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CITY COURT OF SULPHUR IN AND FOR WARD FOUR

Sulphur, Louisiana

A Component Unit of the City of Sulphur, Louisiana

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 1999

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

NOV 10 1999  
Release Date \_\_\_\_\_

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Mires & Company  
A Professional Corporation  
Certified Public Accountants

Members:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants  
Private Company Practice Section AICPA

## INDEPENDENT AUDITORS' REPORT

Honorable Steven Broussard, Judge  
City Court of Sulphur in and for Ward Four  
A Component Unit of the City of Sulphur, Louisiana  
City Council, City of Sulphur  
Sulphur, Louisiana

We have audited the accompanying general purpose financial statements of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, 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 of Sulphur in and for Ward Four, Sulphur, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, 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*, we have also issued our report dated October 20, 1999, on our consideration of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules 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 of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Mires & Company, CPAs, APC*

Mires & Company, CPAs, APC  
October 20, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1999

	Governmental Fund Type <u>General Fund</u>	Account Group <u>General Fixed Assets</u>	Totals (Memorandum Only)	
			<u>1999</u>	<u>1998</u>
<b>ASSETS</b>				
Cash .....	\$ 120,964	\$ -	\$ 120,964	\$ 96,703
Prepaid expenses .....	1,342	-	1,342	8,448
Restricted assets: .....				
Cash .....	265,693	-	265,693	236,899
General fixed assets .....	<u>-</u>	<u>203,767</u>	<u>203,767</u>	<u>200,146</u>
TOTAL ASSETS	<u>\$ 387,999</u>	<u>\$ 203,767</u>	<u>\$ 591,766</u>	<u>\$ 542,196</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable .....	\$ 24,833	\$ -	\$ 24,833	\$ 11,561
Payable from restricted assets :				
Bail bonds payable .....	<u>11,209</u>	<u>-</u>	<u>11,209</u>	<u>5,579</u>
TOTAL LIABILITIES	<u>36,042</u>	<u>-</u>	<u>36,042</u>	<u>17,140</u>
Fund equity:				
Investment in general fixed assets .....	-	203,767	203,767	200,146
Fund balances:				
Reserved .....	254,484	-	254,484	231,320
Unreserved - undesignated .....	<u>97,473</u>	<u>-</u>	<u>97,473</u>	<u>93,590</u>
TOTAL FUND EQUITY	<u>351,957</u>	<u>203,767</u>	<u>555,724</u>	<u>525,056</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 387,999</u>	<u>\$ 203,767</u>	<u>\$ 591,766</u>	<u>\$ 542,196</u>

See accompanying notes.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPE  
Year Ended June 30, 1999

	<u>1999</u>	<u>1998</u>
<b>REVENUES</b>		
Civil fees .....	\$ 125,528	\$ 130,059
Court costs .....	644,773	596,970
Fines .....	417,660	353,070
Interest income .....	7,357	6,872
Miscellaneous .....	19,256	12,235
TOTAL REVENUES	<u>1,214,574</u>	<u>1,099,206</u>
<b>EXPENDITURES</b>		
General government .....	266,314	224,696
Capital outlay .....	<u>3,621</u>	<u>9,357</u>
	269,935	234,053
Transfers out:		
Calcasieu Parish District Attorney .....	61,413	54,139
Calcasieu Parish Sheriff .....	3,800	1,100
City of Sulphur .....	252,822	215,386
Indigent Defender Fund .....	204,622	190,884
La. Commission on Law Enforcement .....	25,359	20,310
Library Fund .....	4,545	4,895
Louisiana Rehabilitation Services .....	16,055	16,350
Louisiana State Police Training Academy .....	7,075	6,475
Parish of Calcasieu .....	193,209	158,165
Southwest Regional Crime Lab .....	58,290	52,603
Supreme Court of Louisiana .....	13,156	12,328
Crime Stoppers .....	1,387	1,018
Ward 4 Marshall .....	75,809	73,490
Town of Vinton .....	50	50
Town of Westlake .....	-	100
TOTAL EXPENDITURES	<u>1,187,527</u>	<u>1,041,346</u>
EXCESS OF REVENUES OVER EXPENDITURES .....	27,047	57,860
FUND BALANCE AT BEGINNING OF YEAR	<u>324,910</u>	<u>267,050</u>
FUND BALANCE AT ENDING OF YEAR	<u>\$ 351,957</u>	<u>\$ 324,910</u>

See accompanying notes.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

INTRODUCTION

The City Court of Sulphur in and for Ward Four was created under the authority of LSA-RS 13:1871-2512.

The City Court of Sulphur in and for Ward Four is a City/Ward Court handling traffic and misdemeanor criminal matters, civil matters with money jurisdiction not exceeding \$10,000 and juvenile matters.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying general purpose financial statements of the City Court of Sulphur in and for Ward Four 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 judge is an independently elected official. However, the City Court is fiscally dependent on the City of Sulphur, Louisiana for office space, court rooms, partial funding of salary costs and other operating expenses. Because the City Court is fiscally dependent on the City, the City Court was determined to be a component unit of the City of Sulphur, Louisiana, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and do not present information on the City of Sulphur, Louisiana, 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 uses 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 to aid financial management by segregating transactions relating to certain government 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.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Funds of the City Court are classified as governmental funds. Governmental funds account for the City Court's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds of the City Court include:

1. General Fund--the general operating fund of the City Court and accounts for all financial resources, except those required to be accounted for in other funds.

Account Group:

General Fixed Assets Account Group - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

All revenues are not susceptible to accrual because generally they are not measurable until received in cash.

E. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits, as well as short-term investments with an original maturity date of 90 days or less. Under state law, the City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. Prepaid Items

The City Court records as a current asset, expenditures paid during the year that will benefit future periods. Only the current portion is recorded as an expenditure in the current period.



CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Restricted Assets

Restricted assets on the combined balance sheet represent amounts which have accumulated in accordance with bail bond, accrued judicial fee, fine and civil proceeding deposits.

H. Legal Compliance - Budgets

The City Court does not prepare a budget, based on an Attorney General's opinion issued in 1980, which stated Courts were exempt from the Local Budget Act. Therefore, the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund Type is not presented.

I. Fixed Assets

Fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the Governmental Fund, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated.

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the Governmental Fund. Amounts of vested or accumulated vacation leave that are 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 amounts. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At June 30, 1999 the City Court's liability for compensated absences could not be reasonably estimated.

K. 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 OF SULPHUR IN AND FOR WARD FOUR  
 A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City Court's financial position and operations.

M. Fund Equity

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 1999 the City Court has cash and cash equivalents (book balances) totaling \$386,657 as follows:

Demand deposits .....	\$ 114,238
Interest-bearing demand deposits .....	272,419
Time deposits .....	-
Other .....	-
	<hr/>
Total	<u>\$ 386,657</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 has \$469,530 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$269,530 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R. S. 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 that the fiscal agent has failed to pay deposited funds upon demand.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
 A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 1999

NOTE 3 - PREPAID EXPENSES

Prepaid expenses consists of maintenance service contracts on various office equipment.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1998	<u>Additions</u>	Balance June 30, 1999
Office equipment .....	\$173,564	\$ 1,619	\$ 175,183
Office furniture .....	<u>26,582</u>	<u>2,002</u>	<u>28,584</u>
	<u>\$200,146</u>	<u>\$ 3,621</u>	<u>\$ 203,767</u>

NOTE 5 - PENSION PLANS

Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System. Judge Steven Broussard is eligible to participate in the Louisiana State Employees' Retirement System.

A. Municipal Employees Retirement System of Louisiana (System)

Substantially all employees of the City Court are eligible to participate in the Municipal Employees' Retirement System, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

*Plan Description.* 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 are members of Plan A.

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 A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. 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.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

NOTE 5 - PENSION PLANS

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 (225) 925-4810.

*Funding Policy.* Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current rate is 5.75% 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 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 contributions to the System under Plan A for the years ending June 30, 1999, 1998, and 1997, were \$2,032, \$1,451, and \$1,705, respectively, equal to the required contributions for each year.

B. Louisiana State Employees' Retirement System

*Plan Description.* Judge Steven Broussard of the City Court of Sulphur, is a member of the Louisiana State Employees' Retirement System, a cost-sharing, single-employer defined benefit pension plan administered by a separate board of trustees.

Any person legally occupying a position in state service except those specifically excepted from participation are eligible to participate in the System.

Eligibility for retirement benefits:

Written applications to the Board and,

1. Member has attained age 60 and 10 years of accredited service, or age 55 and 25 years of accredited service, or at any age and 30 years of accredited service.
2. Certain members of the Department of Public Safety and Corrections, 20 years of accredited service at any age (age 50 if employed after August 15, 1986, 20 year of service).
3. Service as a judge or court officer, 18 years of creditable service regardless of age, or age 50 and 20 years of accredited service, or age 55 and 12 years of accredited service, or age 70 without regard to accredited service.
4. Members of the legislature, governor, lieutenant governor and state treasurer, 16 years of such service without regard to age, or age 50 with 20 years of accredited service with 12 years of such service, or age 55 with 12 years of such service.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

NOTE 5 - PENSION PLANS

Benefit:

1. Annual pension equal to 2 ½ percent of average compensation for each year of creditable service, plus \$300 supplemental benefit.
2. Annual pension equal to 2 ½ percent of average compensation for each year of creditable service, plus \$300 supplemental benefit.
3. Annual pension equal to 3 ½ percent of average compensation for each year of creditable service as a judge or court officer, plus benefit described in (1) above for other state service.
4. Annual pension equal to 3 ½ percent of average compensation for each year of creditable service as a legislator, governor, lieutenant governor, employees of the legislature or state treasurer, plus benefit described in (1) above for other state service.

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 Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, LA, 70804-4213.

*Funding Policy.* Members are required by state statute to contribute 11.5 percent of their annual covered salary and the City Court is required to contribute at an actuarially determined rate. The current rate is 12.4 percent of annual covered payroll. The contribution requirements of plan members and the City Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 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's contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$2,438, \$2,297, and \$2,293, respectively, equal to the required contributions for each year.

NOTE 6 - RISK MANAGEMENT

The City Court is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City Court. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

SUPPLEMENTAL INFORMATION SCHEDULES

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
 A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
 SUPPLEMENTAL INFORMATION SCHEDULE  
 COMPARATIVE SCHEDULE OF GENERAL GOVERNMENT EXPENDITURES -  
 GOVERNMENTAL FUND TYPE  
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Attorney, witness and curator fees .....	\$ 12,703	\$ 9,786
Audit fees .....	3,500	3,500
Bank and credit card charges .....	1,269	976
Civil fees - Judge and Marshall .....	35,322	26,948
Clerical .....	71,515	46,441
Conventions and seminars .....	7,255	7,627
Court cost refunds .....	19,097	20,056
Dues .....	580	560
Janitorial services .....	7,402	7,120
Judge ad hoc .....	3,506	2,977
Legal advertising .....	907	666
Library .....	6,020	4,260
Miscellaneous .....	19,555	13,760
Miscellaneous services .....	10,752	11,752
Office supplies and expenses .....	23,542	27,811
Recordation of judgment .....	6,922	3,106
Repairs and maintenance .....	11,711	12,560
Retirement funds - Clerical .....	2,032	1,451
Retirement funds - Judge .....	2,438	2,297
Supplementary state fees .....	14,816	15,540
Taxes .....	2,751	786
Telephone .....	2,719	4,716
	<u>\$ 266,314</u>	<u>\$ 224,696</u>

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
YEAR 2000 ISSUE (UNAUDITED)  
For the Year Ended June 30, 1999

The City Court is aware of possible problems the Year 2000 issue could present to its computer system. The City Court is in the process of replacing its computer system with year 2000 compliant hardware and software. This will be done before December 31, 1999 and the total cost is expected to be less than \$15,000.



CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
 A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
 SUPPLEMENTAL INFORMATION SCHEDULE  
 SCHEDULE OF FINDINGS  
 For the Year Ended June 30, 1999

We have audited the financial statements of the City Court of Sulphur in and for Ward Four as of and for the year ended June 30, 1999, and have issued our report dated October 20, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

**Section I Summary of Auditors' Report**

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

Internal Control:			
Material Weaknesses	<u>X</u>	Yes	<u>   </u> No
Reportable Conditions	<u>X</u>	Yes	<u>   </u> No
Compliance:			
Compliance Material to Financial Statements	<u>   </u>	Yes	<u>X</u> No

**Section II Financial Statement Findings**

**99-1 I/C (Material weakness)**

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, and reconciling the bank statements. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the City Court. We recommend that Judge Broussard take an active interest in the review of all of the financial information. This was also a prior year finding.

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS  
(UNAUDITED)  
For the Year Ended June 30, 1999

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

**99-1 I/C Segregation of duties:**

This is an ongoing finding that cannot be corrected due to lack of financial resources.

**Contact person -**Dec Davis, Clerk of Court

CITY COURT OF SULPHUR IN AND FOR WARD FOUR  
A COMPONENT UNIT OF THE CITY OF SULPHUR, LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 1999

**Section I - Internal Control and Compliance Material to the Financial Statements**

**98-1 I/C (Ongoing finding) Segregation of duties:**

**Corrective action taken** - Due to lack of sufficient financial resources, this finding cannot be resolved.  
See 99-1 I/C.

INDEPENDENT AUDITORS' REPORT SECTION



Mires & Company  
A Professional Corporation

Certified Public Accountants

Members:  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants  
Private Company Practice Section AICPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Steven Broussard, Judge  
City Court of Sulphur in and for Ward Four  
A Component Unit of the City of Sulphur, Louisiana  
City Council, City of Sulphur  
Sulphur, Louisiana

We have audited the general purpose financial statements of the City Court of Sulphur in and for Ward Four, Sulphur, Louisiana, a component unit of the City of Sulphur, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 20, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City Court of Sulphur in and for Ward Four's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Sulphur in and for Ward Four's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City Court of Sulphur in and for Ward Four'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 as item 99-1 I/C.

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

Honorable Steven Broussard, Judge  
City Court of Sulphur in and for Ward Four  
A Component Unit of the City of Sulphur, Louisiana  
City Council, City of Sulphur  
Sulphur, Louisiana  
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functions. Our 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 necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 99-1 I/C to be a material weakness.

This report is intended solely for the information and use of management, the City Council of the City of Sulphur, Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Mires & Company, CPAs, APC*

Mires & Company, CPAs, APC  
October 20, 1999

