



Independent Auditors' Report

Honorable Charles R. Foreast, Judge  
The City Court of the City of Franklin,  
Louisiana  
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the City Court of the City of Franklin, a component unit of the City of Franklin, as of June 30, 1994, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City Court of the City of Franklin's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The financial statements of the City Court of the City of Franklin as of June 30, 1994, were audited by other auditors whose report dated November 17, 1995 expressed an unqualified opinion on these financial statements.

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 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 the City of Franklin, Louisiana as of June 30, 1994, and the results of its 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 October 25, 1994 on our consideration of the City Court of the City of Franklin's internal control structure and a report dated October 14, 1994 on its compliance with laws and regulations.

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Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City Court of the City of Franklin. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

October 15, 1998



CERTIFIED PUBLIC ACCOUNTANTS



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

Honorable Charles S. Frewest, Judge  
The City Court of the City of Franklin, Louisiana  
Franklin, Louisiana

We have audited the general purpose financial statements of the City Court of the City of Franklin, a component unit of the City of Franklin, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 15, 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. These 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 City Court of the City of Franklin is the responsibility of the City Court of the City of Franklin's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City Court of Franklin's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose 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 tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the use of the Judge of the Court, the City of Franklin, the Finance Committee of the St. Mary Parish Council, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

October 15, 1996

CITY COURT OF  
THE CITY OF FRANKLIN, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND BALANCES  
CITY COURT FUND  
(The Entity's Only Governmental Fund)

Years Ended June 30, 1996  
With Comparative Actual amounts for the Year Ended June 30, 1995

	1996	1995
<b>REVENUES:</b>		
Charges for services	\$29,159	\$25,370
Other revenue	394	-
<b>TOTAL REVENUES</b>	<u>29,553</u>	<u>25,370</u>
<b>EXPENDITURES:</b>		
Salary Expense	6,494	5,349
Maintenance & Repairs	1,738	2,742
Office Expense	1,850	699
Travel & Seminars	1,590	1,400
Office Supplies & Postage	1,181	2,100
Telephone Expense	1,962	978
Capital outlay	10,871	4,283
<b>TOTAL EXPENDITURES</b>	<u>34,656</u>	<u>17,751</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,607	9,619
<b>FUND BALANCES, BEGINNING</b>	33,523	23,863
<b>FUND BALANCES, ENDING</b>	<u>\$37,130</u>	<u>\$33,482</u>

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

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THE CITY COURT OF THE CITY OF FRANKLIN, LOUISIANA  
STATE OF LOUISIANA

Annual Component Unit Financial Statements  
with Independent Auditors' Report  
and  
Independent Auditors' Reports on Internal Control Structures,  
and Compliance

for the Year ended June 30, 1988

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the council, or members, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, when appropriate, at the office of the parish clerk of court.

Release Date JAN 29 1987

CITY COURT OF THE CITY OF FRANKLIN

Notes to the Financial Statements  
June 30, 1986

NOTE 1 - DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of the City of Franklin was created by Louisiana Revised Statute 13:3488.1. The Court covers the territorial jurisdiction throughout Ward Three of St. Mary Parish and the City of Franklin. The Court is responsible for collecting all fines, forfeitures, penalties, and costs assessed.

The financial statements of the Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Court's accounting policies are described below.

**A. Reporting Entity**

In evaluating how to define the governmental unit, for financial reporting purposes, consideration has been given to the following criteria as set forth in GAAP:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Financially dependent

The City of Franklin provides facilities in which the Court operates and has approval authority over certain expenditures made by the Court. Based upon the above criteria, the Court is a component unit of the City of Franklin (the primary government).

These financial statements include only the operations of the Court.

**B. Fund Accounting**

The Court uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

CITY COURT OF  
THE CITY OF FRANKLIN, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1999

With Comparative Actual Amounts for the Year Ended June 30, 1998

	Governmental	Relayday Funds		Account	Totals	
	Fund Type	Advance	General	Group	(Millions of Dollars)	
ASSETS	City Court	Deposit	Agency	General	1999	1998
	Fund	Fund	Fund	Fund		
Cash	\$25,416	\$46,337			\$71,753	\$46,337
Accounts receivable (net of allowance for uncollectibles)	25,674				25,674	25,660
Prepaid insurance						160
Due from City Court Fund			\$16,143		16,143	12,803
Due from Advance Deposit Fund	1,508				1,508	1,274
Due from other governmental units						3,947
Due from employees	43				43	
Due from ligands		950			950	1,021
Fixed assets				\$20,454	20,454	17,481
<b>TOTAL ASSETS</b>	<b>\$53,550</b>	<b>\$47,287</b>	<b>\$16,143</b>	<b>\$20,454</b>	<b>\$126,814</b>	<b>\$104,126</b>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities						
Accounts Payable	\$5,281	\$1,406			\$7,777	\$6,712
Payroll taxes withheld						479
Due to Agency Fund	90,143				90,143	65,853
Due to ligands		14,266			14,266	11,509
Due to other governmental units	3,894		16,143		19,997	16,223
Due to City Court Fund		1,508			1,508	1,274
Total Liabilities	\$99,328	\$17,280	\$16,143		\$126,658	\$93,129
Fund Equity						
Investment in general fixed assets				\$20,454	20,454	17,484
Fund balance	37,402				37,402	33,575
Total Fund Equity	37,402			20,454	\$57,856	\$51,059
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$99,328</b>	<b>\$17,280</b>	<b>\$16,143</b>	<b>\$20,454</b>	<b>\$126,814</b>	<b>\$104,126</b>

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



A similar report issued by predecessor auditors dated November 17, 1995 for the year ended June 30, 1995 contained one material weakness in internal accounting control. A similar comment is repeated this year.

This report is intended solely for the use of the Judge of the Court, the City of Franklin, the Finance Committee of the St. Mary Parish Council and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

October 18, 1996



CERTIFIED PUBLIC ACCOUNTANTS

## MATERIAL WEARNESS

## MATERIAL WEAKNESS

### Segregation of Duties

#### Auditors' Comments

Condition: While performing audit tests and inquiring about internal control, we discovered that there is very little segregation of duties within the Court's accounting function.

Risk(s): Ordinarily, the accounting duties performed in an organization are segregated to reduce possible errors or irregularities that could occur in the accounting records and not be detected.

Effect: Lack of segregation of duties results in a material weakness in internal accounting controls.

Cause: The Court has limited personnel.

#### Management's Comments

We have reviewed this situation with our CPA and we feel the costs outweigh the benefit of hiring an additional person in our accounting function. However, we have requested recommendations from our CPA which will be considered by the new Judge who takes office in January of 1997.

In planning and performing our audit of the general purpose financial statements of the City Court of the city of Franklin for the year ended June 30, 1999, 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

However, we noted one matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the general purpose financial statements of the City Court of the city of Franklin. A description of this weakness is included in the material weakness section of this report.



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

Honorable Charles R. Prevost, Judge  
The City Court of the City of Franklin, Louisiana  
Franklin, Louisiana

We have audited the general purpose financial statements of the City Court of the City of Franklin, a component unit of the City of Franklin, for the year ended June 30, 1996, and have issued our report thereon dated October 15, 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 general purpose financial statements are free of material misstatement.

The management of the City Court of the City of Franklin 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 management's 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.

**NOTE 1 - DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Assets in the general fixed assets account group are not depreciated.

**G. Memorandum Only - Total Columns**

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

At year end, the carrying amount of the District's cash and cash equivalents was \$93,793 and the bank balance was \$93,216. All bank balances were covered by federal depository insurance.

**NOTE 3 - ACCOUNTS RECEIVABLE**

Receivable for fines and court costs were \$26,874. The City court maintains an allowance for uncollectibles for all fines and court costs over one year old. As of June 30, 1998 the total amount of fines receivable total \$80,884 and the allowance for doubtful accounts total \$53,910.

**NOTE 4 - FIXED ASSETS**

A summary of changes in general fixed assets for the year ended June 30, 1998, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Equipment	\$17,884	\$10,870	---	\$28,754
Total	\$17,884	\$10,870	---	\$28,754

CITY CLERK OF THE CITY OF FRANKLIN  
SCHEDULE OF SALARY REIMBURSEMENTS  
For the Year Ended June 30, 1998

Receipts:

Reimbursements from the City of Franklin	\$42,800
Reimbursements from St. Mary Parish	18,000
Total receipts	<u>60,800</u>

Expenditures:

Salaries	<u>60,800</u>
Total expenditures	<u>60,800</u>

## SUPPLEMENTARY INFORMATION



NOTE 5 - DUE TO OTHER GOVERNMENTS

The amounts due to other governmental units of at June 30, 1986, consists of the following:

City Court Fund:

Marshal's Fund	\$ 3,804
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General Agency Fund:

City of Franklin	\$14,194
St. Mary Parish Council	3,197
District Attorney	179
State Treasurer	268
La. Law Enforcement Commission	196
LMS-BSCJ Trust Fund	<u>82</u>

Total	\$16,142
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NOTE 1 - DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

The Court's current operations require the use of two funds and one account group, the general fixed assets account group.

Governmental Fund

General Fund

The City Court Fund is the primary operating fund of the Court. The Court's primary operations include the accounting for the collection and ultimate disposition of fines imposed and bonds posted by citizens who have been issued citations for civil offenses to include traffic violations and other misdemeanors. All financial resources of the Court other than described in the following paragraph are accounted for in this fund, since at the current time no other funds are required.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties or on behalf of other funds of the Court. Agency funds generally are used to account for assets that the Court holds on behalf of others as their agent. The Court's Fiduciary funds consist of the General Agency Fund and the Advance Deposit Fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and agency funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

INDEPENDENT AUDITORS' REPORTS ON INTERNAL CONTROL STRUCTURE,  
AND COMPLIANCE

NOTE 1 - DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The following is a summary of the Court's recognition policies for its major revenue sources:

Fines are recorded in the year they are assessed.

Interest income on investments is recorded when the investments have matured and the income is available.

**D. Budgets**

The Court is not required to and did not adopt a budget.

**K. Cash and Cash Equivalents**

The Court is permitted by law to invest its funds in certain banks and other financial institutions located within the state. They may also invest in certain government backed securities.

For financial statement purposes, cash and cash equivalents include demand deposits, money market accounts, and/or certificates of deposit.

Cash and cash equivalents are stated at cost, which approximates market.

**F. Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets are valued at cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.