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SPRINGHILL CITY COURT
SPRINGHILL, LOUISIANA

Financial Report
June 30, 2003

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Release Date 5.12.04

SPRINGHILL CITY COURT
 Springhill, Louisiana
 Financial Report
 June 30, 2003
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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
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INDEPENDENT AUDITORS' REPORT

Honorable John B. Slattery
Springhill City Court
Springhill, Louisiana 71076

We have audited the accompanying general purpose financial statements of the Springhill City Court, a component unit of the City of Springhill, as of and for the two years ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Springhill City Court. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Springhill City Court as of June 30, 2003, and the results of its operations for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2004 on our consideration of the Springhill City Court's internal control over

financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Springhill City Court, Springhill, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as whole.

Jamieson, Wise & Martin

Minden, Louisiana

January 19, 2004

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INDEPENDENT AUDITORS' 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 B. Slattery
Springhill City Court
Springhill, Louisiana 71076

We have audited the general purpose financial statements of the Springhill City Court, a component unit of the City of Springhill, as of and for the two years ended June 30, 2003, and have issued our report thereon dated January 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Springhill City Court'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 four instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 03-1 through 03-4.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Springhill City Court'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 a reportable condition. 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 Springhill City Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-5.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended solely for the information of the Springhill City Court, the City of Springhill, and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Jamieson, Wise & Martin

Jamieson, Wise & Martin
January 19, 2004

SPRINGHILL CITY COURT
 SPRINGHILL, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Group
 June 30, 2003

	Governmental Fund Types		Fiduciary	Account		Totals (Memorandum Only)
	General	Special Revenue	Fund Type	Group General	Fixed Assets	
Assets						
Cash	\$ 19,263	34,981	27,740	-	-	81,984
Due from:						
Other Funds	1,935	240	2,323	-	-	4,498
Other Asset - Security Deposit	-	450	-	-	-	450
Furniture and Equipment	-	-	-	52,117	-	52,117
Total assets	\$ 21,198	35,671	30,063	52,117	-	139,049
Liabilities and Fund Equity						
Liabilities:						
Accounts payable	\$ 2,297	478	-	-	-	2,775
Accrued liabilities	2,161	174	-	-	-	2,335
Civil deposits	-	-	13,506	-	-	13,506
Collections not yet disbursed	-	-	16,470	-	-	16,470
Due to other funds	1,930	2,481	87	-	-	4,498
Total liabilities	6,388	3,133	30,063	-	-	39,584
Fund equity:						
Investment in general fixed assets	-	-	-	52,117	-	52,117
Fund balances - unreserved - undesignated	14,810	32,538	-	-	-	47,348
Total fund equity	14,810	32,538	-	52,117	-	99,465
Total liabilities and fund equity	\$ 21,198	35,671	30,063	52,117	-	139,049

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
 SPRINGHILL, LOUISIANA
 Combined Statement of Revenues, Expenditures and Changes
 in Fund Balances - All Governmental Fund Types
 Year Ended June 30, 2003

	General Fund	Special Revenue	Totals (Memorandum Only)
Revenues:			
Fines & Court costs	\$ 59,792	36,785	96,577
Worthless check fees	9,788	50	9,838
Other fees and restitution	1,220	21,074	22,294
Intergovernmental	-	2,600	2,600
Interest	323	-	323
Miscellaneous	43	-	43
On-Behalf revenue	<u>92,359</u>	<u>36,287</u>	<u>128,646</u>
Total revenues	<u>163,525</u>	<u>96,796</u>	<u>260,321</u>
Expenditures:			
General government			
Capital outlay - equipment	-	2,127	2,127
Current:			
Accounting	2,600	-	2,600
Auto operating expense	-	12,644	12,644
Dues	680	150	830
Equipment lease	2,441	-	2,441
Insurance	100	428	528
Library	906	-	906
Office expense	4,575	1,363	5,938
On-Behalf expenditures	92,359	36,287	128,646
Outside services	402	7,300	7,702
Repairs & maintenance	629	1,165	1,794
Restitution	-	122	122
Retirement	3,387	-	3,387
Salaries	27,509	20,700	48,209
Supplies	-	2,051	2,051
Taxes-payroll	2,156	1,965	4,121
Telephone	1,287	2,471	3,758
Travel, seminars, and meetings	12,150	664	12,814
Witness fees	-	6,425	6,425
Total expenditures	<u>151,181</u>	<u>95,862</u>	<u>247,043</u>
Excess of revenues over expenditures	<u>12,344</u>	<u>934</u>	<u>13,278</u>
Fund balance, beginning of year	<u>2,466</u>	<u>31,604</u>	<u>34,070</u>
Fund balance, end of year	<u>\$ 14,810</u>	<u>32,538</u>	<u>47,348</u>

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
 SPRINGHILL, LOUISIANA
 Combined Statement of Revenues, Expenditures and Changes
 in Fund Balances - All Governmental Fund Types
 Year Ended June 30, 2002

	General Fund	Special Revenue	Totals (Memorandum Only)
Revenues:			
Fines & Court costs	\$ 40,091	32,321	72,412
Worthless check fees	11,127	25	11,152
Other fees and restitution	1,420	18,012	19,432
Intergovernmental	-	2,100	2,100
Interest	657	-	657
Miscellaneous	197	-	197
On-Behalf revenue	91,664	35,890	127,554
Total revenues	<u>145,156</u>	<u>88,348</u>	<u>233,504</u>
Expenditures:			
General government			
Current:			
Accounting	10,900	-	10,900
Auto lease	-	4,505	4,505
Auto operating expense	-	6,435	6,435
Dues	932	325	1,257
Equipment lease	2,366	-	2,366
Insurance	320	1,309	1,629
Library	1,445	-	1,445
Office expense	6,471	564	7,035
On-Behalf expenditures	91,664	35,890	127,554
Outside services	606	7,900	8,506
Repairs & maintenance	847	775	1,622
Restitution	-	500	500
Retirement	2,755	-	2,755
Salaries	27,691	19,241	46,932
Supplies	-	2,548	2,548
Taxes-payroll	2,380	1,402	3,782
Telephone	1,452	2,321	3,773
Travel, seminars, and meetings	9,237	341	9,578
Witness fees	-	4,200	4,200
Total expenditures	<u>159,066</u>	<u>88,256</u>	<u>247,322</u>
Excess (deficiency) of revenues over expenditures	<u>(13,910)</u>	<u>92</u>	<u>(13,818)</u>
Fund balance, beginning of year	<u>16,376</u>	<u>31,512</u>	<u>47,888</u>
Fund balance, end of year	<u>\$ 2,466</u>	<u>31,604</u>	<u>34,070</u>

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
 SPRINGHILL, LOUISIANA
 Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 2003

	General Fund			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fines & court costs	\$ 44,400	59,792	15,392	35,000	36,785	1,785
Worthless check fees	13,200	9,788	(3,412)	-	50	50
Other fees and restitution	1,500	1,220	(280)	21,700	21,074	(626)
Intergovernmental	-	-	-	2,100	2,600	500
Interest	900	323	(577)	-	-	-
Miscellaneous	100	43	(57)	-	-	-
On-Behalf revenue	71,000	92,359	21,359	20,000	36,287	16,287
Total revenues	131,100	163,525	32,425	78,800	96,796	17,996
Expenditures:						
General government						
Capital outlay - equipment	-	-	-	1,500	2,127	(627)
Current:						
Accounting	8,000	2,600	5,400	-	-	-
Auto lease	-	-	-	5,400	-	5,400
Auto operating expense	-	-	-	6,700	12,644	(5,944)
Dues	600	680	(80)	150	150	-
Equipment lease	2,100	2,441	(341)	-	-	-
Insurance	100	100	-	1,300	428	872
Library	900	906	(6)	-	-	-
Office expense	3,100	4,575	(1,475)	650	1,363	(713)
On-Behalf expenditures	71,000	92,359	(21,359)	20,000	36,287	(16,287)
Outside services	700	402	298	8,500	7,300	1,200
Repairs & maintenance	700	629	71	400	1,165	(765)
Restitution	-	-	-	600	122	478
Retirement	3,000	3,387	(387)	-	-	-
Salaries	28,900	27,509	1,391	19,200	20,700	(1,500)
Supplies	-	-	-	1,000	2,051	(1,051)
Taxes-payroll	2,000	2,156	(156)	1,800	1,965	(165)
Telephone	1,300	1,287	13	3,500	2,471	1,029
Travel, seminars, and meetings	8,700	12,150	(3,450)	3,100	664	2,436
Witness fees	-	-	-	5,000	6,425	(1,425)
Total expenditures	131,100	151,181	(20,081)	78,800	95,862	(17,062)
Excess (deficiency) of revenues over expenditures	-	12,344	12,344	-	934	934
Fund balance, beginning of year	2,466	2,466	-	31,604	31,604	-
Fund balance, end of year	\$ 2,466	14,810	12,344	31,604	32,538	934

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
 SPRINGHILL, LOUISIANA
 Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Year Ended June 30, 2002

	General Fund			Special Revenue		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fines & court costs	\$ 44,400	40,091	(4,309)	35,000	32,321	(2,679)
Worthless check fees	13,200	11,127	(2,073)	-	25	25
Other fees and restitution	1,500	1,420	(80)	20,400	18,012	(2,388)
Intergovernmental	-	-	-	2,100	2,100	-
Interest	900	657	(243)	-	-	-
Miscellaneous	100	197	97	-	-	-
On-Behalf revenue	71,000	91,664	20,664	20,000	35,890	15,890
Total revenues	131,100	145,156	14,056	77,500	88,348	10,848
Expenditures:						
General government						
Capital outlay - equipment	-	-	-	1,500	-	1,500
Current:						
Accounting	8,000	10,900	(2,900)	-	-	-
Auto lease	-	-	-	5,400	4,505	895
Auto operating expense	-	-	-	6,700	6,435	265
Dues	600	932	(332)	150	325	(175)
Equipment lease	2,100	2,366	(266)	-	-	-
Insurance	100	320	(220)	1,300	1,309	(9)
Library	900	1,445	(545)	-	-	-
Office expense	3,100	6,471	(3,371)	650	564	86
On-Behalf expenditures	71,000	91,664	(20,664)	20,000	35,890	(15,890)
Outside services	700	606	94	8,500	7,900	600
Repairs & maintenance	700	847	(147)	400	775	(375)
Restitution	-	-	-	600	500	100
Retirement	3,000	2,755	245	-	-	-
Salaries	28,900	27,691	1,209	19,200	19,241	(41)
Supplies	-	-	-	1,000	2,548	(1,548)
Taxes-payroll	2,000	2,380	(380)	1,800	1,402	398
Telephone	1,300	1,452	(152)	2,200	2,321	(121)
Travel, seminars, and meetings	8,700	9,237	(537)	3,100	341	2,759
Witness fees	-	-	-	5,000	4,200	800
Total expenditures	131,100	159,066	(27,966)	77,500	88,256	(10,756)
Excess (deficiency) of revenues over expenditures	-	(13,910)	(13,910)	-	92	92
Fund balance, beginning of year	16,376	16,376	-	31,512	31,512	-
Fund balance, end of year	\$ 16,376	2,466	(13,910)	31,512	31,604	92

The accompanying notes to financial statements are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

INTRODUCTION

The Springhill City Court was created under the authority of Revised Statute 13:1872, and includes the office of the marshal, which was also created under the authority of Revised Statute 13:1872. It has a territorial jurisdiction extending throughout all of Ward Two of Webster Parish, Louisiana. There is one elected judge and an elected marshal. The Springhill City Court operates the judicial court system for Ward Two of Webster Parish, Louisiana, which includes probation, juvenile probation, and witness fees. It also acts as custodian of civil deposits, garnishments, fines and court costs, and worthless checks collected and is responsible for disbursement to the appropriate recipients.

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 November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments. The accounting and reporting policies of the Springhill City Court conform to these generally accepted accounting principles and the requirements of Louisiana Revised Statutes 24:513 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants. The following is a summary of the more significant policies:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Springhill City Court judge and marshal are independently elected officials. However, the city court is fiscally dependent on the City of Springhill for office space, courtrooms, and related utility costs as well as partial funding of salary costs. Therefore, the Springhill City Court was determined to be a component unit of the City of Springhill for financial reporting purposes, in conformity with GASB

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

Statement No. 14. For the purposes of this financial report, this component unit serves as the nucleus for its own financial reporting entity and issues separate financial statements.

B. Fund Accounting

The accounts of the Springhill City Court are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements presented in this report, into two generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the Springhill City Court. It is used to account for all financial resources except those required to be accounted for in another fund. The various fees and fines due to the city court are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Funds - The Special Revenue Funds account for the proceeds of specific revenue resources that are legally restricted for specified purposes.

Fiduciary Funds

Agency Funds - The Agency Funds are used to account for assets held by the Springhill City Court as an agent for individuals and private organizations. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. At any given point in time, total Agency Fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held by the Springhill City Court. Agency Funds have no fund equity. Agency Funds do not have GAAP operations or GAAP operating statements.

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. No depreciation is recorded on general fixed assets. General fixed assets are recorded as expenditures in the governmental fund type when purchased.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized 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 use the modified accrual basis of accounting. 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. A sixty day availability period is used for revenue recognition for all revenues. Revenues susceptible to accrual are fines, court costs, worthless check fees, fees for listings, and intergovernmental revenue. Probation fees, restitution, and miscellaneous charges are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are recorded when the related fund liability is incurred.

D. Budgetary Practices

The proposed budgets for the years ending June 30, 2002 and 2003 are to be completed and made available for public inspection at the city court's office no later than fifteen days prior to the beginning of the fiscal year. The budget is legally

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

adopted and amended, as necessary, by the city court judge. The budgets for the year ended June 30 2002 and 2003 were adopted on December 17, 2001 and June 1, 2002 respectively.

E. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided and for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

F. Vacation and Sick Leave

Vacation and sick leave are noncumulative, but must be used within the calendar year or forfeited. Vacation time is vested and is paid to the employee upon termination. Sick pay is lost upon termination and, therefore, is not subject to accrual. There were \$1,129 and \$983 of vacation time that required accrual in the General Fund at June 30, 2003 and 2002, respectively.

G. Total Columns On The Combined Statement

The 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.

H. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

2. CASH AND INVESTMENTS

Cash and investments consists of interest bearing demand deposits. Under state law, the city court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Deposits are carried at cost which approximates market value. At June 30, 2003 and 2002, the carrying amount of deposits was \$81,984 and \$65,629, respectively, and the bank balance was \$98,963 and \$84,408, respectively. The bank balance was covered by federal depository insurance.

3. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances consisted of the following individual fund receivables and payables at:

	<u>June 30, 2003</u>		<u>June 30, 2002</u>	
	Interfund Receivable	Interfund Payable	Interfund Receivable	Interfund Payable
<i>General Fund:</i>				
Special Revenue Fund	\$1,848	150	1,779	150
Agency Fund	<u>87</u>	<u>1,780</u>	<u>126</u>	<u>1,497</u>
Total General Fund	<u>1,935</u>	<u>1,930</u>	<u>1,905</u>	<u>1,647</u>
 <i>Special Revenue Fund:</i>				
General Fund	150	1,848	150	1,779
Agency Fund	<u>90</u>	<u>633</u>	<u>0</u>	<u>543</u>
Total Special Revenue Fund	<u>240</u>	<u>2,481</u>	<u>150</u>	<u>2,322</u>

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

3. INTERFUND RECEIVABLES AND PAYABLES (Continued)

Agency Fund:

General Fund	1,780	87	1,497	126
Special Revenue Fund	<u>543</u>	<u>0</u>	<u>543</u>	<u>0</u>
Total Agency Fund	<u>2,323</u>	<u>87</u>	<u>2,040</u>	<u>126</u>
 Total – All Funds	 <u>\$4,498</u>	 <u>4,498</u>	 <u>4,095</u>	 <u>4,095</u>

4. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, consisted of the following:

	<u>2003</u>	<u>2002</u>
City of Springhill	\$ <u>0</u>	<u>\$175</u>

5. CHANGES IN GENERAL FIXED ASSETS

Activity in the general fixed assets account group for the Springhill City Court for the year ended June 30, 2003, was as follows:

	Balance			Balance
	<u>07/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/03</u>
Furniture and Equipment	<u>\$49,990</u>	<u>2,127</u>	<u>-</u>	<u>52,117</u>
Totals	<u>\$49,990</u>	<u>2,127</u>	<u>-</u>	<u>52,117</u>

Activity in the general fixed assets account group for the Springhill City Court for the year ended June 30, 2002, was as follows:

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

5. CHANGES IN GENERAL FIXED ASSETS (Continued)

	Balance		Balance
	<u>07/01/01</u>	<u>Additions</u>	<u>06/30/02</u>
Furniture and Equipment	\$49,990	-----	49,990
Totals	<u>\$49,990</u>	<u>-----</u>	<u>49,990</u>

6. PENSION PLAN

The Springhill City Court provides retirement benefits to some court employees through contributions to the Louisiana State Employment Retirement System, a cost sharing multiple-employer defined benefit pension plan administered and controlled by a Board of Trustees. The retirement system provides retirement, disability, and death benefits to plan members and beneficiaries. The Louisiana Legislature establishes and amends benefit provisions. The retirement system issues a publicly available financial report. That report may be obtained by writing to Louisiana State Employees' Retirement System, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling 1-800-256-3000.

Plan members are required to contribute 11.5% of their annual covered salary, and the Springhill City Court is required to contribute at an actuarially determined rate of annual covered salary. The rate was 13% for the year ended June 30, 2002, and increased to 14.1% for the year ended June 30, 2003. The contribution requirements of employers are established annually by the Board of Trustees based upon actuarially determined rates. The Springhill City Court made contributions for the year ending June 30, 2003 and 2002 of \$3,387 and \$2,755, respectively, equal to the required contribution for that year.

7. ON-BEHALF PAYMENTS

Employees of the Springhill City Court received salaries and fringe benefits from the City of Springhill, Webster Parish Police Jury, and the State of Louisiana. The following is a summary of these on-behalf payments:

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

7. ON-BEHALF PAYMENTS – (Continued)

	<u>2003</u>	<u>2002</u>
General Fund:		
Salaries	\$81,567	81,567
Fringe Benefits	<u>10,792</u>	<u>10,097</u>
Total General Fund	<u>92,359</u>	<u>91,664</u>
Special Revenue Fund:		
Salaries	32,748	32,748
Fringe Benefits	<u>3,539</u>	<u>3,142</u>
Total Special Revenue Fund	<u>36,287</u>	<u>35,890</u>
 Total All Funds	 <u>\$128,646</u>	 <u>127,554</u>

Fringe benefits paid by the City of Springhill and the State of Louisiana include pension plan contributions to the Louisiana State Employees' Retirement System. The City of Springhill also makes pension plan contributions to the Municipal Employees' Retirement System of Louisiana.

8. FIDUCIARY FUNDS

The Springhill City Court collects deposits from and makes remittances on behalf of citizens who have brought a civil suit to the court. The civil deposit fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities for the Civil Deposits Fund for the year ended June 30, 2002 is as follows:

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

8. FIDUCIARY FUNDS – (Continued)

	<u>Balance</u> <u>07/01/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/02</u>
ASSETS				
Cash in Banks	\$9,203	75,431	76,955	7,679
Due from General Fund	945	96	22	1,019
Due from Special Revenue Fund	<u>134</u>	<u>251</u>	<u>-</u>	<u>385</u>
Total Assets	<u>\$10,282</u>	<u>75,778</u>	<u>76,977</u>	<u>9,083</u>
LIABILITIES				
Civil Deposit	<u>10,282</u>	<u>71,175</u>	<u>72,374</u>	<u>9,083</u>
Total Liabilities	<u>\$10,282</u>	<u>71,175</u>	<u>72,374</u>	<u>9,083</u>

A summary of changes in assets and liabilities for the Civil Deposits Fund for the year ended June 30, 2003 is as follows:

	<u>Balance</u> <u>07/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/03</u>
ASSETS				
Cash in Banks	\$7,679	81,235	76,810	12,104
Due from General Fund	1,019	-	2	1,017
Due from Special Revenue Fund	<u>385</u>	<u>-</u>	<u>-</u>	<u>385</u>
Total Assets	<u>\$ 9,083</u>	<u>81,235</u>	<u>76,812</u>	<u>13,506</u>
LIABILITIES				
Civil Deposits	<u>9,083</u>	<u>81,235</u>	<u>76,812</u>	<u>13,506</u>
Total Liabilities	<u>\$ 9,083</u>	<u>81,235</u>	<u>76,812</u>	<u>13,506</u>

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

The Springhill City Court collects court ordered wage garnishments. Receipts, after paying the costs associated with the garnishment, are disbursed to the plaintiff or the plaintiff's attorney as provided by law. The garnishment fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities for the Garnishments Fund for the year ended June 30, 2002 is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>07/01/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/02</u>
ASSETS				
Cash in Banks	\$10,050	108,375	110,399	8,026
Due from General Fund	<u>3</u>	<u>103</u>	<u>-</u>	<u>106</u>
Total Assets	<u>\$10,053</u>	<u>108,478</u>	<u>110,399</u>	<u>8,132</u>
LIABILITIES				
Collections Not Yet Disbursed	<u>10,053</u>	<u>108,375</u>	<u>110,296</u>	<u>8,132</u>
Total Liabilities	<u>\$10,053</u>	<u>108,375</u>	<u>110,296</u>	<u>8,132</u>

A summary of changes in assets and liabilities for the Garnishments Fund for the year ended June 30, 2003 is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>07/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/03</u>
ASSETS				
Cash in Banks	\$8,026	103,760	101,100	10,686
Due from General Fund	<u>106</u>	<u>150</u>	<u>-</u>	<u>256</u>
Total Assets	<u>\$8,132</u>	<u>103,910</u>	<u>101,100</u>	<u>10,942</u>
LIABILITIES				
Collections Not Yet Disbursed	<u>8,132</u>	<u>103,760</u>	<u>100,950</u>	<u>10,942</u>
Total Liabilities	<u>\$8,132</u>	<u>103,760</u>	<u>100,950</u>	<u>10,942</u>

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

The Springhill City Court collects fines and court costs received from violators. These amounts are disbursed to various agencies as provided by law. The fines and court costs fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities for the Fines and Court Costs Fund for the year ended June 30, 2002 is as follows:

	Balance			Balance
	<u>07/01/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/02</u>
ASSETS				
Cash in Banks	\$ 832	181,053	181,127	758
Due from Special Revenue Fund	<u>158</u>	<u>-</u>	<u>-</u>	<u>158</u>
Total Assets	\$ <u>990</u>	<u>181,053</u>	<u>181,127</u>	<u>916</u>
LIABILITIES				
Collections Not Yet Disbursed	\$ 790	180,903	180,903	790
Due to General Fund	<u>200</u>	<u>-</u>	<u>74</u>	<u>126</u>
TOTAL LIABILITIES	\$ <u>990</u>	<u>180,903</u>	<u>180,977</u>	<u>916</u>

A summary of changes in assets and liabilities for the Fines and Court Costs Fund for the year ended June 30, 2003 is as follows:

	Balance			Balance
	<u>07/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/03</u>
ASSETS				
Cash in Banks	\$ 758	225,467	225,086	1,139
Due from Special Revenue Fund	<u>158</u>	<u>-</u>	<u>-</u>	<u>158</u>
TOTAL ASSETS	\$ <u>916</u>	<u>225,467</u>	<u>225,086</u>	<u>1,297</u>
LIABILITIES				
Collections Not Yet Disbursed	790	225,641	225,221	1,210
Due to General Fund	<u>126</u>	<u>-</u>	<u>39</u>	<u>87</u>
TOTAL LIABILITIES	\$ <u>916</u>	<u>225,641</u>	<u>225,260</u>	<u>1,297</u>

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

The Springhill City Court collects worthless checks and any related service charges or fees. Receipts are disbursed to the plaintiff and city court as provided by law. The worthless check fund is used to account for the collection and disbursement of these amounts. A summary of changes in assets and liabilities for the Worthless Checks Fund for the year ended June 30, 2002 is as follows:

	<u>Balance</u> <u>07/01/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/02</u>
ASSETS				
Cash in Banks	\$2,433	54,161	51,628	4,966
Due from General Fund	<u>246</u>	<u>126</u>	<u>-</u>	<u>372</u>
TOTAL ASSETS	<u>\$2,679</u>	<u>54,287</u>	<u>51,628</u>	<u>5,338</u>
LIABILITIES				
Collections Not Yet Disbursed	<u>2,679</u>	<u>54,161</u>	<u>51,502</u>	<u>5,338</u>
TOTAL LIABILITIES	<u>\$2,679</u>	<u>54,161</u>	<u>51,502</u>	<u>5,338</u>

A summary of changes in assets and liabilities for the Worthless Checks Fund for the year ended June 30, 2003 is as follows:

	<u>Balance</u> <u>07/01/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/03</u>
ASSETS				
Cash in Banks	\$4,966	47,621	48,776	3,811
Due from General Fund	<u>372</u>	<u>135</u>	<u>-</u>	<u>507</u>
Total Assets	<u>\$5,338</u>	<u>47,756</u>	<u>48,776</u>	<u>4,318</u>
LIABILITIES				
Collections Not Yet Disbursed	<u>5,338</u>	<u>47,621</u>	<u>48,641</u>	<u>4,318</u>
Total Liabilities	<u>\$5,338</u>	<u>47,621</u>	<u>48,641</u>	<u>4,318</u>

SPRINGHILL CITY COURT
Springhill, Louisiana
Notes to the Financial Statements
June 30, 2003

9. EQUIPMENT LEASE

The Springhill City Court leases a copier under a non-cancelable operating lease, combined with a service agreement. The total costs for the lease and the related service agreement expenses for the year ended June 30, 2003 and 2002, was \$2,441 and \$2,366, respectively. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2004	<u>\$2,068</u>
Total	<u>\$2,068</u>

10. MARSHAL VEHICLE

During the year ended June 30, 2002, the Springhill City Court marshal leased a vehicle under the third year of a three year cancelable operating lease agreement. Lease payments of \$4,505 were made on this lease for the year ended June 30, 2002. At the end of the lease, in May of 2002, the marshal personally purchased a 2002 Chevrolet Silverado and began using the personal vehicle to perform his official duties as marshal. The marshal is reimbursed \$550 per month for the use of the vehicle, of which amount is used by the marshal to pay the monthly note on the vehicle. Expenses for gas, repairs and maintenance are paid directly by the marshal's office. The marshal is also reimbursed for insurance on the vehicle.

COMBINING FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Marshal Fund – This fund is used to account for the fines and court costs received that are legally restricted for the payment of the marshal's operations.

Witness Fund – This fund is used to account for witness fees received that are legally restricted for the payment of witness fees.

Probation Fund – This fund is used to account for probation fees collected that are legally restricted for the administration and operation of the probation department.

Juvenile Probation Fund – This fund is used to account for juvenile probation fees and restitution collected that are legally restricted for the administration and operation of the juvenile probation department and the payment of restitution.

SPRINGHILL CITY COURT
 SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2003

	Marshall	Witness	Probation	Juvenile Probation	Totals
ASSETS					
Cash	\$ 5,990	20,213	6,158	2,620	34,981
Due From -					
Other Funds	90	-	117	33	240
Other Assets	450	-	-	-	450
Total assets	<u>\$ 6,530</u>	<u>20,213</u>	<u>6,275</u>	<u>2,653</u>	<u>35,671</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ 466	-	-	12	478
Accrued liabilities	174	-	-	-	174
Due to other Funds	2,185	296	-	-	2,481
Total liabilities	<u>2,825</u>	<u>296</u>	<u>-</u>	<u>12</u>	<u>3,133</u>
FUND BALANCE:					
Fund Balance - Unreserved and Undesignated	3,705	19,917	6,275	2,641	32,538
Total fund balance	<u>3,705</u>	<u>19,917</u>	<u>6,275</u>	<u>2,641</u>	<u>32,538</u>
Total liabilities and fund balances	<u>\$ 6,530</u>	<u>20,213</u>	<u>6,275</u>	<u>2,653</u>	<u>35,671</u>

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2003

	<u>Marshall</u>	<u>Witness</u>	<u>Probation</u>	<u>Juvenile Probation</u>	<u>Totals</u>
Revenues:					
Fines & Court costs	\$ 30,670	6,115	-	-	36,785
Worthless check fees	50	-	-	-	50
Other fees and restitution	-	-	12,110	8,964	21,074
Intergovernmental	2,600	-	-	-	2,600
On-Behalf revenue	36,287	-	-	-	36,287
	<u>69,607</u>	<u>6,115</u>	<u>12,110</u>	<u>8,964</u>	<u>96,796</u>
Expenditures:					
Capital outlay - equipment	2,127	-	-	-	2,127
Current:					
Auto operating expense	12,644	-	-	-	12,644
Dues	150	-	-	-	150
Insurance	428	-	-	-	428
Office expense	712	-	246	405	1,363
On-Behalf expenditures	36,287	-	-	-	36,287
Outside services	7,300	-	-	-	7,300
Repairs & maintenance	1,165	-	-	-	1,165
Restitution	-	-	-	122	122
Salaries	4,800	-	8,100	7,800	20,700
Supplies	1,608	-	-	443	2,051
Taxes-payroll	1,623	-	229	113	1,965
Telephone	1,604	-	-	867	2,471
Travel, seminars, and meetings	664	-	-	-	664
Witness fees	-	6,425	-	-	6,425
	<u>71,112</u>	<u>6,425</u>	<u>8,575</u>	<u>9,750</u>	<u>95,862</u>
Excess (deficiency) of revenues over expenditures	<u>(1,505)</u>	<u>(310)</u>	<u>3,535</u>	<u>(786)</u>	<u>934</u>
Fund balance, beginning of year	<u>5,210</u>	<u>20,227</u>	<u>2,740</u>	<u>3,427</u>	<u>31,604</u>
Fund balance, end of year	<u>\$ 3,705</u>	<u>19,917</u>	<u>6,275</u>	<u>2,641</u>	<u>32,538</u>

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2002

	Marshall	Witness	Probation	Juvenile Probation	Totals
Revenues:					
Fines & Court costs	\$ 27,713	4,608	-	-	32,321
Worthless check fees	25	-	-	-	25
Other fees and restitution	-	-	9,054	8,958	18,012
Intergovernmental	2,100	-	-	-	2,100
On-Behalf revenue	35,890	-	-	-	35,890
Total revenues	65,728	4,608	9,054	8,958	88,348
Expenditures:					
Current:					
Auto Lease	4,505	-	-	-	4,505
Auto operating expense	6,435	-	-	-	6,435
Dues	325	-	-	-	325
Insurance	1,309	-	-	-	1,309
Office expense	327	-	207	30	564
On-Behalf expenditures	35,890	-	-	-	35,890
Outside services	7,900	-	-	-	7,900
Repairs & maintenance	775	-	-	-	775
Restitution	-	-	-	500	500
Salaries	5,091	-	8,100	6,050	19,241
Supplies	2,369	-	-	179	2,548
Taxes-payroll	1,085	-	229	88	1,402
Telephone	1,169	-	-	1,152	2,321
Travel, seminars, and meetings	341	-	-	-	341
Witness fees	-	4,200	-	-	4,200
Total expenditures	67,521	4,200	8,536	7,999	88,256
Excess (deficiency) of revenues over expenditures	(1,793)	408	518	959	92
Fund balance, beginning of year	7,003	19,819	2,222	2,468	31,512
Fund balance, end of year	\$ 5,210	20,227	2,740	3,427	31,604

The accompanying notes to financial statements are an integral part of this statement.

SPRINGHILL CITY COURT
Springhill, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

We have audited the general purpose financial statements of the Springhill City Court as of and for the two years ended June 30, 2003, and have issued our report thereon dated January 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2003 resulted in an unqualified opinion.

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

2003-1 – Late Submission of Audit Report to Legislative Auditor

Condition: The Springhill City Court failed to timely file audited financial statements with the Legislative Auditor as required by LA RS 24:513.

Cause: From discussions with prior auditors, the Springhill City Court was under the impression that audited financial statements for the two years ended June 30, 2003 were not necessary since the combined revenues of the General Fund and Special Revenue funds were under \$350,000. Subsequently, it was determined that the revenues of Agency Funds were also to be included in determining the revenue threshold thus causing the need for audited financial statements. New auditors were engaged on August 27, 2003 and the audit was expected to be completed by December 31, 2003. However, due to the unexpected complexity of the Court's financial records and the inadequate scheduling of time by the new auditors the audit was not completed by December 31, 2003.

2003-2 – Budgets

Condition: The budget for the year ending June 30, 2002 was not adopted until December 17, 2001, five and a half months after the beginning of the fiscal year. Actual expenditures for the years ended June 30, 2002 and 2003 also exceeded budgeted amounts by more than 5%.

Cause: After completion of the June 30, 2001 audit, the Springhill City Court was made aware of changes in the Louisiana Local Government Budget Act requiring city courts to comply with the Act. Soon after, the Court adopted the budget for the fiscal year 2002. As

SPRINGHILL CITY COURT
Springhill, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

required, the budget for the 2003 fiscal year was adopted at least fifteen days prior to the beginning of the fiscal year. Underestimation of on-behalf payments by other governmental entities caused actual expenditures to exceed budgeted amounts by more than five percent. However, these excess expenditures were offset by the underestimation of on-behalf revenue.

2003-3 – Expenses of Deputy Marshals

Condition: To reimburse deputy marshals for the use of their personal vehicles, the Marshal pays for the vehicle expenses of the deputies including gas, repairs and maintenance. These expenses were paid directly to the vendors. This policy possibly allows for the personal portion of vehicle use to be paid for by the Marshal's office.

Cause: In performing the duties of the Marshal's office, deputies must use their personal vehicles. To compensate for the business use of their personal vehicle, various automobile expenses were paid directly by the Ward Marshal's office.

2003-4 – Purchase of Vehicle for Ward Marshal

Condition: Article 7, Section 14 of the Louisiana Constitution provides, in part, that the funds, credit, property, or things of value of the state or any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. In May of 2002, the Ward Marshal personally purchased a 2002 Chevrolet Silverado with a monthly note of \$553.54 for five years. He then began reimbursing himself \$550.00 a month from the Marshal's Fund to pay the monthly note. Per discussion with the Marshal's wife, this check is deposited into a separate personal bank account used exclusively for paying the truck note. Expenses for gas, repairs and maintenance are paid directly by the Marshal's office. He was also reimbursed to pay for insurance on the vehicle. However, at the end of the note, title of the truck belongs personally to the Ward Marshal.

Cause: In the past, the Ward Marshal's office has leased a vehicle in order for the Marshall to carry out the duties of the office. At the end of the lease, the Marshal personally purchased a truck and began reimbursing himself for the note payment.

SPRINGHILL CITY COURT
Springhill, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

2003-5 – Worthless Check Fund Liability

Condition: There are not adequate procedures in place to account for the receipt and disbursement of payments received in the Worthless Check Fund. The Springhill City Court collects worthless checks and any related service charges or fees. Receipts are disbursed to the plaintiff and city court as provided by law. The worthless check fund is used to account for the collection and disbursement of these amounts. At June 30, 2001, amounts due to plaintiffs per the Court's general ledger were \$2,244.98 more than subsidiary records indicated. At June 30, 2003, this amount had grown to \$4,317.62. Per discussions with management, at January 13, 2004 only \$486.89 of money received had not been disbursed.

Cause: In prior years, deposits accumulated in the fund for which now little means exist to identify the source of the receipts or to whom amounts should be disbursed. In other cases, collections on worthless checks are received in partial payments causing delay in payments to the plaintiffs.

SPRINGHILL CITY COURT
Springhill, Louisiana
Corrective Action Plan for Current Year Audit Findings
June 30, 2003

2003-1 – Late Submission of Audit Report to Legislative Auditor

Finding: The Springhill City Court failed to timely file audited financial statements with the Legislative Auditor as required by LA RS 24:513.

Management's Response: New auditors were engaged on August 27, 2003 and the audit was expected to be completed by December 31, 2003. Although we engaged for an audit late, the engagement letter still stated that the engagement would be complete by December 31, 2003. The fact that it was not was beyond the Court's control.

2003-2 – Budgets

Finding: The budget for the year ending June 30, 2002 was not adopted until December 17, 2001, five and a half months after the beginning of the fiscal year. Actual expenditures for the years ended June 30, 2002 and 2003 also exceeded budgeted amounts by more than 5%.

Management's Response: After completion of the June 30, 2001 audit, the Springhill City Court was made aware of changes in the Louisiana Local Government Budget Act requiring city courts to comply with the Act. Soon after, the Court adopted the budget for the 2002 fiscal year. As required, the budget for the 2003 fiscal year was adopted at least fifteen days prior to the beginning of the fiscal year. Underestimation of on-behalf payments by other governmental entities caused actual expenditures to exceed budgeted amounts by more than five percent. However, these excess expenditures were offset by the underestimation of on-behalf revenue. In the future, the budget will be reviewed for significant variances and amended as necessary.

SPRINGHILL CITY COURT
Springhill, Louisiana
Corrective Action Plan for Current Year Audit Findings
June 30, 2003

2003-3 – Expenses of Deputy Marshals

Finding: To reimburse deputy marshals for the use of their personal vehicles, the Ward Marshal's office pays for the vehicle expenses of the deputies including gas, repairs and maintenance. These expenses were paid directly to the vendors. This policy possibly allows for the personal portion of the vehicle use to be paid for by the Marshal's office.

Management's Response: To cover expenses for the business use of their personal vehicles, the deputies will be paid a flat car allowance that will be included in their 1099 as additional compensation.

2003-4 – Purchase of Vehicle for Ward Marshal

Finding: Article 7, Section 14 of the Louisiana Constitution provides, in part, that the funds, credit, property, or things of value of the state or any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. In May of 2002, the Ward Marshal personally purchased a 2002 Chevrolet Silverado with a monthly note of \$553.54 for five years and began reimbursing himself \$550.00 a month from the Marshal's Fund to pay the monthly note. At the end of the note, title of the truck belongs personally to the Ward Marshal.

Management's Response: The duties of the Ward Marshal's office require the Marshal to be on call twenty-four hours a day. When the lease on an earlier vehicle ended, a new automobile was needed and the Ward Marshal personally purchased a truck. At the time, it was not known that this was a possible violation of Article 7, Section 14 of the Louisiana Constitution. In the future, vehicles will be bid out and purchased directly through the Ward Marshal's office.

SPRINGHILL CITY COURT
Springhill, Louisiana
Corrective Action Plan for Current Year Audit Findings
June 30, 2003

2003-5 – Worthless Check Fund Liability

Finding: There are not adequate procedures in place to account for the receipt and disbursement of payments received in the Worthless Check Fund. At June 30, 2001, amounts due to plaintiffs per the Court's general ledger were \$2,244.98 more than subsidiary records indicated. At June 30, 2003, this amount had grown to \$4,317.62.

Management's Response: This fund is now maintained by the District Attorney's Office. In prior years, deposits accumulated in the fund for which now little means exist to identify the source of the receipts or to whom amounts should be disbursed. In other cases, collections on worthless checks are received in partial payments causing delay in payments to the plaintiffs. However, every effort will be taken to determine the source of excess deposits in the Worthless Check Fund so that the funds may be distributed to the proper persons.

SPRINGHILL CITY COURT
Springhill, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2003

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

FINDINGS

2001-1 - The Springhill City Court has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Corrective Action Taken – None. As stated in the response to the finding in prior years, management still believes it would not be cost effective to hire additional personnel to provide adequate separation of duties for internal control for this size workload.

2001-2 - The Springhill City Court did not adopt a budget for its general fund and each special revenue fund as required by the Louisiana Local Government Budget Act. City courts were not included in the Budget Act until July 2, 1999. The city court officials did not prepare the required budgets because they were unaware of the change in law. It was recommended that the judge and marshal of the Springhill City Court prepare and adopt the required budgets for the current year according to the Louisiana Local Government Budget Act as soon as possible.

Corrective Action Taken – Yes. The Springhill City Court adopted budgets for the years ending June 30, 2002 and 2003, although the budget for year ended June 30, 2002 was adopted late as noted in Current Finding # 2003-2. Additionally, as noted in Current Finding # 2003-2, the budgets contained variances greater than 5%.