

CITY COURT OF ABBEVILLE, LOUISIANA**Financial Report****Year Ended December 31, 1993**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the entity and other appropriate public officials. The reports 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: 7-28-94

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A Corporation of Certified Public Accountants

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Independent Auditor's Report

The Honorable Edward Broussard, Judge
City Court of Abbeville, Louisiana

We have audited the accompanying financial statements of the City Court of Abbeville, Louisiana, a component unit of the City of Abbeville, Louisiana, as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the Judge of the City Court of Abbeville, Louisiana. Our responsibility is to express an opinion on these 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 *Governance Auditing Standards*, issued by the Comptroller General of the United States. These 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Abbeville, Louisiana, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 8, the City Court of Abbeville, Louisiana has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, as of January 1, 2000. This results in a change in the format and content of the financial statements.

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In accordance with Government Auditing Standards, we have also issued a report dated June 10, 2004, on our consideration of the City Court of Abbeville, Louisiana's internal control over financial reporting, and our tests of its compliance with certain provisions of laws and regulations. . . . This 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.

The City Court of Abbeville, Louisiana has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The prior year summarized comparative information has been derived from the City's 2003 financial statements and, in our report dated June 4, 2004 we expressed an unqualified opinion on the respective financial statements.

Darrell Ailes & Associates

A Corporation of Certified Public Accountants

Abbeville, Louisiana
June 10, 2004

FINANCIAL SECTION

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Net Assets
December 31, 2001

ASSETS

Current assets:	
Cash	\$ 190
Interest-bearing deposits	418,000
Investments	50,000
Total current assets	<u>468,190</u>
Capital assets:	
Equipment	60,000
Furniture and fixtures	28,000
	69,000
Less: accumulated depreciation	<u>(45,810)</u>
Total capital assets, net of accumulated depreciation	<u>23,190</u>
Total assets	<u>\$ 498,380</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 1,660
Due to other agencies	210,470
Deferred revenue	91,320
Total liabilities	<u>263,450</u>

NET ASSETS

Invested in capital assets	23,190
Unrestricted	269,710
Total net assets	<u>292,900</u>
Total liabilities and net assets	<u>\$ 498,380</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Activities
Year Ended December 31, 2003

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue/ Charges for Services</u>	<u>Net (Expense) Revenue And Changes in Net Assets</u>
			<u>Governmental Activities</u>
Governmental activities			
General government	\$ 188,618	\$ 171,807	\$ (16,771)
	General Revenues:		
	Interest income		5,165
	Change in net assets		(11,400)
	Net assets - beginning		244,690
	Net assets - ending		<u>\$ 233,290</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Balance Sheet
 Governmental Fund
 December 31, 2002

(With Comparative Totals as of December 31, 2001)

	<u>2001</u>	<u>2002</u>
ASSETS		
Cash	\$ 108	\$ 180
Interest bearing deposits	408,812	423,796
Investments	<u>22,872</u>	<u>54,384</u>
Total assets	<u>\$ 431,692</u>	<u>\$ 478,360</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,662	\$ 6,603
Due to other agencies	216,475	202,436
Deferred revenue	<u>21,011</u>	<u>42,658</u>
Total liabilities	<u>239,148</u>	<u>251,717</u>
Fund equity:		
Fund balance -		
Unreserved, undesignated	<u>208,739</u>	<u>211,373</u>
Total liabilities and fund equity	<u>\$ 431,692</u>	<u>\$ 478,360</u>
Total fund balance for governmental funds	\$ 208,739	\$ 211,373
 Amounts reported for governmental activities in the statement of net assets are different because:		
 Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds		
	<u>23,547</u>	<u>23,020</u>
Net assets of governmental activities	<u>\$ 213,186</u>	<u>\$ 244,893</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Fund

Year Ended December 31, 2003

(With Comparative Totals for the Year Ended December 31, 2002)

	<u>2003</u>	<u>2002</u>
Revenues:		
Court costs	\$ 131,126	\$ 144,136
Fees	46,721	34,352
Interest	3,362	3,998
Total revenues	<u>181,209</u>	<u>182,486</u>
Expenditures:		
Current -		
Salaries and payroll taxes	28,371	33,885
Conferences and meetings	7,687	3,862
Office expenses	28,389	17,217
Telephone	3,996	4,307
Audit fees	3,750	3,750
Judicial service	6,426	1,260
Miscellaneous	1,040	1,327
Repair and maintenance	167	4,083
Dees and subscriptions	1,671	799
Computer service	3,698	3,980
Court costs -		
Indigent defender's board	28,699	31,200
City Marshal - fees	18,738	28,644
City Marshal - building facility	3,493	3,743
Louisiana commission on law enforcement	2,392	2,593
City of Abbeville - witness fees	11,445	18,647
City of Abbeville - automobile fees	2,858	3,181
Academy crime lab	3,168	3,293
Vermilion Parish District Attorney	788	2,250
Department of Public Safety	158	188
Case management information systems	2,662	2,381
Louisiana rebate services - HSCI	1,608	2,181
Court fees -		
City of Abbeville	39,214	68,952
Vermilion Parish Police Jury	1,367	2,686
Capital outlay		
Equipment	7,313	4,313
Total expenditures	<u>199,646</u>	<u>212,586</u>
Excess (deficiency) of revenues over expenditures	(18,437)	6,900
Fund balance, beginning	<u>211,273</u>	<u>212,583</u>
Fund balance, ending	<u>\$ 192,836</u>	<u>\$ 219,483</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
Of the Governmental Fund to the Statement of Activities
Year Ended December 31, 2003

(With Comparative Totals for the Year Ended December 31, 2002)

	<u>2003</u>	<u>2002</u>
Net change in fund balance - governmental fund	\$ (11,814)	\$ 6,599
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense -		
• Capital outlay expenditures	7,537	4,515
• Depreciation expense	<u>(7,181)</u>	<u>(6,331)</u>
Change in net assets of governmental activities	<u>\$ (11,458)</u>	<u>\$ 6,883</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

**General Fund
Budgetary Comparison Schedule
Year Ended December 31, 2001**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Court costs	\$250,000	\$150,000	\$151,126	\$ (9,874)
Fees	50,000	50,000	48,721	(1,279)
Interest	3,000	3,000	3,163	163
Total revenues	<u>303,000</u>	<u>303,000</u>	<u>173,010</u>	<u>(130,990)</u>
Expenditures:				
Current -				
Salaries and payroll taxes	21,200	21,200	26,373	(5,173)
Conferences and meetings	5,000	5,000	7,687	(2,687)
Office expenses	20,000	20,000	20,189	(189)
Telephones	3,600	3,600	3,996	(396)
Auto fees	4,000	4,000	3,750	250
Janitorial service	1,500	1,500	1,426	74
Miscellaneous	1,000	1,000	1,062	(62)
Repair and maintenance	5,000	5,000	167	4,833
Books and subscriptions	1,000	1,000	1,033	(33)
Computer service	4,000	4,000	3,600	400
Court costs -				
Indigent defender's board	30,000	30,000	35,095	(5,095)
City Marshal - Fees	30,000	30,000	18,158	11,842
City Marshal - Holding facility	1,200	1,200	1,100	100
Louisiana commission on law enforcement	2,400	2,400	2,300	100
City of Abbeville - Witness fees	12,000	12,000	11,460	540
City of Abbeville - Intoxilizer fees	2,500	2,500	2,828	(328)
Acadiana crime lab	4,000	4,000	3,750	250
Victimless Parish District Attorney	800	800	788	12
Department of Public Safety	250	250	268	(18)
Case management information systems	2,500	2,500	2,062	438
Louisiana rehab services - IESCI	1,800	1,800	1,600	200
Court fees -				
City of Abbeville	45,000	45,000	39,214	5,786
Victimless Parish Police Jury	2,000	2,000	1,307	693
Capital outlay				
Equipment	7,800	7,800	7,512	288
Total expenditures	<u>198,210</u>	<u>198,210</u>	<u>189,818</u>	<u>9,402</u>
Excess (deficiency) of revenues over expenditures	4,450	4,450	(11,854)	(16,304)
Fund balance, beginning	<u>231,273</u>	<u>231,273</u>	<u>231,273</u>	<u>-</u>
Fund balance, ending	<u>\$235,723</u>	<u>\$235,723</u>	<u>\$209,419</u>	<u>\$26,304</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Abbeville, Louisiana (City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected official serving a term of six years.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Government Audit Guide and to the industry audit guide, *Audit of State and Local Governmental Data*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

This report includes all funds which are controlled by or dependent upon the City Court Judge. City Court is a component of a financial reporting entity with the City of Abbeville, Louisiana being the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Items not properly included among program revenues are reported as general revenues.

A separate financial statement is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

City Court of Abbeville, Louisiana has the following fund type:

Governmental Fund –

The focus of the governmental fund's measurement (or the fund statement) is upon determination of financial position and changes in financial position (revenues, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of City Court:

General Fund

The General Fund is the general operating fund of City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Assets

All capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	7 years
Furniture and fixtures	7-10 years

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Practices

For the year ended December 31, 2003, City Court did not prepare and adopt a budget prior to the end of the year 2002 as required by R.S. 19:1805. On December 17, 2003, City Court adopted the Budget for the year ended December 2004 in which time a budget for the year 2003 was also enacted.

Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Salaries and Compensated Absences

Salaries include amounts paid for part-time office staff, as well as monthly payments to the Clerk of Court and other full-time employees. Salaries do not include amounts paid to the City Judge, City Marshall, nor the regular salaries of the Clerk of Court and other full-time employees, which are paid by the Yemouille Parish Police Jury and the City of Abbeville. Employee benefits such as retirement, health insurance and compensated absences are also provided by the City of Abbeville. No liability has been accrued for compensated absences since the City Court is not responsible for these costs.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by City Court.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 these estimates.

Comparative Data

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

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the City Court may deposit funds within a fiscal agent/bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2003, the City Court had cash and interest-bearing deposits (bank balances) totaling \$418,123 as follows:

Cash on hand	\$ 100
General Fund - Criminal account	139,800
General Fund - Special account	<u>278,223</u>
Total	<u>\$ 418,123</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 as 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/bank. 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. Deposit balances (bank balances) at December 31, 2003, are secured as follows:

Bank balances	\$ 412,279
Federal deposit insurance	<u>125,813</u>
Balance uninsured	297,314
Pledged securities (Category 3)	<u>366,313</u>
Excess FDIC insurance and pledged securities	<u>\$ 239,128</u>

Pledged securities in Category 3 includes uninsured or unregulated investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in City Court's name. Even though the pledged securities are considered uncollateralized (Category 3), state law imposes a statutory requirement on the custodial bank to advise and sell the pledged securities within 18 days of being notified by City Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 INVESTMENTS

Investments consist of the following certificates of deposit:

<u>Institution</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank of Abbeville	181 days	4/15/2004	1.75%	\$ 90,000
Abbeville Building & Loan	361 days	9/10/2004	2.35%	<u>23,813</u>
				<u>\$ 113,813</u>

CITY COURT OF MONROE, LOUISIANA

Notes to Financial Statements

NOTE 4 CAPITAL ASSETS

	<u>Balance</u>			<u>Balance</u>		
	<u>January 1,</u>			<u>December 31,</u>		
	<u>2003</u>		<u>Additions</u>	<u>Deletions</u>	<u>2004</u>	
Capital Asset Cost						
Equipment	\$	39,395	\$ 7,532	\$ 6,882	\$	40,123
Furniture and fixtures		<u>25,826</u>	-	-		<u>25,826</u>
		<u>\$ 65,221</u>	<u>\$ 7,532</u>	<u>\$ 6,882</u>		<u>\$ 65,949</u>
Accumulated Depreciation:						
Equipment	\$	15,442	\$ 5,018	\$ 6,882	\$	21,678
Furniture and fixtures		<u>20,648</u>	<u>2,082</u>	-		<u>22,730</u>
		<u>\$ 36,090</u>	<u>\$ 7,100</u>	<u>\$ 6,882</u>		<u>\$ 43,818</u>
Net Capital Assets		<u>\$ 29,131</u>	<u>\$ 422</u>	<u>\$ 0</u>		<u>\$ 22,131</u>

NOTE 5 DEFERRED REVENUE

In late 1989, the City Court instituted a policy to accept partial payments of court costs and fines. Prior to this, a sentenced individual was required to pay the assessed court costs and fines in full or serve time in jail. Due to the shortage and cost of jail facilities it was decided that a series of partial payments would be accepted until the complete court assessed fine was paid out. Collections of partial payments are deposited into a separate checking account called the "special account". The balance in this cash account at December 31, 2003 was \$259,623 consisting of approximately \$11,331 reported to be recognized as revenue in the future, \$205,284 to be disbursed to various governmental agencies, and \$43,008 representing accumulated interest earnings that have not yet been transferred to the criminal account.

NOTE 6 CHANGES IN ACCOUNTING PRINCIPLES

City Court of Monroe, Louisiana adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Statement No. 33, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; GASB Statement No. 38, Cost of Financial Statements (Note Disclosure); and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of January 1, 2003. This results in a change in the format and content of the basic financial statements.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL AND COMPLIANCE



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**Independent Auditor's Report on Compliance and
an Internal Control over Financial
Reporting Based on an Audit of
Financial Statements Performed in
Accordance with Government Auditing Standards**

The Honorable Edward Broussard, Judge
City Court of Abbeville, Louisiana

We have audited the financial statements of the City Court of Abbeville, Louisiana, a component unit of the City of Abbeville, Louisiana, as of and for the year ended December 31, 2003, and have issued our report thereon dated June 10, 2004. We have 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 City Court of Abbeville, Louisiana'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 instances of noncompliance that are required to be reported under Government Auditing Standards and are described in the accompanying summary schedule of findings as items 2003-3 and 2003-4.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Abbeville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 judgement, could adversely affect the City Court of Abbeville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2003-1 and 2003-2.

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State of Louisiana
Certified Public Accountants

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. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions are material weaknesses.

This report is intended solely for the information and use of management and others within the organization. However, under Louisiana Revised Statute 24:113, this report is distributed by the Louisiana Legislative Auditor as a public document, therefore its distribution is not limited.

Dunwell, Allen & Friedrich

A Corporation of Certified Public Accountants

Abbeville, Louisiana
June 10, 2004

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Findings
Year Ended December 31, 2003

PART I SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the City Court of Abbeville, Louisiana's financial statements as of and for the year ended December 31, 2003.

Reportable Conditions – Financial Reporting

Reportable conditions in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as items 2003-1 and 2003-2 in Part II.

Material Noncompliance – Financial Reporting

Instances of noncompliance were disclosed during the audit of the financial statements and are shown as items 2003-3 and 2003-4 in Part II.

FEDERAL AWARDS

The City Court of Abbeville, Louisiana received no federal awards during the year ended December 31, 2003 therefore an audit under the provisions of OMB Circular A-133 was not applicable.

PART II FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

2003-1 Inadequate Segregation of Accounting Functions

Finding

Due to the small number of employees, the City Court of Abbeville did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties. However, City Court should assign accounting functions to various employees so that no one individual collects and deposits cash, performs bank reconciliations, prepares and signs checks, and maintains journals.

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Findings (Continued)
Year Ended December 31, 2003

2003-3 **Reconciliation and Maintenance of Subsidiary Detail of Partial Payment Deposits**

Finding:

City Court accepts partial payments of court fines and deposits those partial payments in a separate bank account. City Court was unable to provide a subsidiary listing by paper which reconciled to amounts on deposit in the partial payment bank account. While City Court has a system of filing receipts of partial payments that provides some detail as to the composition of the current cash balance, no effort has been made to reconcile this filing system to cash balances.

Recommendation:

City Court should establish procedures to maintain a subsidiary listing of partial payments that can regularly be reconciled to cash balances.

2003-4 **Noncompliance with Budget Law**

Finding:

City Court did not prepare and adopt a budget for the General Fund for the year ended December 31, 2003 prior to January 1, 2003 as required by R.S. 19:1305.

Recommendation:

City Court should prepare and adopt an annual budget in accordance with the provisions of R.S. 19:1303.

2003-4 **Noncompliance with Budget Law**

Finding:

Actual revenues of the General Fund failed to meet budgeted revenues by an amount in excess of five percent, which is a violation of Louisiana Revised Statute 19:1310.

Recommendation:

City Court should monitor revenues and amend the budget when actual receipts plus projected collections are expected to fall short of budgeted amounts.

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Prior Year Findings
Year Ended December 31, 2003

Prior Year Findings Related to Internal Control:

2002-1 Inadequate Description of Accounting Functions

Status: This finding is unresolved. See current year finding 2003-1.

2002-2 Reconciliations and Maintenance of Subsidiary Detail of Payroll Payment Deposits

Status: This finding is unresolved. See current year finding 2003-2.

2002-3 Noncompliance with Budget Law

Status: This finding is resolved.

CITY COURT OF ABBEVILLE, LOUISIANA

**Corrective Action Plan
Year Ended December 31, 2003**

Response to Findings:

2003-1 Inadequate Segregation of Accounting Functions

City Court will segregate accounting functions to the extent possible.

2003-2 Reconciliation and Maintenance of Subsidiary Detail of Partial Payment Deposits

City Court intends to investigate the deficiencies in its system of accounting for partial payments and implement procedures to mitigate these deficiencies.

2003-3 Noncompliance with Budget Law

City Court will prepare and adopt a budget for the General Fund prior to the beginning of the applicable year.

2003-4 Noncompliance with Budget Law

City Court will more closely monitor revenues and amend the budget when required.