

**GENERAL FUND-THEATRE ACCOUNT GROUP**

To account for monetary principle amounts on general long-term debt expected to be financed from the governmental fund. Payment of principal and interest obligations is accounted for in the General Fund.

## INTERNAL CONTROL AND COMPLIANCE

City Court of Marshfield  
Marshfield, Louisiana

General Long-Term Debt Account Group  
Schedule of Changes in Long-Term Debt  
Year Ended December 31, 1996

	Balance 1-1-96	Long-Term Debt Issued	Long-Term Debt Retired	Debt Service Expenditure	Balance 12-31-96
Amount Available and to be Provided for Payment of Long-Term Debt					
Amount Available in General Fund for Debt Retirement	\$1,774	\$ 0	\$ 0	\$2401	\$1,269
Amount to be Provided for Payment of Long-Term Debt	2,278	8,808	(3,211)	902	8,804
Total Available and to be Provided	\$3,052	\$8,808	\$3,211	\$3,303	\$9,121
General Long-Term Debt Payable	\$1,894	\$8,808	\$3,211	\$3,303	\$9,121

See notes to financial statement.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose, individual fund, and account group financial statements of the City Council of Metairie, Louisiana.

*William Thomas Cunningham*  
Auditor, Thomas & Cunningham, CPAs

March 30, 1997  
Metairie, Louisiana

General Fixed Assets	Account Groups		Totals (Columnar/Total Only)	
	General	Long-Term Debt	1998	1999
\$ 0	\$ 0	\$ 0	\$ 84,300	\$ 77,856
0	0	0	0	498
0	0	0	82	82
34,552	0	0	34,552	34,552
0	1,289	1,289	1,289	1,771
0	8,864	8,864	8,864	2,229
\$34,552	\$9,153	\$9,153	\$128,609	\$117,829
\$ 0	\$ 0	\$ 0	\$ 9,621	\$ 7,207
0	0	0	73,812	69,368
0	0	0	82	82
0	9,153	9,153	8,133	4,048
\$ 0	\$9,153	\$9,153	\$ 82,448	\$ 80,707
\$34,552	\$ 0	\$ 0	\$ 34,552	\$ 34,552
0	0	0	0	0
0	0	0	1,209	1,771
0	0	0	0	0
\$34,552	\$ 0	\$ 0	\$ 35,761	\$ 36,323
\$34,552	\$9,153	\$9,153	\$128,609	\$117,829

GENERAL PURPOSE FINANCIAL STATEMENTS  
(CONTINUED STATEMENTS - HISTORY)

City Court of Natchitoches  
Natchitoches, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Fund Type-Fund  
Years Ended December 31, 1996 and 1995

	Audited Fund	
	1996	1995
<b>REVENUES:</b>		
Intergovernmental	\$24,115	\$17,866
Charges for Services	48,536	39,923
Miscellaneous	3,924	3,993
Total Revenues	\$76,575	\$61,782
<b>EXPENDITURES:</b>		
Current:		
General Administration	\$73,455	\$63,486
Debt Service	3,492	3,498
Total Expenditures	\$76,947	\$66,984
Excess (Deficiency) of Revenues Over Expenditures	\$ (3,372)	\$ (4,102)
Other Financing Sources (Uses)	3,899	—
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (503)	\$ (410)
Fund Balance—Beginning of Year	3,271	3,681
Fund Balance—End of Year	\$ 2,768	\$ 3,271

See notes to financial statements.

City Court of Natchitoches  
Natchitoches, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Governmental Fund Type- Judicial Fund  
Year Ended December 31, 1996

	1996		Variance Favorable (Unfavorable)	1995 Actual
	Budget	Actual		
<b>REVENUES</b>				
Intergovernmental				
Charges For Services	\$25,000	\$24,150	\$850	\$12,800
Miscellaneous	40,000	40,376	376	39,823
	4,800	3,914	(886)	4,917
<b>Total Revenues</b>	\$69,800	\$68,440	\$1,360	\$57,540
<b>EXPENDITURES</b>				
Circuit-				
Circuit Administration	\$73,000	\$73,655	\$ 655	\$73,406
Judge Stipend	4,000	4,082	82	4,080
<b>Total</b>	\$77,000	\$77,737	\$ 737	\$77,486
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,200)	\$ (9,297)	\$ (2,097)	\$ (11,946)
Other Financing Sources (Uses)	2,000	2,000	—	—
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ (7,297)	\$ (7,297)	\$ (11,946)
Fund Balance-Beginning of Year	1,271	1,271	—	1,888
Fund Balance-End of Year	\$ 1,271	\$ (5,926)	\$ (7,197)	\$ (10,058)

See notes to financial statements.



NOTES TO FINANCIAL STATEMENTS

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1995

5. Summary of Significant Accounting Policies:

As provided by Louisiana Statute, the City Court administers the court system of the City of Natchitoches, Louisiana. The City Court is directed by the City Judge, who is elected to a term of four years.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement 1 which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

The accounting and reporting policies of the City Court of Natchitoches conform to generally accepted accounting principles as applicable to governmental entities. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:513.

For financial reporting purposes, in conformance with Statement 3 of the GASB, the financial statements of the City Court include all funds, account groups, and activities that are within the oversight responsibility of the city judge as an independently elected city official. Certain units of local government, over which the city judge exercises no oversight control, such as the City Marshal, are excluded from the accompanying financial statements. These units of government issue financial statements separate from that of the City Court.

A. Fund Accounting:

The accounts of the City Court 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. Revenues are accounted for in those individual funds based upon the purpose for which they are to be spent, and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund:

**Judicial Fund**-The Judicial Fund, as provided by Louisiana Statute, is the principal fund of the City Court, and is used to account for the operations of the City Court's office. The various fees and charges due to the City Court are accounted for in this fund. General operating expenditures are paid from this fund.

City of East of Manchester  
Manchester, Louisiana

General Fixed Assets Account Group  
Statement of Changes in General Fixed Assets  
Year Ended December 31, 1996

	Balance 1-1-96	Judicial Fixed Additions	Depreciation/ Retirements	Balance 12-31-96
General Fixed Assets:				
Land	\$ 0	\$ 0	00	\$ 0
Buildings	0	0	0	0
Equipment	24,512	16,803	0	41,315
Total General Fixed Assets	\$24,512	\$16,803	00	\$41,315
Investment in General Fixed Assets	\$24,512	\$16,803	00	\$41,315

See notes to financial statements.

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1995

**D. Vacation and Sick Leave:**

Employees of the City Court do not accrue or "carry forward" vacation or sick leave pay from year to year. As such, there are no accruals made in the financial statements for these payments.

**E. Total Columns on General Purpose Financial Statements:**

Total columns on the general purpose financial statements (combined statements - overview), are captioned "Management 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. Further, it is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**F. Budgets and Budgetary Information:**

The budget for the City Court is formulated by the City Clerk, and presented to the City Judge for his approval prior to the beginning of each year. Upon approval by the City Judge, the budget is adopted. All budgetary appropriations lapse at the end of each year.

**G. Encumbrances:**

The Natchitoches City Court does not employ "Encumbrances" in its accounting system.

**3. Pension Plans:**

The City Judge is a member of the Louisiana Employees Retirement System. In addition to personal deductions from his compensation, the Court contributes to the retirement system on his behalf. Total pension plan costs for 1995 for the City Court totaled \$5,925. The Clerk and Deputy Clerk are members of the Louisiana Municipal Employees Retirement System, and are covered through the City of Natchitoches. The City Court does not guarantee the benefits granted by either of these retirement systems. The information necessary for full disclosure under GASB Codification Section 330 was unavailable at statement date.

**3. Changes in General Fund Assets:**

The following is a summary of changes in the general fund assets account balances during the fiscal year:

*Thomas, Thomas & Cunningham*

*Chartered Accountants*

Exhibit 11-1

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*City of Natchitoches, Louisiana*  
*City Court of Natchitoches, Louisiana*  
*Report of Compliance with Government Auditing Standards*

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Baton Rouge, Louisiana 70802  
Phone: 337-782-1100  
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**COMPLIANCE REPORT BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED BY AN ACCOUNTANT WITH GOVERNMENT AUDITING STANDARDS**

Honorable Fred A. Gaskoyne  
City Court of Natchitoches  
P. O. Box 33  
Natchitoches, LA 71458

We have audited the general purpose financial statements of the City Court of Natchitoches, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended December 31, 1996, and have issued our report thereon dated March 18, 1997.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the Louisiana Governmental Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements being audited are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the City Court of Natchitoches, Louisiana, is the responsibility of the Court's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the Court's compliance with certain provisions of laws, regulations, and contracts. However, 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 tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report, which, upon delivery to the City Court of Natchitoches, Louisiana, is a matter of public record.

*Thomas, Thomas & Cunningham*  
Thomas, Thomas & Cunningham, C.P.A.s

March 18, 1997  
Natchitoches, Louisiana

City Court of Washitashoban, Louisiana  
Notes to Financial Statements  
December 31, 1996

	Balance 12-31-95	Additions	Deletions	Balance 12-31-96
Land	\$ 0	\$ 0	\$0	\$ 0
Building	0	0	0	0
Equipment	34,552	35,847	0	70,399
Total	\$34,552	\$35,847	\$0	\$70,399

4. Changes in Long-Term Debt:

The following is a summary of long-term debt transactions during the fiscal year:

Balance at 1-1-96	\$ 4,848
Long-Term Debt Incurred	8,080
Principal Payments During 1996	18,731
Balance at 12-31-96	\$2,197

The long-term debt consists of a lease-purchase agreement for the first computer system. The second computer is financed through a bank for 3 years @ 7.25% interest. The first agreement is for a five-year term and carries 17.50% interest. Both are paid monthly according to their respective amortization schedules.

The annual requirements to amortize all debt outstanding as of December 31, 1996 are as follows:

General Obligations

1997	\$4,807
1998	3,107
1999	2,939
Total	\$10,853

This does not include a total of \$875 in interest obligations required as part of the amortization agreements.

5. Equipment Paid by Other Governmental Units:

The Clerk of City Court is paid by the City of Washitashoban, and by the Washitashoban Parish Police Jury. All other employees of the Court, with the exception of the Judge, are paid by the City of Washitashoban.

City Court of Metairie, Louisiana  
Notes to Financial Statements  
December 31, 1996

6. Cash and Investments:

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. At December 31, 1996, the City Court had cash equivalents totaling \$86,656. Cash and cash equivalents are stated at cost, which approximates market. Money market accounts, these deposits must be secured by federal deposit insurance, or by the pledge of securities owned by the bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the bank. The deposits at December 31, 1996, were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Unsecured</u>
Cash and Cash Equivalents	\$86,656	\$86,656	\$0

7. Other Postemployment Benefits:

The City Court has no postemployment benefits plan.

8. Leases:

The City Court is a party to one lease, which is a cancellable operating lease for building space.

9. Related Party Transactions:

There were no identified related party transactions for the year ended December 31, 1996.

FINANCIAL STATEMENTS OF THE FEDERAL BUREAU  
OF INVESTIGATION



**BUDGETAL FUND**

To account for the general operation of the City Court. The various fees and charges due to the City Court are accounted for in this fund, and the general operating expenses of the Court are paid from this fund.

City Court of Natchitoches  
Natchitoches, Louisiana

Judicial Fund  
Balance Sheets  
December 31, 1996 and 1995

	Assets	1996	1995
Cash			
Accounts Receivable		\$2,932	\$2,694
Due from Civil Fund		0	491
		...82	...82
<b>Total Assets</b>		<b>\$3,814</b>	<b>\$3,667</b>
<b>Liabilities &amp; Fund Balance</b>			
<b>Liabilities:</b>			
Accounts Payable		\$1,745	\$1,696
<b>Fund Balance:</b>			
Unreserved-Undesignated		0	0
Reserved for Debt Retirement		1,269	1,771
Reserve		...8	...8
<b>Total Liabilities &amp; Fund Balance</b>		<b>\$3,814</b>	<b>\$3,667</b>

City of New Orleans  
New Orleans, Louisiana

Actual Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Fiscal Year Ended December 31, 1996  
With Comparative Amounts From Year Ended December 31, 1995

	1996			1995 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>REVENUES</b>				
Intergovernmental	\$17,000	\$19,115	\$ (2,115)	\$17,000
Charges for Services	40,000	40,736	736	39,933
Miscellaneous	4,000	1,204	2,796	4,833
<b>Total Revenues</b>	<b>\$61,000</b>	<b>\$61,055</b>	<b>\$ (545)</b>	<b>\$61,766</b>
<b>EXPENDITURES</b>				
Current:				
General Administration				
Salaries & Fees	109,000	102,173	\$ (6,827)	106,578
Retirement	8,000	9,925	1,925	8,122
Travel	4,500	4,232	268	3,900
Supplies	10,000	10,605	605	9,814
Rent	1,000	1,200	200	1,700
Insurance	500	700	200	1,700
Payroll Taxes	1,000	924	76	700
Utilities & Telephone	5,000	5,328	328	481
Repairs	300	40	260	4,400
Miscellaneous	6,500	5,767	733	5,329
Capital Expenditures	17,500	16,947	553	400
Debt Service:				
Principal	3,500	3,711	211	3,400
Interest	1,000	381	619	952
<b>Total Expenditures</b>	<b>\$146,800</b>	<b>\$137,847</b>	<b>\$ (8,953)</b>	<b>\$137,832</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (85,800)	\$ (76,792)	\$ (9,008)	\$ (76,066)
Other Financing Sources (Uses):				
Long Term Debt Proceeds	9,000	9,000	0	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ (67,792)	\$ (67,792)	\$ (76,066)
Fund Balance Beginning of Year	1,231	1,231	0	1,881
Fund Balance End of Year	<b>\$ 1,231</b>	<b>\$ 5,439</b>	<b>\$ 4,208</b>	<b>\$ 1,815</b>

See notes to financial statements.

## SECRETARY (FIM) (YIP)

### Agency Fund-

**Civil Fund-** This fund is used to account for advances deposits on suits filed by 10 judges. The advances are refundable to the 10 judges after all costs have been paid.

City Court of Natchitoches  
Natchitoches, Louisiana

Civil Fund  
Balance Sheets  
December 31, 1996 and 1995

	Assets	1996	1995
Cash			
Accounts Receivable		\$81,778	\$74,962
		— 0	0
Total Assets		\$81,778	\$74,962
<b>Liabilities &amp; Fund Equity</b>			
<b>Liabilities:</b>			
Accounts Receivable		\$ 7,876	\$ 8,511
Unsettled Deposit Balances		77,802	66,450
Due to Judicial Fund		— 82	— 82
Total Liabilities		\$81,778	\$74,962
Fund Equity:		— 0	— 0
Total Liabilities & Fund Equity		\$81,778	\$74,962

See notes to financial statements.

City Court of Natchitoches  
Natchitoches, Louisiana

Civil Fund  
Statements of Changes in Deposit Balances  
Years Ended December 31, 1996 and 1995

	1996	1995
Deposit Balances at Beginning of Year	\$ 69,269	\$ 55,243
Additions:		
Deposits Made During the Year	152,212	139,489
Sub-Total	\$221,481	\$194,732
Deductions:		
Refunds & Settlements	\$ 33,291	\$ 45,309
City Marshal's Fees	34,881	36,511
Judge's Fees	43,821	39,408
Revenue	4,695	3,434
Other Fees & Costs	12,244	12,319
Judge's Compensation Fund	8,712	8,181
Total Deductions	\$137,645	\$145,162
Deposit Balances at End of Year	\$ 83,836	\$ 49,581

See notes to financial statements.

GENERAL FUND ASSETS ACCOUNT GROUP

To account for fiscal assets used in the governmental type fund operations.

City Court of Metairie, Louisiana  
Notes to Financial Statements  
December 31, 1996

**fiduciary Fund Type Agency Fund:**

**Civil Fund:** The Civil Fund is used to account for assets held in an agent for individuals and other parties. Agency funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

**B. Fixed Assets and Long-Term Liabilities:**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund. These assets are recorded as expenditures in the governmental fund when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

Long-term liabilities reported to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, and not in the governmental fund.

The two account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with measurement of results of operations.

**C. 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 refers to the timing of the measurement made, regardless of the measurement focus applied.

Both the Governmental and the Agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting, when the related fund liability is incurred. Purchase of various operating supplies are reported as expenditures at the time purchased.



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CITY COURT OF NATCHEZ, MISSISSIPPI  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 1966

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*Houma, Louisiana*  
*Capital City Auditor*

*City of Houma, Louisiana, General Fund*  
*and*  
*City of Houma, Louisiana, Special Funds*  
*and*  
*City of Houma, Louisiana, Special Revenue Funds*

*For the Year Ended*  
*December 31, 1996*  
*1996/1997*  
*5, 200 (10/1/97)*

**INDEPENDENT AUDITOR'S REPORT**

Honorable Fred N. Gillingham, Judge  
City Court of Marshfield  
P. O. Box 78  
Marshfield, LA 71457

We have audited the general purpose financial statements of the City Court of Marshfield, Louisiana, and the individual fund and account group financial statements of the Court as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the City Court's management. 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, the standards for financial and compliance audits contained in Governmental Auditing Standards, issued by the U.S. General Accounting Office, and the Louisiana Governmental Audit Guide. 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 financial statements presentation. 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 Marshfield, Louisiana, as of December 31, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also in our opinion, the individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of the individual funds and account groups of the City Court of Marshfield, Louisiana, as of December 31, 1996, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition 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 grant or purpose financial statements.

*\* Lack of Separation of Duties*

*Findings:*

Due to lack of personnel, there is no separation of duties for accounting purposes. This lack of separation constitutes a material weakness in internal control.

Since the cost of an internal control system should not outweigh the benefits, we cannot recommend additional personnel and thus have no recommendation in this area.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the grant or 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 we also considered to be material weaknesses as defined above. However, we believe that the reportable condition marked with an asterisk (\*) above constitutes a material weakness.

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the 1993 financial statements. This report does not affect our opinion on the December 31, 1993, financial statements dated March 30, 1997.

This report is intended solely for the use of management, and should not be used for any other purpose. This report does not intend to limit the distribution of this report, which, upon acceptance by the City Court of Natchitoches, Louisiana, is a matter of public record.

*Edmond, Duran, & Cummings, LLP*  
Edmond, Duran & Cummings, LLP

March 18, 1997  
Natchitoches, Louisiana

*Thomas A. Hoover & Associates*

*Chartered Public Accountants*

Exhibit B-1

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*City of Baton Rouge, LA, et al. - Applicant/Defendant*

*State of Louisiana, et al. et al. - Applicant/Defendant*

*City of Baton Rouge, LA, et al. - Applicant/Defendant*

2007 Annual Report

Metairie, Louisiana 70002

504.285.8800

504.285.2244

**AUDITORS' REPORT ON THE INTERNAL CONTROL  
STRUCTURE IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable Fred S. Gallegos  
City Court of Natchitoches  
P. O. Box 79  
Natchitoches, LA 71458

We have audited the general purpose financial statements of the City Court of Natchitoches, Louisiana, and the combining, individual fund and account group financial statements as of and for the year ended December 31, 1996, and have issued our report thereon dated March 18, 2007.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements covered by our report are free of material misstatement.

The management of the City Court of Natchitoches, Louisiana, 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 objective of an internal control structure is 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 aforementioned financial statements of the City Court of Natchitoches, Louisiana, as of and 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 financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.