Street
Bossier City, LA 70021-3663

INDEPENDENT AUDITORS' REPORT

Honorable Billy E. Robinson, Judge
City Court of Bossier City, Louisiana:

We have audited the accompanying financial statements of the City Court of Bossier City, a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 1995. These financial statements are the responsibility of management of the City Court of Bossier City. Our responsibility is to express an opinion on these 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Bossier City as of December 31, 1995, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 8, 1996, on our consideration of the City Court of Bossier City's internal control structure and a report dated March 8, 1996, on its compliance with laws and regulations.

KPMG Peat Marwick LLP

March 8, 1996

CITY COURT OF BOSSIER CITY
City of Bossier City, Louisiana

General Fund

Balance Sheet

December 31, 1993

Assets

Cash and cash equivalents	\$ 173,219
Investments	187,800
Accounts receivable	<u>2,321</u>
Total assets	\$ <u>363,340</u>

Liabilities and Fund Balance

Liabilities:	
Deferred revenue	\$ 86,000
Due to other governmental units	<u>27,000</u>
Total liabilities	<u>113,000</u>
Fund balance - (reserved) - undesignated	<u>169,340</u>
Total liabilities and fund balance	\$ <u>282,340</u>

See accompanying notes to financial statements.

CITY COURT OF BOSSIER CITY
City of Bossier City, Louisiana

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Year ended December 31, 1985

Revenues:	
Fees and charges for services	\$ 232,609
Interest income	8,815
Total revenues	<u>241,424</u>
Expenditures - current:	
General government:	
Travel, lodging, and meals	19,173
Supplemental salaries	58,516
Other operating	42,711
Payments to:	
Marshal/Deputy	40,870
Louisiana judge's fund	24,383
City of Bossier City	27,000
Total expenditures	<u>172,453</u>
Excess of revenues over expenditures	68,971
Fund balance, beginning of year	<u>135,561</u>
Fund balance, end of year	\$ <u>204,532</u>

See accompanying notes to financial statements.

CITY COURT OF BOSSIER CITY
 City of Bossier City, Louisiana

Notes to Financial Statements

December 31, 1995

(1) Summary of Significant Accounting Policies

The City Court of Bossier City (the "Court") was created by a special legislative act. Its jurisdiction includes the incorporated area of the City of Bossier City (the "City"). The City judge is elected and cannot be removed by City officials. The Court is financially dependent on the City, and the City has the ability to modify or approve the budget for support costs of the Court that are paid by the City. These Court expenses such as payroll and related costs, maintenance, utilities, etc., are paid through the General Fund of the City. There are certain funds collected by the Court, pursuant to state statute, which are under the control of the Court and are reported in these financial statements. The Court across the ordinary of the City. These financial statements account for all activities of the Court's office not funded by the City.

(A) Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefactor relationship. In addition, an organization which is financially dependent on the primary government should be included in its reporting entity.

The Court's financial statements are included in the City's reporting entity as a discretely presented component unit because of the significance of their financial relationship with the City.

(B) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Expenditures are recognized when the related fund liability is incurred. The accompanying financial statements have been prepared on the modified accrual basis of accounting.

(Continued)

CITY COURT OF HOSSIER CITY
City of Hossier City, Louisiana

Notes to Financial Statements

(C) **Basis of Presentation — Fund Accounting**

The accounts of the Court are organized on the basis of fund accounting and are accounted for with a set of self-balancing accounts. The General Fund (Governmental Fund) is the only fund utilized by the Court. Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. All governmental funds are accounted for on a spending measurement focus where the focus is upon determination of changes in financial position rather than upon net income determination.

Funds received from the Court fees desk and investment earnings are recorded as earned since they are measurable and available. All other funds and charges are recorded when received in cash because they are not measurable until actually received.

All items of property, plant and equipment used by the Court are recorded in the general fund assets group of accounts of the City.

(D) **Investments**

Investments are stated at cost.

(E) **Deferred Revenue**

The balance of deferred revenue represents an estimate of court cost paid by litigants which may be refunded due to the court case not being tried. The estimate is based on historical trends.

(F) **Income Taxes**

The funds of the Court are not subject to federal or state income taxes.

(G) **Budget**

The Court does not formally adopt a budget for the General Fund and, therefore, a budget to actual comparison has not been presented with these financial statements.

(Continued)

CITY COURT OF BOSSIER CITY
City of Bossier City, Louisiana

Notes to Financial Statements

(2) **Cash and Investments**

All cash deposits and investments of the Court are held by area financial institutions. At December 31, 1993, the carrying amount of the Court's deposits was \$173,373, and the bank balance was \$176,619. This difference is due to outstanding checks at December 31, 1993. All deposits were insured by the Federal Deposit Insurance Corporation at December 31, 1993.

Investments are comprised of various certificates of deposit purchased by the City Court. The Court's investments are all classified as category 1 as defined by Governmental Accounting Standards Board No. 3, which includes investments that are insured or registered for which the securities are held by the Court or its agent in the Court's name. State statute authorizes the Court to invest in United States bonds, treasury notes, government agencies' securities, certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, or mutual or trust fund institutions which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

(3) **Due to Other Governmental Units**

The balance of \$23,000 as of December 31, 1993, was due to the primary government - City of Bossier City. This amount represents a transfer of surplus funds of the Court to the City of Bossier City as required by R.S. 13:1889.

KPMG Peat Marwick LLP

100 Commercial National Tower
220 Texas Street
Baton Rouge, LA 70801-2800

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Billy R. Robinson, Judge
City Court of Bossier City, Louisiana

We have audited the financial statements of the City Court of Bossier City (the "Court"), a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 8, 1996.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Court is the responsibility of management. As part of obtaining reasonable assurance about whether the 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, the objective of our audit of the financial statements 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 required to be reported herein under Government Auditing Standards.

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

KPMG Peat Marwick LLP

March 8, 1996

KPMG Peat Marwick LLP

200 Commercial/Pedestal Tower
333 Texas Street
Baton Rouge, LA 70801-4000

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

The Honorable Billy R. Robinson, Judge
City Court of Bossier City, Louisiana

We have audited the financial statements of the City Court of Bossier City (the "Court"), a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 8, 1996.

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 financial statements are free of material misstatement.

The management of the Court's office, 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of 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 financial statements of the Court for the year ended December 31, 1995, 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 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 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 and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Coast, in a separate letter dated March 8, 1996.

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

KPMG Peat Marwick LLP

March 8, 1996

KPMG Peat Marwick LLP

900 Commonwealth Boulevard
233 Canal Street
Beverly Hills, LA 70002-0002

March 8, 1996

CONFIDENTIAL

The Honorable Billy R. Robinson, Judge
City Court of Bossier City, Louisiana

We have audited the financial statements of the City Court of Bossier City, Louisiana (the "Court") for the year ended December 31, 1995, and have issued our report thereon dated March 8, 1996. In planning and performing our audit of the financial statements of the Court, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

SEGREGATION OF DUTIES

Unopened receipts received through the mail for the Court operating account are routed to one individual for opening/recording the receipts. This person is also a signatory on the account.

Recommendation — To ensure proper segregation of duties, the responsibility for opening mail receipts should be controlled by two persons. After the receipts are received (logged-in) both individuals should sign-off on the log. The person responsible for recording cash receipts should not have access to receipts until the initial control log has been established.

CIVIL COURT COST ADVANCES

Although the Court keeps individual record-keeping of the advances for court costs, there is not a detail listing kept of the advances. Therefore, at any point in time, it is difficult to ascertain the total dollars advanced to the Court for civil court costs that has not been utilized.

Recommendation — The Court should begin accumulating a list by case of the advances made for civil court costs. In addition, this list should be updated monthly as to whether the advance is still outstanding. This would allow the liability of the Court related to deposits received but not utilized to be determined.

The Honorable Billy R. Robinson, Judge
March 8, 1996
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ACCOUNTING SYSTEM

The Court currently uses manual spreadsheets to track revenues and expenditures. Therefore current financial information is not readily available and accumulation of the financial information of the Court is rather labor intensive.

Recommendation — The Court should consider the utilization of a PC based software to allow easier and more timely accumulation of the financial information related to the Court's activities.

* * * * *

Our procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the Court's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the Court during the course of our audit.

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

Very truly yours,

KPM's Kent M. ...

KPMG Peat Marwick LLP

3000 Commercial Midway Tower
333 Texas Street
Minneapolis, LA 71 90-2800

March 8, 1996

The Honorable Billy R. Robinson, Judge
City Court of Bossier City, Louisiana

We have audited the financial statements of the City Court of Bossier City (the "Court"), a component unit of the City of Bossier City, Louisiana, as of December 31, 1995, and have issued our report thereon dated March 8, 1996. Under generally accepted auditing standards, we are providing you with the following information related to the conduct of our audit:

Our Responsibilities Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the financial statements of the Court based on our audit. In carrying out this responsibility, we assumed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted our audit to provide reasonable, but not absolute, assurance of detecting misstatements that are material to the financial statements. In addition, we considered the internal control of the Court to gain a basic understanding of the internal control activities in order to design an effective and efficient audit approach, not for the purpose of providing assurance on internal control.

Significant Accounting Policies

The significant accounting policies used by the Court are described in note 1 to the financial statements. We noted no transactions entered into by the Court that were both significant and unusual and that, under professional standards, we are required to inform you of, or transactions for which there is a lack of authoritative guidance at consensus.

Significant Audit Adjustments

We proposed no corrections of the financial statements that could, in our judgment, either individually or in the aggregate, have a significant effect on the Court's financial reporting process.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the Court's December 31, 1995, financial statements.

The Honorable Billy H. Robinson, Judge
City Court of Houston City
March 8, 1996
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Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 36, *Reports on the Application of Accounting Principles*.

Major Issues Discussed With Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Court's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

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This information is intended solely for your information and use as well as management and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

KPMG Peat Marwick LLP