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

**Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 1999  
With Supplemental Information Schedules**

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Release Date FEB 09 2000

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

**Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended June 30, 1999  
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 Marshal of the City of Jennings, Louisiana (City Court and City Marshal), a component unit of the City of Jennings, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City Court and City Marshal, 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 Marshal, did not adopt a budget for the General Fund for the fiscal year ending June 30, 1999, as required under Louisiana law. Therefore, the accompanying financial statements do 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 Marshal, as of June 30, 1999 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 November 10, 1999, on my consideration of the City Court's and City Marshal'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  
November 10, 1999

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

**ALL FUND TYPES  
COMBINED BALANCE SHEET  
AS OF JUNE 30, 1999**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Group</u>	
	<u>General Funds</u>	<u>Agency Funds</u>	<u>General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,551	\$ 53,659	\$ -	\$ 62,210
Due from other funds	4,317	1,235	-	5,552
Property and equipment	-	-	2,446	2,446
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 12,868</b>	<b>\$ 54,894</b>	<b>\$ 2,446</b>	<b>\$ 70,208</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 864	\$ -	\$ -	\$ 864
Due to other funds	1,235	4,317	-	5,552
Unsettled deposits	-	50,577	-	50,577
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	2,099	54,894	-	56,993
	<hr/>	<hr/>	<hr/>	<hr/>
Equity and Other Credits:				
Investment in general fixed assets			2,446	2,446
Fund Balance:				
Unreserved-undesignated	10,769	-	-	10,769
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity and Other Credits	10,769	-	2,446	13,215
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 12,868</b>	<b>\$ 54,894</b>	<b>\$ 2,446</b>	<b>\$ 70,208</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

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

**GOVERNMENTAL FUNDS - GENERAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>General Funds</u>
<b>REVENUES</b>	
Fees, charges, and commissions for services:	
Court costs, fees and fines	\$ 35,512
Miscellaneous	528
Bond forfeitures	750
Intergovernmental Revenue	<u>1,777</u>
 Total Revenues	 <u>38,567</u>
<b>EXPENDITURES</b>	
Current:	
Personal services and related benefits	4,908
Operating services	27,243
Materials and supplies	7,217
Intergovernmental:	
City of Jennings	660
Jefferson Davis Parish Sheriff	1,334
Capital Outlay	<u>2,446</u>
 Total Expenditures	 <u>43,808</u>
 <b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	 <b>(5,241)</b>
 <b>FUND BALANCE AT BEGINNING OF YEAR</b>	 <u>16,010</u>
 <b>FUND BALANCE AT END OF YEAR</b>	 <u>\$ 10,769</u>

The accompanying notes are an integral part of this statement.

# CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

## Notes to the Financial Statements As of and for the Year Ended June 30, 1999

### 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 Marshal 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 be 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 Marshal 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 Marshal 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 Marshal are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

# CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

## Notes to the Financial Statements As of and for the Year Ended June 30, 1999

### **General Fund**

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

### **Agency Funds**

Agency funds account for assets that are held by the City Court and City Marshal 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 Marshal 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 Marshal did not adopt a budget for the fiscal year ending June 30, 1999, 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 MARSHAL OF JENNINGS, LOUISIANA**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

**F. ENCUMBRANCES**

The City Court and City Marshal do 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 Marshal 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. General fixed assets provided by the City of Jennings are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

**I. COMPENSATED ABSENCES**

The City Court's and City Marshal'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, 1999, the City Court and City Marshal 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 MARSHAL OF JENNINGS, LOUISIANA

## Notes to the Financial Statements As of and for the Year Ended June 30, 1999

### 2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the City Court and City Marshal has cash (book balances) totaling \$ 62,210 as follows:

Cash on hand	\$	202
Demand deposits		62,008
Interest-bearing demand deposits		0
Certificates of deposits		0
		<hr/>
	\$	<u>62,210</u>

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, 1999, the City Court and City Marshal has \$ 70,083 in deposits (collected bank balances). These deposits are secured from risk by \$ 70,083 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 Marshal 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 Marshal 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 Marshal 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 MARSHAL OF JENNINGS, LOUISIANA**

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

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 Marshal 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 Marshal 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 Marshal contributions to the System under Plan B for the years ending June 30, 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:	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>End of Year</u>
Criminal Fund	\$ 15,299	\$ 136,206	\$ 135,248	\$ 16,257
Civil Fund	20,680	50,905	43,891	27,694
Garnishment Fund	950	65,063	65,264	749
Bond Fund	5,444	12,750	8,000	10,194
<b>Total</b>	<b>\$ <u>42,373</u></b>	<b>\$ <u>264,924</u></b>	<b>\$ <u>252,403</u></b>	<b>\$ <u>54,894</u></b>

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

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

**5. DUE FROM/TO OTHER FUNDS**

Individual balances due from/to other funds at June 30, 1999, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Funds:		
Criminal Fund	\$ 3,388	\$ 0
Civil Fund	479	1,235
Marshal's Fund	450	0
Agency Funds:		
Criminal Fund	0	3,838
Civil Fund	960	479
Garnishment Fund	275	0
Total	<u>\$ 5,552</u>	<u>\$ 5,552</u>

**6. CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Equipment and furniture	\$ 0	\$ 2,446	\$ 0	\$ 2,446
Total	<u>\$ 0</u>	<u>\$ 2,446</u>	<u>\$ 0</u>	<u>\$ 2,446</u>

**7. EXPENDITURES OF THE CITY COURT AND CITY MARSHAL PAID BY  
THE CITY OF JENNINGS**

Certain operating expenditures of the City Court and City Marshal 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 Marshal'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.

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

**Notes to the Financial Statements  
As of and for the Year Ended June 30, 1999**

**8. 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 Marshal 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, 1999, what effects, if any, failing to remediate any such systems will have upon the City Court's and City Marshal's operations and financial reporting.

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 Marshal are or will be Year 2000 ready, the City Court and City Marshal remediation efforts will be successful in whole or in part, or that parties with whom the City Court and City Marshal do business with will be Year 2000 ready.

**SUPPLEMENTAL INFORMATION SCHEDULES**

## **GENERAL FUNDS**

### **CRIMINAL OPERATING FUND**

The Criminal Operating Fund consists solely of funds received from the criminal agency fund on behalf of the criminal operating fund. Expenditures from this fund include all expenses necessary to support activities relevant to conducting criminal court cases. These expenses include, but are not limited to, various office expenses, continuing education, and outside services needed for criminal court operations.

### **CIVIL OPERATING FUND**

The Civil Operating Fund consists solely of funds received from the civil agency fund on behalf of the civil operating fund. Expenditures from this fund include all expenses necessary to support operations for civil court. These expenses include, but are not limited to, clerk fees, employer portion of judge's retirement, and travel expenses.

### **MARSHAL'S FUND**

The Marshal's Fund consists of fees collected from the criminal agency fund on behalf of the marshal, any bond forfeitures, and reimbursements from the city. Expenditures from this fund include any expenses incurred by the marshal in the normal operating course of his/her duties. These expenses include, but are not limited to, auto expenses, office expenses, and various other expenses deemed necessary at the discretion of the marshal.

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

**GOVERNMENTAL FUNDS - GENERAL FUNDS  
COMBINING BALANCE SHEET  
AS OF JUNE 30, 1999**

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Marshall's Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,656	\$ 1,859	\$ 3,036	\$ 8,551
Due from other funds	<u>3,388</u>	<u>479</u>	<u>450</u>	<u>4,317</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,044</u>	<u>\$ 2,338</u>	<u>\$ 3,486</u>	<u>\$ 12,868</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 864	\$ -	\$ -	\$ 864
Due to other funds	<u>-</u>	<u>1,235</u>	<u>-</u>	<u>1,235</u>
Total Liabilities	<u>864</u>	<u>1,235</u>	<u>-</u>	<u>2,099</u>
Fund Balance:				
Unreserved-undesignated	<u>6,180</u>	<u>1,103</u>	<u>3,486</u>	<u>10,769</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 7,044</u>	<u>\$ 2,338</u>	<u>\$ 3,486</u>	<u>\$ 12,868</u>



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

**GOVERNMENTAL FUNDS - GENERAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Marshall's Fund</u>	<u>Total</u>
<b>REVENUES</b>				
Fees, charges, and commissions for services:				
Court costs, fees and fines	\$ 23,931	\$ 5,066	\$ 6,515	\$ 35,512
Miscellaneous	528	-	-	528
Bond forfeitures	375	-	375	750
Intergovernmental Revenue	-	-	1,777	1,777
	<u>24,834</u>	<u>5,066</u>	<u>8,667</u>	<u>38,567</u>
<b>EXPENDITURES</b>				
Current:				
Personal services and related benefits		3,228	1,680	4,908
Operating services	22,363	2,260	2,620	27,243
Materials and supplies	7,016		201	7,217
Intergovernmental:				
City of Jennings- salary reimbursements	-	660	-	660
Jefferson Davis Parish Sheriff- fuel	-	-	1,334	1,334
Capital Outlay	1,380	-	1,066	2,446
	<u>30,759</u>	<u>6,148</u>	<u>6,901</u>	<u>43,808</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(5,925)</b>	<b>(1,082)</b>	<b>1,766</b>	<b>(5,241)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>12,105</u>	<u>2,185</u>	<u>1,720</u>	<u>16,010</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><u>\$ 6,180</u></u>	<u><u>\$ 1,103</u></u>	<u><u>\$ 3,486</u></u>	<u><u>\$ 10,769</u></u>

## **FIDUCIARY FUNDS**

### **CRIMINAL AGENCY FUND**

The Criminal Agency Fund was created for the collection of any fines or fees, from adjudication or other means, originating from criminal court cases, tickets, misdemeanors, etc. These funds are fully distributed to other agencies, entities, and programs related to the criminal cases involved or as deemed by statute. This fund is custodial in nature and does not involve measurement of results of operations.

### **CIVIL AGENCY FUND**

The Civil Agency Fund was created for the collection of fees associated with the civil case process. These funds are distributed to plaintiffs, defendants, and other agencies, entities and programs deemed appropriate by adjudication or statute. This fund is custodial in nature and does not involve measurement of results of operations.

### **GARNISHMENT FUND**

The Garnishment Fund was established to account for collections of garnished wages and the distributions of those collections to the rightful parties. This fund is custodial in nature and does not involve measurement of results of operations.

### **BOND FUND**

The Bond Fund was established to account for the collection of bonds deposited on behalf of a jailed individual. These bonds are either refunded upon appearance at court, used to pay restitution and other fines/fees, or forfeited to the city marshal. This fund is custodial in nature and does not involve measurement of results of operations.

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

**FIDUCIARY FUNDS - AGENCY FUNDS  
COMBINING BALANCE SHEET  
AS OF JUNE 30, 1999**

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Garnishment Fund</u>	<u>Bond Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 16,257	\$ 26,734	\$ 474	\$ 10,194	\$ 53,659
Due from other funds	-	960	275	-	1,235
<b>TOTAL ASSETS</b>	<u>\$ 16,257</u>	<u>\$ 27,694</u>	<u>\$ 749</u>	<u>\$ 10,194</u>	<u>\$ 54,894</u>
<b>LIABILITIES</b>					
Due to other funds	\$ 3,838	\$ 479	\$ -	\$ -	\$ 4,317
Unsettled deposits	12,419	27,215	749	10,194	50,577
<b>TOTAL LIABILITIES</b>	<u>\$ 16,257</u>	<u>\$ 27,694</u>	<u>\$ 749</u>	<u>\$ 10,194</u>	<u>\$ 54,894</u>

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

**FIDUCIARY FUNDS - AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN UNSETTLED BALANCES  
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>Criminal Fund</u>	<u>Civil Fund</u>	<u>Garnishment Fund</u>	<u>Bond Fund</u>	<u>Total</u>
<b>UNSETTLED BALANCES AT BEGINNING OF YEAR</b>	\$ 15,299	\$ 20,680	\$ 950	\$ 5,444	\$ 42,373
<b>ADDITIONS :</b>					
Civil Suits	-	50,905	-	-	50,905
Garnishments	-	-	65,063	-	65,063
Fines and court costs	136,206	-	-	-	136,206
Bonds	-	-	-	12,750	12,750
<b>Total Additions</b>	<u>136,206</u>	<u>50,905</u>	<u>65,063</u>	<u>12,750</u>	<u>264,924</u>
<b>REDUCTIUONS :</b>					
Deposits settled to:					
Jennings City Court	24,276	5,179	-	1,086	30,541
City of Jennings	66,049	-	-	375	66,424
City Marshall	9,841	4,060	3,806	375	18,082
District Attorney	5,449	-	-	-	5,449
Indigent Defender Board	17,048	-	-	-	17,048
Other Agencies	12,585	-	-	375	12,960
Refunds	-	-	-	5,789	5,789
City Judge	-	27,087	-	-	27,087
Others	-	7,565	61,458	-	69,023
<b>Total Reductions</b>	<u>135,248</u>	<u>43,891</u>	<u>65,264</u>	<u>8,000</u>	<u>252,403</u>
<b>UNSETTLED BALANCES AT END OF YEAR</b>	\$ <u>16,257</u>	\$ <u>27,694</u>	\$ <u>749</u>	\$ <u>10,194</u>	\$ <u>54,894</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 Marshal of the City of Jennings, Louisiana (City Court and City Marshal), a component unit of the City of Jennings, as of and for the year ended June 30, 1999, and have issued my report thereon dated November 10, 1999. 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 City Court and City Marshal'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 1999-1.


### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the City Court and City Marshal'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 Marshal'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 1999-2.

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 1999-2 to be material weakness.

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  
November 10, 1999

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1999

I have audited the financial statements of City Court and City Marshal of the City of Jennings, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated November 10, 1999. 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, 1999 resulted in a 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



## **Section II Financial Statement Findings**

### **Current Year Findings**

#### **Finding 99-1 : FAILURE TO ADOPT BUDGET**

**Condition:** Auditee failed to comply with the budgeting requirements of the Local Government Budgeting Act (LSA-RS 39:1301-14).

**Cause of Condition:** The auditee failed to adopt a budget and advertise its availability for public inspection as required by the Local Government Budget Act (LSA-RS 39:1301-1314).

**Effect of Condition:** The effect of this condition resulted in noncompliance with the Louisiana Local Government Budget Act (LSA-RS 39:1301-1314).

**Recommendation:** I recommend that in the future the auditee prepare and adopt an annual budget and advertise its availability for public inspection as required under the law.

**Auditee Response:** We were unaware of this requirement. We will review the requirements of LSA-RS 39:1301-1314 and implement the necessary procedures for the next applicable fiscal year end, June 30, 2000.

#### **Finding 99-2 : AGENCY FUND SUBSIDIARY RECORD RECONCILIATIONS**

**Condition:** Civil Agency bank reconciliations are not being reconciled to detail subsidiary reports of unsettled balances.

**Cause of Condition:** Lack of periodic reconciling procedures and controls .

**Effect of Condition:** Inability to identify and correct accounting errors in a timely manner.

**Recommendation:** I recommend that complete bank reconciliations be compared and reconciled to detail subsidiary reports of unsettled balances on a periodic basis, at a minimum on a monthly basis if not more often.

**Auditee Response:** Accounting personnel are still in process of being trained in use of newly installed computer software. We expect that adequate reconciling procedures will be put in place as per advisement of auditor within the next fiscal year.

### **Section III Federal Award Findings and Questioned Costs**

No findings to report.

**CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA**  
 Jennings, Louisiana

**SCHEDULE OF PRIOR AUDIT FINDINGS**  
 For the Year Ended June 30, 1999

**SECTION I – Internal Control and Compliance Material to the Financial Statements:**

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/ Partial Corrective Action Taken	Additional Explanation
98-1	1998	Failure to adopt budget.	No	See reference 99-1 in management's corrective action plan.	N/A
98-2	1998	Inadequate segregation of duties.	No	None.	Not economically feasible to achieve complete segregation of duties.

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

No findings reported.

**SECTION III -- Management Letter:**

No findings reported.

**CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA**  
Jennings, Louisiana

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS**  
For the Year Ended June 30, 1999

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
99-1	Failure to adopt budget.	See schedule of findings and questioned costs reference 99-1.	Stina Broussard	Anticipate compliance for fiscal 2000 since due date for compliance for 1999 budget has passed.
99-2	Agency fund subsidiary record reconciliations.	See schedule of findings and questioned costs referenced 99-2.	Stina Broussard	6/30/2000

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

No findings reported.

**SECTION III - Management Letter:**

No findings reported.