

SEP 19 11 9 AM

2104  
98800322

CITY COURT OF BOSSIER CITY, a component  
unit of the City of Bossier City, Louisiana

Financial Statements

December 31, 1997

(With Independent Auditor's Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the subject, 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: 09/19/98

INDEPENDENT AUDITORS' REPORT

Honorable Mike Daniel, 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, 1997. 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 the standards applicable to financial audits contained in 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 statements 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, 1997, 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 5, 1998, on our consideration of the City Court of Bossier City's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

*KPMG Peat Marwick LLP*

March 5, 1998

**CITY COUNT OF BOSSIER CITY, a component unit  
of the City of Bossier City, Louisiana**

**General Fund**

**Balance Sheet**

**December 31, 1997 and 1996**

Assets	General Fund	Court Plans Agency Fund	Totals	
			(Minimums Only) 1997	1996
Cash	\$ 348,258	79,328	328,578	218,818
Investments	<u>137,800</u>	—	<u>137,800</u>	<u>137,800</u>
<b>Total assets</b>	<b>\$ <u>486,058</u></b>	<b><u>79,328</u></b>	<b><u>406,328</u></b>	<b><u>356,618</u></b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 8,828	—	8,828	—
Deferred revenue	98,827	—	98,827	94,080
Due to City of Bossier City	6,824	41,124	47,948	27,904
Due to other government entities:				
City Marshal	—	4,480	4,480	2,480
Other	—	<u>30,124</u>	<u>30,124</u>	<u>18,518</u>
<b>Total liabilities</b>	<b><u>114,509</u></b>	<b><u>76,328</u></b>	<b><u>190,832</u></b>	<b><u>143,342</u></b>
Fund balance - unreserved - undesignated	<u>269,341</u>	—	<u>269,341</u>	<u>213,276</u>
<b>Total liabilities and fund balance</b>	<b>\$ <u>383,850</u></b>	<b><u>76,328</u></b>	<b><u>460,178</u></b>	<b><u>356,618</u></b>

See accompanying notes to financial statements.

**CITY COURT OF BOSSIER CITY, a component unit  
of the City of Bossier City, Louisiana**

**General Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balance**

Years ended December 31, 1997 and 1996

	1997	1996
<b>Revenues:</b>		
Fees and charges for services	\$ 276,606	264,308
Interest income	<u>18,326</u>	<u>8,831</u>
<b>Total revenues</b>	<u>294,932</u>	<u>273,139</u>
<b>Expenditures - current:</b>		
<b>General government:</b>		
Travel, lodging, and meals	41,299	15,140
Supplemental salaries	91,092	72,821
Other operating	31,480	43,867
<b>Payments to:</b>		
Marshal/Sheriff	44,365	45,461
Louisiana Judge's Fund	29,825	38,532
City of Bossier City	<u>6,824</u>	<u>—</u>
<b>Total expenditures</b>	<u>284,819</u>	<u>284,021</u>
<b>Excess of revenues over expenditures</b>	22,173	30,028
<b>Fund balance, beginning of year</b>	<u>289,568</u>	<u>189,580</u>
<b>Fund balance, end of year</b>	<u>\$ 311,741</u>	<u>219,608</u>

See accompanying notes to financial statements.

CITY COURT OF BOSSIER CITY, a component unit  
of the City of Bossier City, Louisiana

Court Fees Agency Fund

Statement of Changes in Assets and Liabilities

For the year ended December 31, 1997

	January 1, 1997	Additions	Deductions	December 31, 1997
<b>Assets</b>				
Cash	\$ <u>49,243</u>	<u>1,853,873</u>	<u>1,808,788</u>	<u>79,328</u>
<b>Liabilities</b>				
Due to City of Bossier City	\$ 27,834	931,600	918,400	41,034
Due to other government entities:				
City Marshal	2,400	39,180	37,100	4,480
Other	<u>18,938</u>	<u>411,093</u>	<u>406,288</u>	<u>25,733</u>
	\$ <u>49,243</u>	<u>1,031,873</u>	<u>1,061,788</u>	<u>79,328</u>

See accompanying notes to financial statements.

**CITY COURT OF BOSSIER CITY, a component unit  
of the City of Bossier City, Louisiana**

**Notes to Financial Statements**

**December 31, 1997**

**11) 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 fiscally 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 serves the territory 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 benefit/burden relationship. In addition, an organization which is fiscally 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 basis 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 BOSSIER CITY, a component unit  
of the City of Bossier 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 behavior of expendable financial resources and the related liabilities are accounted for through governmental funds. All governmental funds are accounted for on a spending management basis where the focus is upon determination of change in financial position rather than upon net income determination.

Fees received from the Court fees clerk and investment earnings are recorded as earned since they are measurable and available. All other fees 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 fixed 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 case paid by filers 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 prepared with these financial statements.

CITY COURT OF BOSSIER CITY, a component unit  
of the 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, 1997, the carrying amount of the Court's deposits was \$228,578, and the bank balance was \$208,919. This difference is due to outstanding checks at December 31, 1997. All deposits were insured by the Federal Deposit Insurance Corporation or collateralized with securities held in the Court's name by the trust department of a bank other than the pledging bank at December 31, 1997.

Investments are comprised of various certificates of deposit purchased by the 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 statutes authorize 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.



**Report on Compliance and on Internal Control  
Over Financial Reporting Based on an Audit of  
Financial Statements Performed in Accordance  
With Government Auditing Standards**

The Honorable Miles Canfield, Judge  
City Court of Bossier City, Louisiana

We have audited the financial statements of the City Court of Bossier City, Louisiana (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 6, 1996. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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 over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Court in a separate letter dated March 6, 1996.

This report is intended for the information of the 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 6, 1998

March 8, 1998

The Honorable Mike Daniel, 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, 1997, and have issued our report thereon dated March 8, 1998. 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. Furthermore, our audit, including the limited inquiries we made in connection with the Year 2000 issue, was not designed to, and does not, provide any assurance that a Year 2000 issue which may exist will be identified, or the adequacy of the Court's remediation plans related to Year 2000 financial or operational issues, or on whether the Court is or will become Year 2000 compliant. Year 2000 compliance is the responsibility of management.

#### **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 or 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.

The Honorable Mike Daniel, Judge  
City Court of Houma City, Louisiana  
March 6, 1998  
Page 3

#### **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, 1997, financial statements.

#### **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. 80, *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.

\* \* \* \* \*

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*