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City Court of Minden
Webster Parish, Louisiana

General-Purpose Financial Statements
As of and for the Years Ended
December 31, 1998 and 1997

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 7-14-99

City Court of Minden
Webster Parish, Louisiana

December 31, 1998 and 1997

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**City Court of Minden
Webster Parish, Louisiana**

Exhibit A

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

	Governmental Fund Type	Fiduciary Fund Type			Account Groups		Totals (Memorandum Only)
	General Fund	Criminal Court Fund	Criminal Restitution Fund	Civil Fund	General	Fixed Assets	
Assets							
Cash	\$ 25	\$ 1,482	\$ 235	\$ 12,896	\$ -	\$ -	\$ 14,638
Receivables							
From Other Funds	142						142
Property and Equipment					37,238		37,238
Total Assets	<u>\$ 167</u>	<u>\$ 1,482</u>	<u>\$ 235</u>	<u>\$ 12,896</u>	<u>\$ 37,238</u>	<u>\$ -</u>	<u>\$ 52,018</u>
Liabilities and Fund Balances (Deficit)							
Liabilities:							
Accounts Payable	\$ 2,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,357
Due to:							
Governmental agencies and others in escrow capacity		1,340	235	12,896			14,471
Other Funds		142					142
Total Liabilities	<u>2,357</u>	<u>1,482</u>	<u>235</u>	<u>12,896</u>	<u>-</u>	<u>-</u>	<u>16,970</u>
Fund Balances							
Investment in General Fixed Assets					37,238		37,238
Fund Balance (Deficit)	(2,190)						(2,190)
Total Fund Balances (Deficit)	<u>(2,190)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,238</u>	<u>-</u>	<u>35,048</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 167</u>	<u>\$ 1,482</u>	<u>\$ 235</u>	<u>\$ 12,896</u>	<u>\$ 37,238</u>	<u>\$ -</u>	<u>\$ 52,018</u>

The accompanying Notes are an integral part of this statement

**City Court of Minden
Webster Parish, Louisiana**

Exhibit B

**Combined Balance Sheet
All Fund Types and Account Groups
December 31, 1997**

	Governmental Fund Type	Fiduciary Fund Type			Account Groups	Totals (Memorandum Only)
	General Fund	Criminal Court Fund	Criminal Restitution Fund	Civil Fund	General Fixed Assets	
Assets						
Cash	\$ 25	\$ 1,369	\$ 208	\$ 19,890	\$ -	\$ 21,492
Receivables From Other Funds	142					142
Property and Equipment					34,247	34,247
Total Assets	\$ 167	\$ 1,369	\$ 208	\$ 19,890	\$ 34,247	\$ 55,881
Liabilities and Fund Balances (Deficit)						
Liabilities:						
Accounts Payable	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 1,200
Due to:						
Governmental agencies and others in escrow capacity		1,227	208	19,890		21,325
Other Funds		142				142
Total Liabilities	1,200	1,369	208	19,890	-	22,667
Fund Balances						
Investment In General Fixed Assets					34,247	34,247
Fund Balance (Deficit)	(1,033)					(1,033)
Total Fund Balances (Deficit)	(1,033)	-	-	-	34,247	33,214
Total Liabilities and Fund Balance (Deficit)	\$ 167	\$ 1,369	\$ 208	\$ 19,890	\$ 34,247	\$ 55,881

The accompanying Notes are an integral part of this statement

**City Court of Minden
Webster Parish, Louisiana**

Exhibit C

**Statements of Revenues, Expenditures and Changes in Fund Balances
General Fund
for the Years ended December 31, 1998 and 1997**

	1998	1997
Revenue		
Court Costs and Judge's Fees from Civil Suits	\$ 74,693	\$ 76,157
Court Costs from Criminal Cases	114,367	105,252
Probation and Supervision Fees	-	189
Fees - Worthless Check Suits	808	2,395
Other	14,592	19,277
Total Revenue	204,460	203,270
Expenditures		
Current -		
Judge's Civil Fees	28,550	26,550
Clerks' Supplemental Salaries	88,450	92,125
Conferences	21,713	24,344
Office Supplies and Postage	15,982	13,095
Judge's Supplemental Compensation Fund	7,139	8,641
Witness Fees	7,272	5,990
Audit and Accounting	2,700	4,050
Insurance	7,006	6,715
Judge's Retirement	12,487	12,338
Rent on Office Equipment	-	2,515
Miscellaneous	1,799	3,225
Dues and Subscriptions	1,455	3,035
Telephone	3,533	4,041
Payroll Taxes	1,378	2,468
Repairs and Maintenance - Office Equipment	3,162	45
Capital Outlay		
Equipment Purchases	2,991	3,345
Total Expenditures	205,617	212,522
 Excess (Deficiency) of Revenues Over Expenditures	 (1,157)	 (9,252)
 Beginning Fund Balance (Deficit)	 (1,033)	 8,219
 Ending Fund Balance (Deficit)	 \$ (2,190)	 \$ (1,033)

The accompanying Notes are an integral part of this statement

City Court of Minden

Webster Parish, Louisiana

Notes to the Financial Statements
for the Years Ended December 31, 1998 and 1997

Introduction

The Louisiana Constitution of 1974, Article V, Section 1 created the courts of the State, among them the City Court of Minden. Article V, Section 15 created the Trial Courts of Limited Jurisdiction and sets forth the duties of the court. City Court of Minden exists and operates in accordance with the authorities cited.

As provided by Article V, Section 15 of the Louisiana Constitution of 1974, the judge has charge of civil and criminal matters in his jurisdiction. The judge is elected by a popular vote for a term of six years.

City Court of Minden jurisdiction covers Ward One of Webster Parish and serves approximately 30,000 people.

City Court of Minden employs four full-time employees and one part-time probation officer.

For the years ended December 31, 1998 and 1997, City Court of Minden had approximately 3,200 and 3,524 criminal cases filed, respectively, and approximately 446 and 490 civil cases filed, respectively.

There is one Marshall elected by a popular vote that serves the jurisdiction of the court. He is responsible for serving papers, maintaining order in the courtroom, sale of seized property and works concurrently with the police department.

Note 1 Summary of Significant Accounting Policies

Basis of Presentation

The accompanying general-purpose financial statements of the City Court of Minden 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.

Reporting Entity

The City Court of Minden (the "Court") is a court of limited jurisdiction and serves Ward I of Webster Parish, Louisiana. The Judge of the Court is an independently elected official. However, the city court is fiscally dependent on the City of Minden 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 Minden, 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 Minden, the general government services provided by that government unit, or other governmental units that comprise the financial reporting entity.

Fund Accounting

The accounts of the Court are organized on the basis of funds, each of which is considered a separate accounting entity. 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 Type:

General Fund - The General Fund is the principle fund of the Court and is used to account for the operations of the Court. The various fees and charges due to the Court are accounted for in this fund and all general operating expenditures are paid from this fund.

Fiduciary Fund Type:

Agency Funds - The three agency funds are used to account for assets held as an agent for individuals, litigants, attorneys, other government entities and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Court has the following agency funds:

Criminal Court Fund is used to account for fines and court costs of all criminal cases. Fines collected by the Minden Police Department are remitted monthly to the Court. These and all fines collected by the Court for criminal cases are disbursed to appropriate agencies and the General Fund on a monthly basis.

Criminal Restitution Fund is used to account for money collected for fines and restitution from offenders for issuance of worthless checks. Money is disbursed to victims for restitution and fines are disbursed to the General Fund for operations of the Court.

Civil Fund is used to account for all fines, court costs, and restitution resulting from civil cases filed in the Court. Disbursements are made to the General Fund for court fees, to victims for restitution, and other agencies for services performed relative to civil suits.

General Fixed Assets Account Groups:

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. Beginning January 1, 1990, fixed assets purchased by the governmental fund are valued at historical cost. No depreciation is recorded on general fixed assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported 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 utilizing the following practices in recording revenues and expenditures:

Revenues - Revenues are recorded when they are determined to be both measurable and available. Generally, revenues are recorded when cash is received. Fines collected by the City of Minden Police Department and remitted to the Court the succeeding month are recognized as revenue when the fines are received.

Expenditures - Expenditures are generally recorded and reported when the related fund liability is both incurred and measurable. Salaries and related payroll costs are recorded as they are incurred. Operating supplies and other costs are recorded as they become due or incurred and are measurable.

Court Premises

The City of Minden provides the courtroom and office space for the city judge and the clerk of court. The city is also responsible for furnishing adequate fireproof vaults and other filing equipment for the preservation of the records of the Court and for the maintenance and costs of operation of the courtroom and offices.

Judge's and Clerks' Compensation

The salary of the Judge is fixed and paid by the City of Minden, the Parish of Webster, and the State of Louisiana.

In 1998 and 1997, the Court paid the Judge additional compensation of \$45,549 and \$44,375, respectively, for his fees of office in civil cases. The total of these fees is composed of \$28,550 and \$26,550 for 1998 and 1997, respectively, paid by the General Fund and \$16,999 and \$17,825 paid by the Civil Fund for 1998 and 1997, respectively.

The salaries of the clerk and deputy clerks are jointly fixed and paid by the City of Minden and the Parish of Webster. Additional compensation and fees are paid to the clerk and deputy clerks from available criminal and earned civil court funds.

Compensated Absences

The vacation and sick leave policy of the Court does not provide for the accumulation and vesting of leave time, therefore the Court has not accrued compensated absences.

Total Column on Combined Statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present 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 data.

Cash Balances

Cash deposits are stated at cost, which approximates market. These deposits were secured from risk by \$100,000 of federal deposit insurance. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Note 2 Due From/To Other Funds

Individual fund balances due from/to other funds at December 31, 1998 and 1997 are as follows:

		December 31, 1998	
Fund		Due from Other Funds	Due to Other Funds
General Fund	\$	142	\$ -
Criminal Court Fund		-	142
Civil Fund		-	-
	\$	<u>142</u>	<u>\$ 142</u>

		December 31, 1997	
Fund		Due from Other Funds	Due to Other Funds
General Fund	\$	142	\$ -
Criminal Court Fund		-	142
Civil Fund		-	-
	\$	<u>142</u>	<u>\$ 142</u>

Note 4 Leases

The city court leases a copier under a noncancelable operating lease with the following minimum annual commitments:

1999	\$	4,128
2000		1,720
Total	\$	<u>5,848</u>

Lease expense for the years ended December 31, 1998 and 1997 was \$9,976, respectively.

Note 3 General Fixed Assets

A summary of changes in general fixed assets is as follows:

as of December 31, 1998:

	Balance December 31, 1997	Additions	Disposals	Balance December 31, 1998
Office Equipment	\$ 34,247	\$ 2,991	\$ -	\$ 37,238

as of December 31, 1997:

	Balance December 31, 1996	Additions	Disposals	Balance December 31, 1997
Office Equipment	\$ 30,902	\$ 3,345	\$ -	\$ 34,247

Note 4 Changes in Fiduciary Fund Balances

A summary of changes in fiduciary fund unsettled deposits at December 31, 1998 follows:

Fiduciary Funds	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Criminal Court Fund	\$ 1,227	\$ 180,962	\$ 180,849	\$ 1,340
Criminal Restitution Fund	208	832	805	235
Civil Fund	19,890	138,555	145,549	12,896
	\$ 21,325	\$ 320,349	\$ 327,203	\$ 14,471

A summary of changes in fiduciary fund unsettled deposits at December 31, 1997 follows:

Fiduciary Funds	Unsettled Deposits at Beginning of Year	Additions	Reductions	Unsettled Deposits at End of Year
Criminal Court Fund	\$ 8,972	\$ 163,445	\$ 171,190	\$ 1,227
Criminal Restitution Fund	776	3,170	3,738	208
Civil Fund	22,514	154,920	157,544	19,890
	\$ 32,262	\$ 321,535	\$ 332,472	\$ 21,325

Note 5 Litigation

The Court is not a defendant in any litigation seeking damages from the Court. The Judge estimates that any potential claims against the Court would not materially affect the financial statements.

Note 6 Retirement Plan

Louisiana State Employees' Retirement System

The City Court of Minden provides retirement, death, and disability benefits to the Court's judge through a pension plan administered by another governmental entity. The plan is the Louisiana State Employees' Retirement System (LASERS or the System). Only the judge of the Court is a member of this cost-sharing multiple-employer public employee retirement system (PERS). All state employees, except certain classes of employees specifically excluded by Statute, become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of LASERS. Benefit provisions are established in accordance with Louisiana State Statute.

Employees are eligible for retirement if the employee has: (a) 30 years of creditable service, regardless of age, or (b) 10 years of service and is at least age 60. The monthly retirement allowance is equal to two and one-half percent (2 1/2%) of the employee's average compensation multiplied by years of creditable service. The maximum annual benefits cannot exceed the lesser of one hundred percent (100%) of the employee's average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to one (1%) percent of average compensation multiplied by the number of years of creditable service in their respective capacity.

Upon the death of any Louisiana State Employees' Retirement System member in active service with five or more years of service and not eligible for retirement, survivor benefits are paid to certain eligible surviving dependents based on the deceased member's compensation and their relationship to them. For LASERS members who are eligible for retirement, the surviving spouse is eligible for normal retirement benefits.

Substantially all members with ten or more years of credited service who become disabled receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Contribution rates are established by Statute. Employee member contributions are deducted from their salary and remitted to the System by participating employers. The rates in effect for 1996 for judges are eleven and one-half (11.5%) percent of their covered compensation.

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established annually by the Actuarial Forecasting Committee and is twelve (12%) percent for 1996.

The following provides certain disclosures for the City Court of Minden and the Louisiana State Employees' Retirement System that are required by GASB Codification Section P20.129:

City Court of Minden

Contribution rate – employees	11.5%
Total current-year payroll	\$ 122,061
Total current-year covered payroll	\$ 87,078

The following information has been obtained for the Louisiana State Employees' Retirement System from the latest actuarial information of the system which was June 30, 1996, except for the individual employer (City Court) contribution information, which is based on the Court's payroll.

Actuarially determined employers' contribution for 1996 for all employers	\$ 205,875,608
Total estimated payroll	\$ 1,584,357,131
Employer normal cost as of June 30, 1996	\$ 219,357,113
Amortization payment on unfunded accrued liability	\$ 123,171,395

Estimated actuarially determined employer's contribution for the Court	\$	<u>10,449</u>
Court covered payroll	\$	<u>87,078</u>
Percentage of Court contribution requirement to total contribution requirement		<u>0.003%</u>
Employer contributions	\$	<u>5,298</u>
Employee contributions	\$	<u>5,077</u>
Percentage of employer contributions to total payroll		<u>12.0%</u>
Percentage of employee contributions to total payroll		<u>11.5%</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

The pension benefit obligation of the LASERS Plan was computed as part of an actuarial valuation performed as of June 30, 1996. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of eight and one-half percent (8.5%); (b) projected salary increases which range between 4.25% and 11.75% depending upon the age of the individual; (c) mortality rates which were projected based on the 1983 Sex Distinct Graduated Group Annuity Mortality Table with females set at attained age plus one; and (d) termination, disability and retirement assumptions which were projected based on a five year (1981-1986) experience study of the System's members.

At June 30, 1996, the date of the latest actuarial valuation, the unfunded pension benefit obligation of the Louisiana State Employees' Retirement System was \$2,139,944,635 as follows:

Pension benefit obligation

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$	3,271,410,064
Current employees		
Accumulated employee contributions, including allocated investment income		920,444,642
Employer-financed vested		1,656,019,848
Employer-financed nonvested		<u>406,530,709</u>
Total pension benefit obligation		6,254,405,263
Net assets available for benefits, at market value		<u>4,114,460,628</u>
Unfunded pension benefit obligation (Assets in excess of pension benefit obligation)	\$	<u>2,139,944,635</u>

Ten-year historical trend information of the Louisiana State Employees' Retirement System is available in the separately issued retirement system report. The trend information provides information about progress made in accumulating sufficient assets to pay benefits when due.

The City Court of Minden does not guarantee the benefits granted by the above plan. The City Court of Minden does not provide any other post employment benefits.

Independent Auditor's Report

Honorable John C. Campbell, Judge
City Court of Minden
Webster Parish, Louisiana

We have audited the accompanying general-purpose financial statements of the City Court of Minden, a component unit of the City of Minden as of and for the years ended December 31, 1998 and 1997, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the City Court of Minden's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The general-purpose financial statements referred to above include only the financial activities of the City Court of Minden. Financial activities of other component units that form the reporting entity are not included. As discussed in Note 1, the general-purpose financial statements of the City Court of Minden are intended to present the financial position and results of operations and changes in fund balances of only those funds which are controlled by the City Court of Minden.

The City Court of Minden has not presented the disclosures required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that the City Court of Minden is or will become year 2000 compliant, that the City Court of Minden year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City Court of Minden does business are or will become year 2000 compliant.

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 Minden, a component unit of the City of Minden as of December 31, 1998 and 1997, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 1999 on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations.

ROBERTS, CHERRY AND COMPANY

ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
June 22, 1999

**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 John C. Campbell, Judge
City Court of Minden
Webster Parish, Louisiana

We have audited the general-purpose financial statements of the City Court of Minden as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated June 22, 1999. We conducted our audits 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 Minden's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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 Minden'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

ROBERTS, CHERRY AND COMPANY

ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
June 22, 1999