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**CITY COURT AND CITY MARSHALL
OF JENNINGS, LOUISIANA**

**Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules**

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 4 1999

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules**

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INDEPENDENT AUDITOR'S REPORT

Honorable Steve Gunnell,
Honorable Clarence Cormier, Jr.
And the Members of the City Council
City of Jennings, Louisiana

I have audited the accompanying general purpose financial statements that do not include a statement of revenues, expenditures, and changes in fund balance –budget and actual, for the general fund of the City Court and City Marshall of the City of Jennings, Louisiana (City Court and City Marshall), a component unit of the City of Jennings, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City Court and City Marshall, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

The City Court and City Marshall, did not adopt a budget for the General Fund for the fiscal year ending June 30, 1998, as required under Louisiana law. Therefore, the accompanying financial statements due not include a statement of revenues, expenditures, and changes in fund balances – budget and actual, for the general fund. Presentation of such statements for those governmental funds for which budgets are legally mandated is required by generally accepted accounting principles.

In my opinion, except for the omission of the statement of revenues, expenditures, and changes in fund balances –budget and actual that results in an incomplete presentation as explained in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City Court and City Marshall, as of June 30, 1998 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 28, 1998, on my consideration of the City Court's and City Marshall's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, except for the effects on the general fund of not presenting budgetary comparisons as discussed in the third paragraph above, such information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountant

Jennings, Louisiana
December 28, 1998

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

ALL FUND TYPES
COMBINED BALANCE SHEET
AS OF JUNE 30, 1998

	Governmental Funds - General Funds	Fiduciary Funds - Agency Funds	Total (Memorandum Only)
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 14,344	\$ 42,048	\$ 56,392
Due from other funds	4,083	325	4,408
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 18,427</u>	<u>\$ 42,373</u>	<u>\$ 60,800</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 2,092	\$ -	\$ 2,092
Due to other funds	325	4,083	4,408
Due to others	-	38,290	38,290
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,417</u>	<u>42,373</u>	<u>44,790</u>
Fund Balance:			
Unreserved-undesignated	<u>16,010</u>	<u>-</u>	<u>16,010</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 18,427</u>	<u>\$ 42,373</u>	<u>\$ 60,800</u>

The accompanying notes are an integral part of this statement.

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1998**

	<u>General Funds</u>
REVENUES	
Fees, charges, and commissions for services:	
Court costs, fees and fines	\$ 39,783
Miscellaneous	504
Bond forfeitures	<u>1,176</u>
 Total revenues	 <u>41,463</u>
EXPENDITURES	
General government:	
Personal services and related benefits	3,360
Operating services	29,519
Materials and supplies	<u>9,243</u>
 Total expenditures	 <u>42,122</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(659)</u>
FUND BALANCE AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	15,716
 Prior Period Adjustment	 <u>953</u>
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	<u>16,669</u>
FUND BALANCE AT END OF YEAR	<u>\$ 16,010</u>

The accompanying notes are an integral part of this statement.

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

Notes to the Financial Statements As of and for the Year Ended June 30, 1998

INTRODUCTION

The City Court was created under the authority of LSA-RS 13:1871 – 2512. The City Court of Jennings, Louisiana, has one elected judge and one elected marshal.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the City Court and City Marshall of Jennings, Louisiana 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.

B. REPORTING ENTITY

The city court judges and marshals are independently elected officials. However, the City Court is fiscally dependent on the City of Jennings for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the City Court is fiscally dependent on the city, the City Court was determined to a component unit of the City of Jennings, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and City Marshall and do not present information on the City of Jennings, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The City Court and City Marshall use 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 aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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 of the City Court and City Marshall are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

Notes to the Financial Statements As of and for the Year Ended June 30, 1998

General Fund

The General Fund is the principal fund of the City Court and City Marshall and accounts for its operations. The various fees and fines due to the City Court and City Marshall are accounted for in this fund.

Agency Funds

Agency funds account for assets that are held by the City Court and City Marshall in a custodial capacity pending their transfer to the proper recipient, as provided by Louisiana law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. 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. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues such as court costs, fees, and fines are recognized when susceptible to accrual (i.e. when they are "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. The City Court and City Marshall considers all revenues available when collected and are recognized as revenue at that time.

Expenditures

Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

E. BUDGET PRACTICES

The City Court and City Marshall did not adopt a budget for the fiscal year ending June 30, 1998, as required under Louisiana law. Therefore the accompanying financial statements do not include a statement comparing budget to actual operating results.

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

Notes to the Financial Statements As of and for the Year Ended June 30, 1998

F. ENCUMBRANCES

The City Court and City Marshall does not utilize encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law the City Court and City Marshall may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. As of June 30, 1998, the City Court and City Marshall did not have any fixed assets, acquired with its separate funds, required to be accounted for in the general fixed assets account group. General fixed assets provided by the City of Jennings are not recorded within the general fixed assets account group of the City Court and City Marshall.

I. COMPENSATED ABSENCES

The City Court's and City Marshall's policy is that sick leave and vacation leave does not accumulate or vest from year to year. Sick leave and vacation leave is available only during each employee's tenure, annually, and is not payable upon retirement or termination.

Vacation time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the general fund. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these long-term amounts.

As of June 30, 1998, the City Court and City Marshall did not have a liability for compensated absences paid directly out of the General Fund.

J. TOTAL COLUMNS ON STATEMENTS

Total columns on the 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 or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1998**

2. CASH AND CASH EQUIVALENTS

At June 30, 1998, the City Court and City Marshall has cash (book balances) totaling \$ 56,392 as follows:

Cash on hand	\$ 202
Demand deposits	56,190
Interest-bearing demand deposits	0
Certificates of deposits	0
	<hr/>
	\$ 56,392
	<hr/> <hr/>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, the City Court and City Marshall has \$ 59,445 in deposits (collected bank balances). These deposits are secured from risk by \$ 59,445 of federal deposit insurance and \$ 0, of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court and City Marshall that the fiscal agent has failed to pay deposited funds upon demand.

3. PENSION PLAN

Plan Description. Substantially all employees of the City Court and City Marshall are members of the Municipal Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Court and City Marshall are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years of creditable

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1998**

service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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 writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the City Court and City Marshall is required to contribute at an actuarially determined rate. The current rate is 2.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City Court and City Marshall are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City Court and City Marshall contributions to the System under Plan B for the years ending December 31, 1998, 1997, and 1996, were \$0, \$0, \$0, respectively, equal to the required contributions for each year.

4. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled balances follows:

Agency fund:	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Criminal Fund	\$ 17,186	\$ 138,865	\$ 140,752	\$ 15,299
Civil Fund	14,377	48,965	42,662	20,680
Garnishment Fund	4,461	64,695	68,206	950
Bond Fund	2,992	8,826	6,374	5,444
Total	\$ 39,016	\$ 261,351	\$ 257,994	\$ 42,373

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1998**

5. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 1998, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Funds:		
Criminal Fund	\$ 3,206	\$ 22
Civil Fund	412	303
Marshall's Fund	465	0
Agency Funds:		
Criminal Fund	22	3,671
Civil Fund	28	412
Garnishment Fund	275	0
Total	<u>\$ 4,408</u>	<u>\$ 4,408</u>

6. EXPENDITURES OF THE CITY COURT AND CITY MARSHALL PAID BY THE CITY OF JENNINGS

Certain operating expenditures of the City Court and City Marshall are paid by the City of Jennings, as required under Louisiana law, and are not included in the accompanying financial statements. Specifically, the City of Jennings maintains and operates the city courtroom and office in which the City Court's and City Marshall's offices are located. The City of Jennings also pays the salaries and benefits of certain employees and also pays a portion of operating expenses of the court. The total amount of these expenditures were not available and therefore are not included in the accompanying financial statements.

7. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The City Court and City Marshall have not inventoried computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting operations. It is unknown as of June 30, 1998, what effects, if any, failing to remediate any such systems will have upon the City Court's and City Marshall's operations and financial reporting.

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1998**

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City Court and City Marshall are or will be Year 2000 ready, the City Court and City Marshall remediation efforts will be successful in whole or in part, or that parties with whom the City Court and City Marshall do business with will be Year 2000 ready.

8. PRIOR PERIOD ADJUSTMENT

In the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance, a prior period adjustment was made to the beginning fund balance to account for the inclusion of the Civil Fund portion of the General Fund which was excluded from previous years financial statements. Implementation of this change caused beginning fund balance to increase \$953.

The beginning balance in the Schedule of Agency Funds Unsettled Balances at the Beginning of the Year (reported in Note 4) were also adjusted to account for the inclusion of the Civil Agency Fund which was excluded from previous years financial statements. Implementation of this change caused beginning unsettled balances to increase \$14,377.

SUPPLEMENTAL INFORMATION SCHEDULES

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 1998

	<u>Criminal Fund</u>		<u>Civil Fund</u>		<u>Marshall's Fund</u>		<u>Total</u>
ASSETS							
Cash and cash equivalents	\$ 11,013	\$	2,076	\$	1,255	\$	14,344
Due from other funds	<u>3,206</u>		<u>412</u>		<u>465</u>		<u>4,083</u>
 TOTAL ASSETS	 <u>\$ 14,219</u>	 \$	 <u>2,488</u>	 \$	 <u>1,720</u>	 \$	 <u>18,427</u>
 LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 2,092	\$	-	\$	-	\$	2,092
Due to other funds	<u>22</u>		<u>303</u>		<u>-</u>		<u>325</u>
 Total Liabilities	 <u>2,114</u>		 <u>303</u>		 <u>-</u>		 <u>2,417</u>
Fund Balance:							
Unreserved-undesignated	<u>12,105</u>		<u>2,185</u>		<u>1,720</u>		<u>16,010</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 14,219</u>	 \$	 <u>2,488</u>	 \$	 <u>1,720</u>	 \$	 <u>18,427</u>

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1998

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Marshall's Fund</u>	<u>Total</u>
REVENUES				
Fees, charges, and commissions for services:				
Court costs, fees and fines	\$ 27,130	\$ 5,402	\$ 7,251	\$ 39,783
Miscellaneous	504	-	-	504
Bond forfeitures	588	-	588	1,176
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	28,222	5,402	7,839	41,463
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
General government:				
Personal services and related benefits	-	3,160	200	3,360
Operating services	22,971	1,010	5,538	29,519
Materials and supplies	7,326	-	1,917	9,243
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	30,297	4,170	7,655	42,122
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<hr/> (2,075)	<hr/> 1,232	<hr/> 184	<hr/> (659)
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	14,180	-	1,536	15,716
	<hr/>	<hr/>	<hr/>	<hr/>
Prior Period Adjustment	-	953	-	953
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	14,180	953	1,536	16,669
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE AT END OF YEAR	\$ <u>12,105</u>	\$ <u>2,185</u>	\$ <u>1,720</u>	\$ <u>16,010</u>

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 1998**

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Garnishment Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 15,277	\$ 20,652	\$ 675	\$ 5,444	\$ 42,048
Due from other funds	22	28	275	-	325
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ <u>15,299</u>	\$ <u>20,680</u>	\$ <u>950</u>	\$ <u>5,444</u>	\$ <u>42,373</u>
LIABILITIES					
Due to other funds	\$ 3,671	\$ 412	\$ -	\$ -	\$ 4,083
Due to others	11,628	20,268	950	5,444	38,290
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	\$ <u>15,299</u>	\$ <u>20,680</u>	\$ <u>950</u>	\$ <u>5,444</u>	\$ <u>42,373</u>

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

FIDUCIARY FUNDS - AGENCY FUNDS COMBINING SCHEDULE OF CHANGES IN UNSETTLED BALANCES FOR THE YEAR ENDED JUNE 30, 1998

	Criminal Fund	Civil Fund	Garnishment Fund	Bond Fund	Total
UNSETTLED BALANCES AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 17,186	\$ -	\$ 4,461	\$ 2,992	\$ 24,639
Prior Period Adjustment	-	14,377	-	-	14,377
UNSETTLED BALANCES AT BEGINNING OF YEAR, AS RESTATED	<u>\$ 17,186</u>	<u>\$ 14,377</u>	<u>\$ 4,461</u>	<u>\$ 2,992</u>	<u>\$ 39,016</u>
ADDITIONS					
Civil Suits	-	48,965	-	-	48,965
Garnishments	-	-	64,695	-	64,695
Fines and court costs	138,865	-	-	-	138,865
Bonds	-	-	-	8,826	8,826
Total Additions	<u>138,865</u>	<u>48,965</u>	<u>64,695</u>	<u>8,826</u>	<u>261,351</u>
REDUCTIONS:					
Deposits settled to:					
Jennings City Court	27,570	4,964	-	1,063	33,597
City of Jennings	67,069	-	-	588	67,657
City Marshall	10,986	4,197	4,076	588	19,847
District Attorney	5,878	-	-	-	5,878
Indigent Defender Board	17,808	-	-	-	17,808
Other Agencies	11,441	-	-	588	12,029
Refunds	-	-	-	3,547	3,547
City Judge	-	24,286	-	-	24,286
Others	-	9,215	64,130	-	73,345
Total Reductions	<u>140,752</u>	<u>42,662</u>	<u>68,206</u>	<u>6,374</u>	<u>257,994</u>
UNSETTLED BALANCES AT END OF YEAR	<u><u>\$ 15,299</u></u>	<u><u>\$ 20,680</u></u>	<u><u>\$ 950</u></u>	<u><u>\$ 5,444</u></u>	<u><u>\$ 42,373</u></u>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Steve Gunnell,
Honorable Clarence Cormier, Jr.
And the Members of the City Council
City of Jennings, Louisiana

I have audited the general purpose financial statements of the City Court and City Marshall of the City of Jennings, Louisiana (City Court and City Marshall), a component unit of the City of Jennings, as of and for the year ended June 30, 1998, and have issued my report thereon dated December 28, 1998. I conducted my 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. In my report, my opinion was qualified because the financial statements did not include a statement of revenues, expenditures, and changes in fund balance –budget and actual, for the general fund.

Compliance

As part of obtaining reasonable assurance about whether the on City Court and City Marshall's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Governmental Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item number 1998-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City Court and City Marshall's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a certain matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect City Court and City Marshall's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item number 1998-2.

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 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. My consideration of the internal control over financial reporting would not necessarily

disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, I consider item 1998-1 and 1998-2 to be material weaknesses.

This report is intended for the information of the City Court's, management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant

Jennings, Louisiana
December 28, 1998

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1998

I have audited the financial statements of City Court and City Marshall of the City of Jennings, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated December 28, 1998. I conducted my 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. My audit of the financial statements as of June 30, 1998 resulted in an qualified opinion because the financial statements did not include a statement of revenues, expenditures, and changes in fund balance –budget and actual for the general fund.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses [X] Yes [] No Reportable Conditions [X] Yes [] No

Compliance Material to Financial Statements [X] Yes [] No

b. Federal Awards

Internal Control

Material Weaknesses [] Yes [] No Reportable Conditions [] Yes [] No

Type of Opinion On Compliance Unqualified [] Qualified []

For Major Programs Disclaimer [] Adverse []

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? [] Yes [] No

c. Identification of Major Programs:

CFDA Number (s)

Name of Federal Program (or Cluster)

Not applicable

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? [] Yes [] No

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1998

Section II Financial Statement Findings

1998-1 FAILURE TO ADOPT BUDGET –

CONDITION & RECOMMENDATION - Auditee failed to comply with the budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14). This was caused by the auditee's failure to adopt a budget and advertise that it was available for public inspection. I recommend that the auditee prepare and adopt a budget for the General Fund annually according to the requirements contained in the aforementioned statutes.

AUDITEE RESPONSE – We were unaware of this requirement. We will review the requirements of LSA-RS 39:1301-14 and implement the necessary procedures for the next applicable fiscal year end, June 30, 2000.

1998-2 INADEQUATE SEGREGATION OF DUTIES

CONDITION & RECOMMENDATION – There is an inadequate segregation of duties within the accounting department. This is due to the small number of employees employed by the auditee. Based on the size of the operations and the cost benefit of adding additional personnel, it may not be feasible to achieve complete segregation of duties. This condition also existed in previous years.

AUDITEE RESPONSE – No response is considered necessary.

Section III Federal Award Findings and Questioned Costs

No findings to report.

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1998**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/ Partial Corrective Action Taken</u>
SECTION I - Internal Control and Compliance Material to the Financial Statements:				
1997-1	N/A	Formal books not being kept for Civil Fund.	Yes, current year financial statements include this fund.	Not required.
1997-2	N/A	Inadequate segregation of duties.	No, not economically feasible	See current year finding 1998-2.
1997-3	N/A	Subsidiary ledger of bonds outstanding not reconciled.	Yes, current year records are reconciled.	Not required.

SECTION II - Internal Control and Compliance Material to Federal Awards:

No findings reported.

SECTION III - Management Letter:

1997-4	N/A	Salary and vehicle allowances with no withholdings.	No.	This is a minor issue requiring additional documentation on the part of the Marshall's office. No current year comment was made concerning this issue.
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CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

**Management's Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1998**

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
SECTION I - Internal Control and Compliance Material to the Financial Statements:				
1998-1	Failure to adopt budget.	See schedule of findings and questioned costs.	Judge Steve Gunnell and Marshall Clarence Cormier	Effective FYE 6/30/00
1998-2	Inadequate segregation of duties.	See schedule of findings and questioned costs.	Judge Steve Gunnell and Marshall Clarence Cormier	N/A

SECTION II - Internal Control and Compliance Material to Federal Awards:

No findings reported.

SECTION III - Management Letter:

No findings reported.