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**CITY COURT OF NATCHITOCHEs, LOUISIANA  
ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2003**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 9.1.04

City Court of Natchitoches, Louisiana  
Financial Report  
December 31, 2003

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

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**ACCOUNTANT'S COMPILATION REPORT ON THE FINANCIAL STATEMENTS**

Honorable Fred S. Gahagan  
City Court of Natchitoches  
P. O. Box 70  
Natchitoches, Louisiana 71458-0070

We have compiled the accompanying financial statements of the governmental activities and major fund information of the City Court of Natchitoches, Louisiana, a component unit of the City of Natchitoches, as of and for the year ended December 31, 2003, which collectively comprise the Court's basic financial statements as listed in the Table of Contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

The Management's Discussion and Analysis and budgetary comparison information on pages 2 through 5 and 25 through 26, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated April 23, 2004, on the results of our agreed-upon procedures.

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

April 23, 2004  
Natchitoches, LA 71457

# **CITY COURT OF NATCHITOCHEES, LOUISIANA**

**P. O. Box 70  
Natchitoches, LA 71458-0070**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis is an element of the new reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. As this is the first year the City Court will be reporting under this new model, certain comparative information with the previous year which is by design included in this model, will not be presented in the analysis, as permitted by GASB No. 34 with respect to first year reporting.

### **Financial Highlights**

This annual report consists of a series of new financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Court as a whole and present a longer-term view of the Court's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The Court is a component unit of the City of Natchitoches. Its operations are conducted through a general fund. The Court maintains a Fiduciary Fund. As these funds are simply held for other parties and cannot be used for any of the Court activities, it is not included in the government-wide statement but is separately reported in the statements of the Fiduciary Fund.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Assets

<b>ASSETS:</b>	
Assets	\$5,426
Capital assets, net of accumulated depreciation	<u>1,936</u>
Total Assets	<u>\$7,362</u>
<b>LIABILITIES:</b>	
Payables	<u>\$2,651</u>
Total Liabilities	<u>\$2,651</u>
NET ASSETS	<u>\$4,711</u>
<b>NET ASSETS:</b>	
Investment in capital assets	\$1,936
Unreserved fund balance	<u>2,775</u>
NET ASSETS	<u>\$4,711</u>

## Summary of Statement of Activities

## REVENUES:

General Revenues:	
Intergovernmental	\$ 99,596
Other	<u>10,810</u>
Total Revenues	<u>\$110,406</u>

## EXPENSES:

Operating Services	\$ 17,095
General and Administration	62,332
Depreciation Expense	2,358
Travel and Other	<u>39,281</u>
Total Expenses	<u>\$121,066</u>
Change in Net Assets	<u>\$ (10,660)</u>

General Fund Budgetary Highlights

The City Court continues to receive sufficient revenues to provide the services required of the Court for the citizens of the City of Natchitoches.

Economic Factors and Next Year's Budget

The City Court's management considered many factors when setting the operating budget for the next fiscal year. As there are very minimal changes expected in the next fiscal year, the budget for FY 2004 should not change significantly from the FY 2003 budget.

Contacting the City Court

This financial report is designed to provide our citizens and creditors with general overview of the Court's finances and to show the Court's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to City Court of Natchitoches, Clerk of Court at P. O. Box 70, Natchitoches, LA 71458-0070.

## BASIC FINANCIAL STATEMENTS



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

City Court of Natchitoches, Louisiana  
Statement of Net Assets  
December 31, 2003

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
<b>Current Assets:</b>	
Cash & Cash Equivalents	\$1,992
Net Receivables	<u>3,434</u>
Total Current Assets	<u>\$5,426</u>
<b>Non-current Assets:</b>	
Net Capital Assets	<u>\$1,936</u>
Total Non-current Assets	<u>\$1,936</u>
Total Assets	<u>\$7,362</u>
<b>LIABILITIES:</b>	
<b>Current Liabilities:</b>	
Accounts Payable	<u>\$2,651</u>
Total Current Liabilities	<u>\$2,651</u>
<b>NET ASSETS:</b>	
Invested in Capital Assets	\$1,936
Unrestricted	<u>2,775</u>
Total Net Assets	<u>\$4,711</u>
Total Liabilities and Net Assets	<u>\$7,362</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches, Louisiana  
Statement of Activities  
December 31, 2003

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets Government Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Judicial:				
Salaries and Benefits	\$ 62,332	\$ 99,596	\$0	\$ 37,264
Office	19,176	0	0	(19,176)
Travel and Training	10,051	0	0	(10,051)
Contract Services	10,054	0	0	(10,054)
Depreciation	2,358	0	0	(2,358)
Operating Expense	<u>17,095</u>	<u>0</u>	<u>0</u>	<u>(17,095)</u>
 Total Governmental Activities	 <u>\$121,066</u>	 <u>\$(99,596)</u>	 <u>\$0</u>	 <u>\$(21,470)</u>
 General Revenues:				
Miscellaneous				<u>\$ 10,810</u>
 Total General Revenues				<u>\$ 10,810</u>
 Change in Net Assets				
 \$(10,660)				
 Net Assets January 1, 2003 (Restated, see Note 3)				<u>15,371</u>
 Net Assets December 31, 2003				<u>\$ 4,711</u>

See accountant's compilation report and notes to financial statements.

**FUND FINANCIAL STATEMENTS**

City Court of Natchitoches, Louisiana  
Balance Sheet-Governmental Fund  
December 31, 2003

Assets:

Cash and Cash Equivalents	\$1,992
Accounts Receivable	<u>3,434</u>
Total Assets	<u>\$5,426</u>

Liabilities:

Accounts Payable	\$2,082
Payroll Tax	<u>569</u>
Total Liabilities	\$2,651

Fund Balance:

Unreserved	<u>2,775</u>
Total Liabilities and Fund Balance	<u>\$5,426</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches, Louisiana  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Assets  
December 31, 2003

Total Fund Balance for the Governmental Fund at December 31, 2003	\$2,775
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Office Equipment and Fixtures, Net of Accumulated Depreciation	<u>1,936</u>
Total Net Assets of Governmental Activities at December 31, 2003	<u>\$4,711</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balance-  
Governmental Fund  
Year Ended December 31, 2003

	<u>Total</u>
REVENUES:	
Intergovernmental	\$ 99,596
Charges for Services	<u>10,810</u>
Total Revenues	\$110,406
EXPENDITURES:	
Current-	
General Administration	<u>119,208</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (8,802)
Fund Balance-Beginning of Year	<u>11,577</u>
Fund Balance-End of Year	<u>\$ 2,775</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended December 31, 2003

Total Net Change in Fund Balance at December 31, 2003, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (8,802)
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
ADD: Capital Outlay cost which are considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance is shown as an increase in assets on the Statement of Activities	500
LESS: Depreciation expense for the year ended December 31, 2003	<u>(2,358)</u>
Total changes in Net Assets at December 31, 2003, per Statement of Activities	<u>\$(10,660)</u>

See accountant's compilation report and notes to financial statements.



City Court of Natchitoches, Louisiana  
Statement of Fiduciary Net Assets-  
Fiduciary Funds  
December 31, 2003

Assets:	<u>Agency Funds</u>
Cash	<u>\$136,754</u>
Total Assets	<u>\$136,754</u>
Liabilities:	
Unsettled Deposits	<u>\$136,754</u>
Total Liabilities	<u>\$136,754</u>

See accountant's compilation report and notes to financial statements.

City Court of Natchitoches, Louisiana  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2003

Deposit Balances at Beginning of Year	\$111,785
Additions:	
Deposits made During the Year	<u>133,543</u>
Sub-total	<u>\$245,328</u>
Deductions:	
Refunds and Settlements	\$ 30,609
City Marshal's Fees	16,839
Judge's Fees	32,817
Recording	6,009
Other Fees & Costs	14,933
Judge's Compensation Fund	<u>7,367</u>
Total Deductions	<u>\$108,574</u>
Deposit Balance at End of Year	<u>\$136,754</u>

See accountant's compilation report and notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

**1. Introduction:**

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

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

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

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

**2. Summary of Significant Accounting Policies:**

The accompanying component unit financial statements of the City Court of Natchitoches, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity-**

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

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

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

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

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

**B. Basis of Presentation-**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

C. Fund Accounting-

The accounts of the Court are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Court maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Court are described below:

Governmental Fund-

Judicial Fund

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

Fiduciary Fund

Fiduciary Funds are used to account for assets held by the Court in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities of the Court, these funds are not incorporated into the government-wide statements.

D. Measurement Focus/Basis of Accounting-

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

**Measurement Focus-**

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement is used as appropriate.

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost of recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

**Basis of Accounting-**

In the government-wide Statement of Assets and Statement of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental 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 collected 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 (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Court.

Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
----------------------	---------

Compensated Absences-

Employees of the Court do not accrue or "carry forward" vacation or sick leave, therefore no entry is made to record compensated absences.

Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.



City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

- c. Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. Budget-

Prior to the beginning of each fiscal year, the City Court of Natchitoches, Louisiana adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

**3. Changes in Accounting Principles:**

For the year ended December 31, 2003, the Court has implemented GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments. GASB No. 34 creates new basic financial statements for reporting on the Court’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

The implementation of GASB No. 34 caused the opening fund balance at December 31, 2002, to be restated in terms of “net assets” as follows:

Total fund balance-Governmental Fund at December 31, 2002		\$11,577
Add: Cost of capital assets at December 31, 2002	\$ 70,086	
Less: Accumulated Depreciation at December 31, 2002	(66,292)	<u>3,794</u>
Net Assets at December 31, 2002		<u>\$15,371</u>

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

**4. Cash and Cash Equivalents:**

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At December 31, 2003, the Court had cash and cash equivalents (collected bank balances) totaling \$141,858. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the Court. The deposits at December 31, 2003, were secured as follows:

Cash & Cash Equivalents	<u>\$141,858</u>
FDIC Insurance	<u>\$141,858</u>

**5. Capital Assets:**

Capital asset balances and activity for the year ended December 31, 2003, is as follows:

<u>Governmental Activities</u>	<u>Balance 01-01-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-03</u>
Capital Assets:				
Furniture, computers, equipment	<u>\$70,086</u>	<u>\$ 500</u>	<u>\$0</u>	<u>\$70,586</u>
Total Assets	<u>\$70,086</u>	<u>\$ 500</u>	<u>\$0</u>	<u>\$70,586</u>
Less: Accumulated Depreciation:				
Furniture, computers, equipment	<u>\$66,292</u>	<u>\$ 2,358</u>	<u>\$0</u>	<u>\$68,650</u>
Total Depreciation	<u>\$66,292</u>	<u>\$ 2,358</u>	<u>\$0</u>	<u>\$68,650</u>
Net Capital Assets	<u>\$ 3,794</u>	<u>\$(1,858)</u>	<u>\$0</u>	<u>\$ 1,936</u>

Depreciation expense of \$2,358 was charged to the general government function.

**6. Pension Plan:**

The City Judge is a member of the Louisiana Employees Retirement System and participates in the DROP Program. The Clerk and Deputy Clerk are members of the Louisiana Municipal Employees Retirement System, and the City of Natchitoches contributes the employer portion for these employees. The City Court does not guarantee the benefits granted by either of these retirement systems.

City Court of Natchitoches, Louisiana  
Notes to Financial Statements  
December 31, 2003

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

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

**OTHER REQUIRED  
SUPPLEMENTARY INFORMATION**

City Court of Natchitoches, Louisiana  
Judicial Fund  
Budgetary Comparison Schedule  
For the Year Ended December 31, 2003

	2003			Variance Favorable (Unfavorable)
	Budget		Actual	
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$103,000	\$103,000	\$ 99,596	\$(3,404)
Other	<u>11,200</u>	<u>11,200</u>	<u>10,810</u>	<u>(390)</u>
Total Revenues	<u>\$114,200</u>	<u>\$114,200</u>	<u>\$110,406</u>	<u>\$(3,794)</u>
<b>EXPENDITURES:</b>				
Personnel Costs	\$ 63,000	\$ 63,000	\$ 62,332	\$ 668
Office	20,000	20,000	19,176	824
Travel & Training	9,000	9,000	10,051	(1,051)
Contract Services	10,000	10,000	10,054	(54)
Operating	16,000	16,000	17,095	(1,095)
Equipment	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>500</u>
Total Expenditures	<u>\$119,000</u>	<u>\$119,000</u>	<u>\$119,208</u>	<u>\$ (208)</u>

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

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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

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P. O. Box 70  
Natchitoches, Louisiana 71458-0070

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the City Court of Natchitoches, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Court of Natchitoches, Louisiana's compliance with certain laws and regulations during the year ended December 31, 2003, included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**PUBLIC BID LAW**

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided us with the requested list.

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

No instances that would fall under the above circumstances were found.

#### **BUDGETING**

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

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

#### **ACCOUNTING AND REPORTING**

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account:

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

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

All payments examined were properly approved by the proper authorities.

#### **MEETINGS**

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

Not applicable.

**DEBT**

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness.

**ADVANCES AND BONUSES**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

Not applicable.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City Court of Natchitoches, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

April 23, 2004

Natchitoches, Louisiana



**CITY COURT OF NATCHITOCHEs, LOUISIANA**

**LOUISIANA ATTESTATION QUESTIONNAIRE**

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

In connection with your compilation of our financial statements as of December 31, 2003 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 31, 2003.

**Public Bid Law**

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

Yes X No \_\_\_

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

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

Yes X No \_\_\_

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

Yes X No \_\_\_

**Budgeting**

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

Yes X No    

**Accounting and Reporting**

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

Yes X No    

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

Yes X No    

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

Yes X No    

**Meetings**

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

Yes X No    

**Debt**

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

Yes X No    

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

**Advances and Bonuses**

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

Yes X No    

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

Judge           **Fred Gahagan**          

Date           **12-16-03**          

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