

Advances and Advances

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The Springfield City-Court does not have business meetings for which minutes are maintained. We noted that a \$1 City Court Clerk was being paid in the two court checks in part of their compensation package. We further noted that Christmas bonuses were paid to the two clerks. Judge Robinson has considered this part of the salary package for these two clerks; however, after considering the wording of the list, he is in process of re-examining his payroll system, whereby these clerks will be paid on either a stipend basis, or monthly pay scale.

We were not equipped to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of Springfield City-Court and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose. However, this report is a matter of public record and in that fact we is not limited.


Certified Public Accountant

December 22, 1997

Budgeting

4. Obtain a copy of the legally adopted budget and all amendments.

No budget is required by law for city courts.

5. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

Not applicable.

Accounting and Reporting

8. Randomly select 8 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payments were for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

We found all payments coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

We found that invoices were not being approved for payment, however, all checks were signed by one of the two (2) city clerks. These clerks are the individuals which have approval authorization from the judge.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by 15A-BJ 42:1 through 42:12 (the open meeting law).

Not applicable. No meetings except for court sessions.

Extr

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

However, we did note a lease-purchase agreement, whereby civil court software was financed over a twelve month period.

Jim H. Stevens, Jr. & Company, L.L.P.

Certified Public Accountants

289 E. Church Street
Springfield, Louisiana 70775

Jim H. Stevens, Jr., CPA

Bill W. Smith, CPA

Deight L. Page, CPA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable John Robinson, Judge
Springfield City Court
Springfield, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed to by the management of Springfield City Court and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Springfield City Court's compliance with certain laws and regulations during the year ended June 30, 1997 included in the accompanying Louisiana Statement of Economic. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$800,000, and determine whether such purchases were made in accordance with LSA-RS 18:111-1251 (public bid law).

No expenditures were made during the year for materials and supplies exceeding \$15,000, nor for public works exceeding \$800,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 43:104-1124 (the code of ethics), and a list of outside business interests of all board members and employees as well as their immediate family.

Management provided us with the required list including the needed information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included in the listing obtained from management in agreed-upon procedure (2) or immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2) except for Kristi Adams, employed as a temporary office clerk, who is listed as the daughter of Brady Adams, Court Clerk.

SPRINGHILL CITY COURT

Notes to Financial Statements June 30, 1997

6. COMMITMENTS AND CONTINGENT LIABILITIES

As of June 30, 1997, the Springhill City Court was not a party in any lawsuits as plaintiff or defendant.

7. RETIREMENT COMMITMENTS

Louisiana State Employees' Retirement System

A. Plan Description

The Judge participates in the Louisiana State Employees' Retirement System ("LASERS"), a statewide single-employer public-employee retirement system, providing retirement and other benefits for employees of the State and its various departments and agencies and their beneficiaries. All state employees except certain classes of employees specifically excluded by statute become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Elected officials and officials appointed by the Governor may, at their option, become members of LASERS.

The required years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job-classification.

The basic annual retirement benefit for substantially all members is equal to 2.0% of average compensation multiplied by the number of years creditable service plus \$200.00. Average compensation is defined as the member's average annual earned compensation for the thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. Judges, Court Officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by calling the LASERS office at 1-800-236-3000.

B. Funding Policy

Members are required by the State to contribute 11.7% of their annual covered salary, and the Court is required to contribute 12.4% of the annual covered salary. The contribution rates are derived by Louisiana Revised Statute 11:301. The required contribution for the year ended June 30, 1997, was \$7,654.93. All required contributions were made.

8. ECONOMIC DEPENDENCY

All revenues collected for Court Costs are received from the Springhill Ward Marshall's office. These revenues are reported in the operations of the office of the Springhill City Court.

SPRINGHILL CITY COURT

Notes to Financial Statements June 30, 1997

2. CASH

At June 30, 1997, the carrying amount of the Court's cash deposits total \$67,172 and the bank balance is \$61,700.61. The deposits are in demand deposit accounts. Under state law, the deposits must be covered by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 1997, the Court has \$67,172 in deposits, which are fully covered from risk by federal deposit insurance.

3. DEPOSITS FROM PLAINTIFFS, GARNISHMENTS AND NON-SUFFICIENT FUND CHECKS COLLECTED

The deposits from plaintiffs, garnishments and non-sufficient fund checks, referred to in the balance sheet as liabilities to agency funds collected, include unknown amounts which have not been disbursed to the Springhill City Court in past years. Management is in the process of computing such amounts for disbursement to the general fund.

4. CHANGES IN GENERAL FIXED ASSETS

General fixed assets are comprised of office furnishings and equipment. The changes in general fixed assets are as follows:

Balance, July 1, 1996	56,217
Additions	6,552
Balance, June 30, 1997	<u>62,769</u>

5. LEASES

The Court records items under capital leases as assets and obligations in the accompanying financial statements. During the year, the Court entered into a capital lease for Civil Court fixtures.

Changes in general long-term debt are as follows:

Balance, July 1, 1996	1,900
Lease purchase during the year	3,879
Principal payments during the year	6,609
Balance, June 30, 1997	<u>1,170</u>

The following is a summary of future minimum lease payments at June 30, 1997:

1998	5,036
1999	211
Total minimum lease payments	5,247
Less: amount representing interest	719
Present value of future minimum payments	<u>4,528</u>

(Continued)

SPRINGHILL CITY COURT

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets and General Long-term Debt Account Groups

General Fixed Assets and Long-term Liabilities. The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund-type operations for general purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of acquisition. No depreciation has been provided on gross of fixed assets.

The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

General Long-term Debt. The General Long-term Debt Account Group is used to account for long-term liabilities to be financed from general fund funds.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Fund Types 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 these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by the General Fund. Under the modified accrual basis of accounting, revenues are recognized when measurable in amount (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 be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Budgets. A budget is not required to be adopted by the City Court.

Compensated Absence and Pension Plan. Court employees are compensated by the City of Springhill, Louisiana, the Webster Parish Police Jury, and the Court, as provided by Louisiana Revised Statutes. The Court follows the same guidelines as the City of Springhill. Vacation time which is not taken within one year of the employee's anniversary date is forfeited. Vacation time is earned and is paid to the employee upon termination. Sick pay is lost upon termination and, therefore, is not subject to accrual. As of June 30, 1997, the liability for accrued vacation time is \$71.24.

Pension Plan. The Ward Marshall and court employees and are covered by either the Municipal Police Employees' Retirement System or the Municipal Employees' Retirement System. Funding for these individuals are accounted for by the City of Springhill, Louisiana.

The Judge is covered under the Louisiana State Employees' Retirement System.

Total Columns on Combined Statements. Total columns on the combined statements are captioned "Measurement Only" to indicate that they are presented only to facilitate financial analysis. Items 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.

(Continued)

SPRINGHILL CITY COURT

Notes to Financial Statements

June 30, 1997

The Springhill City Court was created under authority of Revised Statute 13:1871. The office of Ward Marshall was created as part of Springhill City Court under authority of Revised Statute 13:1873.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying, general purpose financial statements of Springhill City Court have been prepared in conformity with generally accepted accounting principles as applied to governmental work. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity. These financial statements include all funds and account groups over which the Court exercises control, authority, management, influence or accountability. Control by or influence by the Court was determined on the basis of authority or trust, debt, election or appointment of the governing body, and general oversight responsibility.

The Springhill City Court is a potential component unit of the City of Springhill, Louisiana. However, the Springhill City Court is a separate reportable entity from the City of Springhill because it is essentially an autonomous unit. The judge, an elected official, has the ability to exercise oversight responsibility regarding operations and accountability for fiscal matters. The Springhill City Court is financially independent of the City of Springhill, Louisiana.

Fund Accounting. The accounts of the Springhill 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 is accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The account groups, on the other hand, are financial reporting devices designed to provide accountability for certain assets that are not recorded in the fund because they do not directly affect net expendable available financial resources and to provide accountability for long-term liabilities to be financed from the general fund. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and classes by which spending activities are controlled. The following funds and account groups are used by the Court:

Government Fund -

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

Proprietary Funds -

Agency Funds. Agency funds are used to account for assets held by Springhill City Court as an agent for other governmental departments, other organizations and other funds. Agency funds are contained in various (trust) special liabilities and do not involve measurement of results of operations.

(Continued)

SPRINGHILL CITY COURT

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Fund Type
For the Fiscal Year Ended June 30, 1997

	Governmental Fund Type
	General Fund
Revenues	
Court costs	33,750
Supervision fees	22,556
Interest	549
Total revenues	56,855
Expenditures	
Current:	
General government	81,295
Capital outlay:	
Current expenditures	6,660
Debt service:	
Principal retirement	4,691
Interest	3,344
Total expenditures	96,290
Excess of Revenues Over Expenditures	(39,435)
Other Financing Sources	
Capital loans	52,751
Excess of Revenues and Other Financing Sources Over Expenditures	(15,176)
Fund Balance at Beginning of Year	42,473
Fund Balance at End of Year	41,956

See accompanying notes to financial statements.

SPRINGHILL CITY-COUNTY

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1997

	Governmental Fund Type	Fiduciary Fund Type	Account Groups		Total (Governmental Only)
			General Fund, Assets	Special Long- term Debt	
Assets and Other Debits					
Cash	44,928	12,540			57,468
Fund assets			41,153		41,153
Amounts to be provided for capital lease				5,118	5,118
Total assets and other debits	<u>44,928</u>	<u>12,540</u>	<u>41,153</u>	<u>5,118</u>	<u>104,739</u>
Liabilities, Equity and Other Credits					
Liabilities					
Accounts payable	2,875				2,875
Due to other governments		2,875			2,875
Deposits due plaintiffs		11,050			11,050
Guarantees and stocks sold/col		1,711			1,711
Capital lease				5,118	5,118
Total liabilities	<u>2,875</u>	<u>15,646</u>		<u>5,118</u>	<u>23,639</u>
Equity and Other Credits					
Investment in general fund assets			60,263		60,263
Fund balance:					
Unappropriated/undesignated	42,044				42,044
Total equity and other credits	<u>42,044</u>		<u>60,263</u>		<u>102,307</u>
Total liabilities, equity and other credits	<u>45,819</u>	<u>15,646</u>	<u>60,263</u>	<u>5,118</u>	<u>119,693</u>

Jim H. Stevens, Jr. & Company, L.L.P.
Certified Public Accountants

209 E. Church Street
Springhill, Louisiana 71305

Jim H. Stevens, Jr., CPA
Bill W. Smith, CPA
Douglas L. Pugh, CPA

ACCOUNTANTS' COMPILATION REPORT

To the Honorable John Robinson, Judge
Springhill City Court
Springhill, Louisiana

We have compiled the general purpose financial statements as listed in the accompanying table of contents of the Springhill City Court as of and for the year ended June 30, 1997, in accordance with Statements for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.


Certified Public Accountants

December 22, 1997

SPRINGHILL CITY COURT
Springhill, LA

GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

AFFIDAVIT

Personally came and appeared before the undersigned authority, John Robinson, Judge of Springhill City Court, who, duly sworn, deposes and says that the financial statements herewith given present fairly the financial position of the Springhill City Court as of June 30, 1997, and the results of operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Signature

Sworn to and subscribed before me, this 30th day of December, 1997.



NOTARY PUBLIC

Chief Executive Officer:	John Robinson, Judge
Address:	P.O. Box 86 Springhill, LA 71075
Telephone No.:	318-558-9124

TRANSMITTAL LETTER

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

December 22, 1997

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1600 North Third Street
Post Office Box 94307
Baton Rouge, Louisiana 70804-9437

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the general purpose financial statements, with supplemental information schedules, for the Springhill City Court as of and for the year ended June 30, 1997. The report includes all funds under the control and authority of the Springhill City Court. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,



Judge

SPRINGHILL CITY COURT

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NO MORE BOND OUT

Springhill, Louisiana

Check necessary
before fees are
paid and PLACE
DATE IN FILE

FILED

FINANCIAL STATEMENTS

June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity 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: FEB 17 1998