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**CITY COURT OF NATCHITOCHEs, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 1998**

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                       
JUL 2 1999

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## ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

Honorable Fred S. Gahagan, Judge  
City Court of Natchitoches,  
P. O. Box 70  
Natchitoches, LA 71457

We have compiled the accompanying component unit financial statements of the City Court of Natchitoches, Louisiana, a component unit of the City of Natchitoches, and the individual fund and account group financial statements of the court as of December 31, 1998, and for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified-accrual basis of accounting, which is the generally accepted accounting method established by the Governmental Accounting Standards Board for governmental units.

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 financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

*Johnson, Thomas & Cunningham*  
Johnson, Thomas & Cunningham, CPA's

June 18, 1999  
Natchitoches, Louisiana

COMPONENT UNIT FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

City Court of Natchitoches  
Natchitoches, Louisiana

Combined Balance Sheet-Fund Types and Account Groups  
December 31, 1998

	<u>Governmental</u> <u>Fund Type</u> Judicial <u>Fund</u>	<u>Fiduciary</u> <u>Fund Type</u> Civil <u>Fund</u>
<u>Assets</u>		
Cash	\$14,709	\$97,310
Receivables	0	0
Due from Other Funds	0	0
Equipment	0	0
Amount Available for Debt Retirement	0	0
Amount to be provided for Debt Retirement	<u>0</u>	<u>0</u>
Total Assets	<u>\$14,709</u>	<u>\$97,310</u>
<u>Liabilities</u>		
Accounts Payable	\$ 2,569	\$ 0
Unsettled Deposits	0	97,310
Due to Other Funds	0	0
Notes Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 2,569</u>	<u>\$97,310</u>
<u>Fund Equity</u>		
Investment in General Fixed Assets	\$ 0	\$ 0
Fund Balance-		
Unreserved-Undesignated	10,433	0
Reserved for Debt Retirement	<u>1,707</u>	<u>0</u>
Total Fund Equity	<u>\$12,140</u>	<u>\$ 0</u>
Total Liabilities & Fund Equity	<u>\$14,709</u>	<u>\$97,310</u>

See notes to financial statements.

<u>Account Groups</u>		<u>Totals</u>	
<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Debt</u>	<u>(Memorandum Only)</u>	
		<u>1998</u>	<u>1997</u>
\$ 0	\$ 0	\$112,019	\$ 88,516
0	0	0	0
0	0	0	0
58,789	0	58,789	56,242
0	1,707	1,707	4,814
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$58,789</u>	<u>\$1,707</u>	<u>\$172,515</u>	<u>\$149,572</u>
\$ 0	\$ 0	\$ 2,569	\$ 9,738
0	0	97,310	73,027
0	0	0	0
<u>0</u>	<u>1,707</u>	<u>1,707</u>	<u>4,814</u>
<u>\$ 0</u>	<u>\$1,707</u>	<u>\$101,586</u>	<u>\$ 87,579</u>
\$58,789	\$ 0	\$ 58,789	\$ 56,242
0	0	10,433	937
<u>0</u>	<u>0</u>	<u>1,707</u>	<u>4,814</u>
<u>\$58,789</u>	<u>\$ 0</u>	<u>\$ 70,929</u>	<u>\$ 61,993</u>
<u>\$58,789</u>	<u>\$1,707</u>	<u>\$172,515</u>	<u>\$149,572</u>

City Court of Natchitoches  
Natchitoches, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Fund Type-Judicial Fund  
Years Ended December 31, 1998 and 1997

	<u>Judicial Fund</u>	
	<u>1998</u>	<u>1997</u>
REVENUES:		
Intergovernmental	\$28,159	\$28,970
Charges for Services	65,864	69,966
Miscellaneous	<u>352</u>	<u>1,062</u>
Total Revenues	<u>\$94,375</u>	<u>\$99,998</u>
EXPENDITURES:		
Current-		
General Administration	\$59,523	\$64,002
Debt Service	3,378	5,094
Intergovernmental	<u>25,085</u>	<u>28,666</u>
Total Expenditures	<u>\$87,986</u>	<u>\$97,762</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,389	\$ 2,236
Other Financing Sources (Uses)	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 6,389	\$ 2,236
Fund Balance-Beginning of Year	<u>5,751</u>	<u>3,515</u>
Fund Balance-End of Year	<u>\$12,140</u>	<u>\$ 5,751</u>

See notes to financial statements.



City Court of Natchitoches  
Natchitoches, Louisiana

Statement of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Governmental Fund Type-Judicial Fund  
Year Ended December 31, 1998

	1998		Variance Favorable (Unfavorable)	1997 Actual
	<u>Budget</u>	<u>Actual</u>		
<b>REVENUES:</b>				
Intergovernmental	\$30,000	\$28,159	\$(1,841)	\$28,970
Charges for Services	64,500	65,864	1,364	69,966
Miscellaneous	<u>500</u>	<u>352</u>	<u>(148)</u>	<u>1,062</u>
Total Revenues	<u>\$95,000</u>	<u>\$94,375</u>	<u>\$ (625)</u>	<u>\$99,998</u>
<b>EXPENDITURES:</b>				
Current-				
General Administration	\$66,000	\$59,523	\$ 6,477	\$64,002
Debt Service	4,000	3,378	622	5,094
Intergovernmental	<u>25,000</u>	<u>25,085</u>	<u>(85)</u>	<u>28,666</u>
Total Expenditures	<u>\$95,000</u>	<u>\$87,986</u>	<u>\$ 7,014</u>	<u>\$97,762</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 6,389	\$ 6,389	\$ 2,236
Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 6,389	\$ 6,389	\$ 2,236
Fund Balance-Beginning of Year	<u>5,751</u>	<u>5,751</u>	<u>0</u>	<u>3,515</u>
Fund Balance-End of Year	<u>\$ 5,751</u>	<u>\$12,140</u>	<u>\$ 6,389</u>	<u>\$ 5,751</u>

See notes to financial statement.

NOTES TO FINANCIAL STATEMENTS

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1998

## INTRODUCTION

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

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

The accounting and reporting policies of the City Court of Natchitoches conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517.

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

### 1. Summary Of Significant Accounting Policies:

The accompanying component unit financial statements of the City Court of Natchitoches, 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.

#### A. Reporting Entity-

As the governing authority of the city, for reporting purposes, the City of Natchitoches is the financial reporting entity for the City of Natchitoches. The financial reporting entity consists of (a) the primary government (City of Natchitoches), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1998

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Natchitoches for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the city to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of item number 2 above, the City Court was determined to be a component unit of the City of Natchitoches, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the city, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Fund Accounting-

The accounts of the City Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent, and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund:

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

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1998

Fiduciary Fund Type-Agency Fund:

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

C. Fixed Assets and Long-Term Liabilities-

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

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

All fixed assets are valued at historical cost.

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

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

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 measurement made, regardless of the measurement focus applied.

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

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

E. Vacation and Sick Leave-

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



City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1998

F. Total Columns on General Purpose Financial Statements-

Total columns on the general purpose financial statements (combined statements - overview), are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this date.

G. Budgets and Budgetary Information-

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

H. Encumbrances-

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

2. Pension Plans:

The City Judge is a member of the Louisiana Employees Retirement System. In addition to personal deductions from his compensation, the Court contributes to the retirement system on his behalf. Total pension plan costs for 1998 for the City Court totaled \$4,488. The Clerk and Deputy Clerk are members of the Louisiana Municipal Employees Retirement System, and are covered through the City of Natchitoches. The City Court does not guarantee the benefits granted by either of these retirement systems.

3. Changes in General Fixed Assets:

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

	<u>Balance</u> <u>12-31-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-98</u>
Land	\$ 0	\$ 0	\$0	\$ 0
Building	0	0	0	0
Equipment	<u>56,242</u>	<u>2,547</u>	<u>0</u>	<u>58,789</u>
Total	<u>\$56,242</u>	<u>\$2,547</u>	<u>\$0</u>	<u>\$58,789</u>

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1998

**4. Changes in Long-Term Debt:**

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

Balance at 1-1-98	\$4,814
Long-Term Debt Incurred	0
Principal Payments During 1998	<u>3,107</u>
Balance at 12-31-98	<u>\$1,707</u>

The long term debt consists of a purchase agreement for a computer system. The second computer is financed through a bank for 3 years @ 7.25% interest. The first agreement is for a five year term and carries 17.55% interest. Both are paid monthly according to their respective amortization schedules.

The annual requirements to amortize all debt outstanding as of December 31, 1998 are as follows:

General Obligation

1999	<u>\$1,707</u>
------	----------------

This does not include a total of \$212 in interest obligations required as part of the amortization agreements.

**5. Expenses Paid by Other Governmental Units:**

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

**6. Cash and Investments:**

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposit. At December 31, 1998, the City Court had cash equivalents totaling \$112,019. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance, or by the pledge of securities owned by the bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the bank. The deposits at December 31, 1998, were secured as follows:

	<u>Bank Balance</u>	<u>FDIC Insurance</u>	<u>Balance Uninsured</u>
Cash and Cash Equivalents	<u>\$112,019</u>	<u>\$112,019</u>	\$0

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 1998

**7. Other Postemployment Benefits:**

The City Court has no postemployment benefits plan.

**8. Leases:**

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

**9. Related Party Transactions:**

There were no identified related party transactions for the year ended December 31, 1998.

**10. Year 2000 Compliance:**

Per discussion with Rhonda Roge', the bookkeeper of the City Court of Natchitoches, Louisiana, the computer system that is used for daily operations is year 2000 compliant. Essential operations and services will not be effected by this event.



FINANCIAL STATEMENTS OF THE INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

## JUDICIAL FUND

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

City Court of Natchitoches  
Natchitoches, Louisiana

Judicial Fund  
Balance Sheets  
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
<u>Assets</u>		
Cash	\$14,709	\$7,888
Accounts Receivable	0	0
Due from Civil Fund	<u>0</u>	<u>0</u>
Total Assets	<u>\$14,709</u>	<u>\$7,888</u>
<u>Liabilities &amp; Fund Balance</u>		
Liabilities-		
Accounts Payable	\$ 2,569	\$ 2,137
Fund Balance-		
Unreserved-Undesignated	10,433	937
Reserved for Debt Retirement	<u>1,707</u>	<u>4,814</u>
Total Liabilities & Fund Balance	<u>\$14,709</u>	<u>\$7,888</u>

See notes to financial statements.

City Court of Natchitoches  
Natchitoches, Louisiana

Judicial Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 1998  
With Comparative Amounts from Year Ended December 31, 1997

	1998		Variance- Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<b>REVENUES:</b>				
Intergovernmental	\$30,000	\$28,159	\$(1,841)	\$28,970
Charges for Services	64,500	65,864	1,364	69,966
Miscellaneous	<u>500</u>	<u>352</u>	<u>(148)</u>	<u>1,062</u>
Total Revenues	<u>\$95,000</u>	<u>\$94,375</u>	<u>\$ (625)</u>	<u>\$99,998</u>
<b>EXPENDITURES:</b>				
Current-				
General Administration-				
Salaries & Fees	\$10,000	\$ 9,839	\$ 161	\$19,363
Retirement	5,000	4,488	512	5,745
Travel	7,000	7,075	(75)	1,733
Supplies	20,000	17,023	2,977	14,754
Rent	2,000	1,650	350	1,513
Insurance	500	497	3	498
Payroll Taxes	6,500	5,887	613	2,256
Utilities & Telephone	7,000	5,760	1,240	4,160
Repairs	1,000	867	133	4,578
Miscellaneous	4,000	3,890	110	3,759
Capital Expenditures	3,000	2,547	453	5,643
Intergovernmental	25,000	25,085	(85)	28,666
Debt Service-				
Principal	3,500	3,107	393	4,519
Interest	<u>500</u>	<u>271</u>	<u>229</u>	<u>575</u>
Total Expenditures	<u>\$95,000</u>	<u>\$87,986</u>	<u>\$ 7,014</u>	<u>\$97,762</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 6,389	\$ 6,389	\$ 2,236
Other Financing Sources:				
Long Term Debt Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	\$ 6,389	\$ 6,389	\$ 2,236
Fund Balance-Beginning of Year	<u>5,751</u>	<u>5,751</u>	<u>0</u>	<u>3,515</u>
Fund Balance-End of Year	<u>\$ 5,571</u>	<u>\$12,140</u>	<u>\$ 6,389</u>	<u>\$ 5,751</u>

See notes to financial statement.

## FIDUCIARY FUND TYPE

Agency Fund-

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

City Court of Natchitoches  
Natchitoches, Louisiana

Civil Fund  
Balance Sheets  
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
<u>Assets</u>		
Cash	\$97,310	\$80,628
Accounts Receivable	<u>0</u>	<u>0</u>
Total Assets	<u>\$97,310</u>	<u>\$80,628</u>
<u>Liabilities &amp; Fund Equity</u>		
Liabilities-		
Accounts Payable	\$ 0	\$ 7,601
Unsettled Deposit Balances	97,310	73,027
Due to Judicial Fund	<u>0</u>	<u>0</u>
Total Liabilities	\$97,310	\$80,628
Fund Equity	<u>0</u>	<u>0</u>
Total Liabilities & Fund Equity	<u>\$97,310</u>	<u>\$80,628</u>

See notes to financial statements.

City Court of Natchitoches  
Natchitoches, Louisiana

Civil Fund  
Statements of Changes in Deposit Balances  
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Deposit Balances at Beginning of Year	\$ 73,027	\$ 73,812
Additions:		
Deposits Made During the Year	<u>173,117</u>	<u>149,369</u>
Sub-Total	<u>\$246,144</u>	<u>\$223,181</u>
Deductions:		
Refunds & Settlements	\$ 68,607	\$ 62,120
City Marshall's Fees	19,742	24,486
Judge's Fees	42,183	45,170
Recording	5,702	4,086
Other Fees & Costs	5,280	5,577
Judge's Compensation Fund	<u>7,320</u>	<u>8,715</u>
Total Deductions	<u>\$148,834</u>	<u>\$150,154</u>
Deposit Balances at End of Year	<u>\$ 97,310</u>	<u>\$ 73,027</u>

See notes to financial statements.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

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



City Court of Natchitoches  
Natchitoches, Louisiana

General Fixed Assets Account Group  
Statement of Changes in General Fixed Assets  
Year Ended December 31, 1998

	<u>Balance 1-1-98</u>	<u>Judicial Fund Additions</u>	<u>Deletions/ Retirements</u>	<u>Balance 12-31-98</u>
General Fixed Assets-				
Land	\$ 0	\$ 0	\$0	\$ 0
Buildings	0	0	0	0
Equipment	<u>56,242</u>	<u>2,547</u>	<u>0</u>	<u>58,789</u>
Total General Fixed Assets	<u>\$56,242</u>	<u>\$2,547</u>	<u>\$0</u>	<u>\$58,789</u>
Investment in General Fixed Assets	<u>\$56,242</u>	<u>\$2,547</u>	<u>\$0</u>	<u>\$58,789</u>

See notes to financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

City Court of Natchitoches  
Natchitoches, Louisiana

General Long-Term Debt Account Group  
Statement of General Long-Term Debt  
December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Amount Available and to be Provided for Payment of Long-Term Debt:		
Amount Available in Judicial Fund for Debt Retirement	\$1,707	\$4,814
Amount to be Provided for Debt Retirement	<u>    0</u>	<u>    0</u>
Total Available and to be Provided	<u>\$1,707</u>	<u>\$4,814</u>
General Long-Term Debt Payable	<u>\$1,707</u>	<u>\$4,814</u>

See notes to financial statements.

City Court of Natchitoches  
Natchitoches, Louisiana

General Long-Term Debt Account Group  
Schedule of Changes in Long-Term Debt  
Year Ended December 31, 1998

	<u>Balance</u> <u>1-1-98</u>	<u>Long-Term</u> <u>Debt</u> <u>Incuried</u>	<u>Long-Term</u> <u>Debt</u> <u>Retired</u>	<u>Debt</u> <u>Service</u> <u>Operation</u>	<u>Balance</u> <u>12-31-98</u>
Amount Available and to be Provided for Payment of Long-Term Debt:					
Amount Available in Judicial Fund for Debt Retirement	\$4,814	\$0	\$(3,107)	\$0	\$1,707
Amount to be Provided for Payment of Long-Term Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Available and to be Provided	<u>\$4,814</u>	<u>\$0</u>	<u>\$3,107</u>	<u>\$0</u>	<u>\$1,707</u>
General Long-Term Debt Payable	<u>\$4,814</u>	<u>\$0</u>	<u>\$3,107</u>	<u>\$0</u>	<u>\$1,707</u>

See notes to financial statement.

## AGREED-UPON PROCEDURES

*Johnson, Thomas & Cunningham*  
*Certified Public Accountants*

Exhibit II  
Page 26

*Eddie G. Johnson, C.P.A. A Professional Corporation (1968-1996)*

*Mark D. Thomas, C.P.A. A Professional Corporation*

*Roger M. Cunningham, C.P.A. A Professional Corporation*

*J. Paul Miller, C.P.A. A Professional Corporation*

*321 Bienville Street  
Natchitoches, Louisiana 71457  
(318) 352-3652  
Fax (318) 352-4447*

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Honorable Fred S. Gahagan  
City Court of Natchitoches  
P. O. Box 70  
Natchitoches, LA 71458

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Court of Natchitoches, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Court of Natchitoches' compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying *Louisiana Attestation Questionnaire*. 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 material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

*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 42-1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

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

Not applicable.

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

Not applicable.

*Budgeting*

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget.

6. Trace the budget adoption 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%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

8. Randomly select 6 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 payment was 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

All payments examined were properly coded to the correct fund and general ledger account.

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

All payments examined were properly approved by the proper authorities.

*Meetings*

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

Not applicable.

*Debt*

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

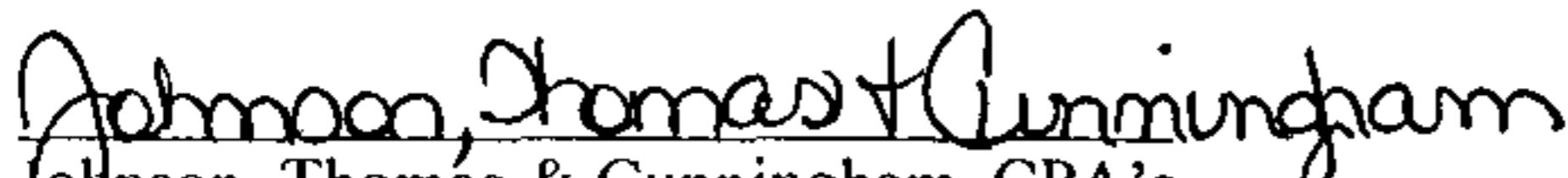
*Advances and Bonuses*

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.

Not applicable.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. 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 management of the City Court of Natchitoches, Louisiana 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 purposes. However, this report is a matter of public record and its distribution is not limited.

  
Johnson, Thomas & Cunningham, CPA's

June 18, 1999  
Natchitoches, Louisiana



RECEIVED  
DIRECTOR  
JUN 23 1999

**CITY COURT OF NATCHITOCHEs, LOUISIANA**  
**LOUISIANA ATTESTATION QUESTIONNAIRE**

June 21, 1999

Johnson, Thomas & Cunningham, CPA's  
321 Bienville Street  
Natchitoches, LA 71457

In connection with your compilation of our financial statements as of December 31, 1998 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 1998.

**Public Bid Law**

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:453, and/or 39:92, as applicable.

Yes  No

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 72-729.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Marshal \_\_\_\_\_

Date \_\_\_\_\_

Treasurer \_\_\_\_\_

Date \_\_\_\_\_

President  \_\_\_\_\_

Date 6-18-99

Note - Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contact with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.