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CITY COURT OF KAPLAN

Financial Report

Year Ended June 30, 2004

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 11-17-04

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ACCOUNTANTS' COMPILATION REPORT

The Honorable Frank E. Lemoine, City Judge
City Court of Kaplan, Louisiana

We have compiled the accompanying basic financial statements of the governmental activities, each major fund, and the accompanying supplementary schedules of the City Court of Kaplan, Louisiana, as of and for the year ended June 30, 2004, as listed in the table of contents. The basic financial statements and supplementary schedules, which are presented only for supplementary analysis purposes, were compiled 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 and supplementary schedules, information that is the representation of the management of the City Court of Kaplan. We have not audited or reviewed the accompanying basic financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

The City Court of Kaplan 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 part of, the basic financial statements

In accordance with the Louisiana Government Audit Guide and the provisions of state law, we have issued a report dated September 28, 2004, on the results of our agreed-upon procedures.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
September 28, 2004

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BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF KAPLAN, LOUISIANA

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash	\$ 8,875
Noncurrent assets:	
Capital assets, net	<u>4,558</u>
TOTAL ASSETS	<u>13,433</u>
LIABILITIES	
Accounts payable	<u>228</u>
NET ASSETS	
Invested in capital assets	4,558
Unrestricted	<u>8,647</u>
TOTAL NET ASSETS	<u>\$13,205</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF KAPLAN, LOUISIANA

Statement of Activities
Year Ended June 30, 2004

	<u>Program Revenues</u>		<u>Net Expense And Changes in Net Assets Governmental Activities</u>
	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<u>Functions/Programs</u>			
<u>Expenses</u>			
Governmental activities:			
General government	<u>\$ (30,080)</u>	<u>\$ 19,548</u>	<u>\$ (6,632)</u>
Miscellaneous			<u>308</u>
Change in net assets			<u>(6,324)</u>
Net assets - June 30, 2003			<u>19,529</u>
Net assets - June 30, 2004			<u>\$13,205</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Witness Fee Special Revenue Fund

To account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

CITY COURT OF KAPLAN, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2004

	<u>General</u>	Witness Fee Special <u>Revenue</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
ASSETS				
Cash	\$ 6,827	\$ 6,065	\$ 12,892	\$ 19,122
Due from other funds	<u>1,165</u>	<u>410</u>	<u>1,575</u>	<u>2,365</u>
Total assets	<u>\$ 7,992</u>	<u>\$ 6,475</u>	<u>\$ 14,467</u>	<u>\$ 21,487</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 228	\$ -	\$ 228	\$ 193
Due to other funds	<u>5,592</u>	<u>-</u>	<u>5,592</u>	<u>5,592</u>
Total liabilities	<u>5,820</u>	<u>-</u>	<u>5,820</u>	<u>5,785</u>
Fund equity:				
Fund balances	<u>2,172</u>	<u>6,475</u>	<u>8,647</u>	<u>15,702</u>
Total liabilities and fund balances	<u>\$ 7,992</u>	<u>\$ 6,475</u>	<u>\$ 14,467</u>	<u>\$ 21,487</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of this statement.

CITY COURT OF KAPLAN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balance for governmental fund at June 30, 2004		\$ 8,647
Cost of capital assets at June 30, 2004	\$ 8,826	
Less: Accumulated depreciation	<u>(4,268)</u>	
Capital assets, net		<u>4,558</u>
Net assets at June 30, 2004		<u>\$ 13,205</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of this statement.

CITY COURT OF KAPLAN, LOUISIANA

Statement of Revenue, Expenditures, and Changes in Fund Balance
 Governmental Funds
 For the Year Ended June 30, 2004
 With Comparative Actual Amounts for the Year Ended June 30, 2003

	General Fund	Special Revenue Fund	Totals	
			2004	2003
Revenues:				
Court costs - city fines	\$ 13,954	\$ 4,861	\$ 18,815	\$ 18,835
Court costs - state fines	632	101	733	1,400
Appropriation - City of Kaplan	3,900	-	3,900	3,900
Miscellaneous	753	-	753	277
Total revenues	<u>19,239</u>	<u>4,962</u>	<u>24,201</u>	<u>24,412</u>
Expenditures:				
General government	22,839	5,512	28,351	25,500
Capital outlay	<u>2,905</u>	<u>-</u>	<u>2,905</u>	<u>657</u>
Total expenditures	<u>25,744</u>	<u>5,512</u>	<u>31,256</u>	<u>26,157</u>
Deficiency of revenues over expenditures	(6,505)	(550)	(7,055)	(1,745)
Fund balances, beginning	<u>8,677</u>	<u>7,025</u>	<u>15,702</u>	<u>17,447</u>
Fund balances, ending	<u>\$ 2,172</u>	<u>\$ 6,475</u>	<u>\$ 8,647</u>	<u>\$ 15,702</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of this statement.

CITY COURT OF KAPLAN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
Year Ended June 30, 2004

Total net change in fund balance for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (7,055)
Add: Capital outlay costs which are considered expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balance	2,905
Less: Depreciation expense for year ended June 30, 2004	(1,729)
Less: Loss on disposal of assets	<u>(445)</u>
Total changes in net assets for the year ended June 30, 2004 per Statement of Activities	<u>\$ (6,324)</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of this statement.

CITY COURT OF KAPLAN, LOUISIANA

Comparative Statement of Fiduciary Net Assets and Liabilities
Fiduciary Funds
June 30, 2004 and 2003

	<u>Agency Funds</u>	
	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and cash equivalents	<u>\$ 25,517</u>	<u>\$ 33,320</u>
LIABILITIES		
Due to agencies and others	<u>\$ 25,517</u>	<u>\$ 33,320</u>

See Accountants' Compilation Report.

The accompanying notes are an integral part of this statement.

CITY COURT OF KAPLAN, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The City Court of Kaplan (City Court) accounts for the operations of the City Court in Kaplan, Louisiana. The salaries of City Court employees are funded by the State of Louisiana, the Vermilion Parish Police Jury, and the City of Kaplan.

The following is a summary of certain significant accounting policies:

A. Basis of Presentation

The accompanying basic financial statements of the City Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the City Court as a whole. These statements include all the financial activities of the City Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

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

Fund Financial Statements (FFS)

The City Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain City Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the City Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the

CITY COURT OF KAPLAN, LOUISIANA

Notes to Basic Financial Statements (continued)

primary operating fund of the City Court or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The governmental fund of the City Court is considered to be a major fund. The funds of the City Court are described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the City Court and it accounts for the operations of the City Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to City Court policy.

Fiduciary Funds -

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the City Court are agency funds. The agency funds account for assets held by the City Court as an agent for individuals and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

B. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of City Court operations.

The amounts reflected in the General Fund 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 pay liabilities of the current period. The City Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The

CITY COURT OF KAPLAN, LOUISIANA

Notes to Basic Financial Statements (continued)

governmental fund uses the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues and fees, charges and commissions for services are recorded when the City Court is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the City Court.

C. Budgets and Budgetary Accounting

The City Court follows these procedures in establishing the budgetary data reflected in the financial statements.

1. A proposed budget is prepared and submitted to the Judge of the City Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the City Court. Such amendments were not material in relation to the original appropriations.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

E. Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is

CITY COURT OF KAPLAN, LOUISIANA

Notes to Basic Financial Statements (continued)

not available. The City 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 the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated 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 estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	5-10
Equipment	5-10

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the 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 expenditures during the reporting period. Actual results could differ from those estimates.

(2) Changes in Accounting Principle

For the year ended June 30, 2004, the City Court has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the City 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 City Court also implemented GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, No. 37, Basic Financial Statements – And Management's Discussion and Analysis – For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At June 30, 2004, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

CITY COURT OF KAPLAN, LOUISIANA

Notes to Basic Financial Statements (continued)

The implementation of GASB No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of "net assets" as follows:

Total fund balance - Governmental Funds at June 30, 2003		\$ 15,702
Add: Cost of capital assets at June 30, 2003	\$ 8,717	
Less: Accumulated depreciation at June 30, 2003	<u>(4,890)</u>	<u>3,827</u>
Net assets at June 30, 2003		<u>\$ 19,529</u>

(3) Cash and Cash Equivalents

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 United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the City Court has cash and cash equivalents (book balances) totaling \$34,392.

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash and cash equivalents	<u>\$ 8,875</u>	<u>\$ 25,517</u>	<u>\$ 34,392</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the City Court has deposit balances (bank balances) totaling \$34,058. These deposits are fully insured from risk by federal deposit insurance.

(4) Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,165	\$ 5,592
Special Revenue Fund	410	-
Agency Funds	<u>5,592</u>	<u>1,575</u>
	<u>\$ 7,167</u>	<u>\$ 7,167</u>

CITY COURT OF KAPLAN, LOUISIANA

Notes to Basic Financial Statements (continued)

(5) Capital Assets

A summary of changes in capital assets follows:

	<u>7/1/2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>6/30/2004</u>
Equipment	\$ 8,717	\$ 2,905	\$ (2,796)	\$ 8,826
Less: accumulated depreciation	<u>(4,890)</u>	<u>(1,729)</u>	<u>2,351</u>	<u>(4,268)</u>
Net capital assets	<u>\$ 3,827</u>	<u>\$ 1,176</u>	<u>\$ (445)</u>	<u>\$ 4,558</u>

Depreciation expense in the amount of 1,729 was charged to general government.

(6) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Civil Fund</u>	<u>State Fines Fund</u>	<u>City Fines Fund</u>	<u>Bond Fund</u>	<u>Totals</u>
Balances, July 1, 2003,	\$ 9,143	\$ 652	\$ 11,702	\$ 11,823	\$ 33,320
Additions	13,742	3,654	90,740	26,462	134,598
Reductions	<u>(11,761)</u>	<u>(4,306)</u>	<u>(97,437)</u>	<u>(28,897)</u>	<u>(142,401)</u>
Unsettled balances, ending	<u>\$ 11,124</u>	<u>\$ -</u>	<u>\$ 5,005</u>	<u>\$ 9,388</u>	<u>\$ 25,517</u>

(7) Prior-period Adjustment

Fund balance in the General Fund and unsettled balances in the Civil Fund at the beginning of fiscal year ended June 30, 2003, has been adjusted to correct an error in a prior year. In prior years, the Civil Fund had been omitted from the financial statements; however, there was not enough cash in the Civil Fund to cover the refunds owed to litigants for the excess of advance court costs they had paid over actual costs. Since the Civil Fund cannot cover these refunds, the General Fund must cover the difference between Civil Fund cash and refunds owed. Had the error not been made, excess of revenues over expenditures in the General Fund would have decreased by \$5,592 in prior years and unsettled balances in the Civil Fund would have increased by \$5,592.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY COURT OF KAPLAN, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2003

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Court costs - city fines	\$13,137	\$14,289	\$13,954	\$ (335)	\$13,137
Court costs - state fines	1,280	632	632	-	1,280
Appropriation - City of Kaplan	3,900	3,900	3,900	-	3,900
Miscellaneous	<u>277</u>	<u>736</u>	<u>753</u>	<u>17</u>	<u>277</u>
Total revenues	<u>18,594</u>	<u>19,557</u>	<u>19,239</u>	<u>(318)</u>	<u>18,594</u>
Expenditures:					
General government -					
Supplemental pay	-	-	-	-	3,000
Insurance benefits	2,700	3,080	3,080	-	2,775
Dues, subscriptions, and publications	3,796	5,605	5,610	(5)	3,796
Postage and printing	1,488	1,058	1,439	(381)	1,487
Seminars	5,268	5,390	4,665	725	5,267
Supplies	1,344	2,267	3,610	(1,343)	1,343
Telephone	2,408	2,551	2,779	(228)	2,408
Repairs and maintenance	1,025	1,500	1,500	-	1,025
Miscellaneous	<u>374</u>	<u>155</u>	<u>156</u>	<u>(1)</u>	<u>374</u>
Total general government	<u>18,403</u>	<u>21,606</u>	<u>22,839</u>	<u>(1,233)</u>	<u>21,475</u>
Capital outlay	<u>3,500</u>	<u>4,248</u>	<u>2,905</u>	<u>1,343</u>	<u>657</u>
Total expenditures	<u>21,903</u>	<u>25,854</u>	<u>25,744</u>	<u>110</u>	<u>22,132</u>
Deficiency of revenues over expenditures	(3,309)	(6,297)	(6,505)	(428)	(3,538)
Fund balance, beginning	8,677	8,677	8,677	-	17,807
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,592)</u>
Fund balance, beginning, as restated	<u>8,677</u>	<u>8,677</u>	<u>8,677</u>	<u>-</u>	<u>12,215</u>
Fund balance, ending	<u>\$ 5,368</u>	<u>\$ 2,380</u>	<u>\$ 2,172</u>	<u>\$ (428)</u>	<u>\$ 8,677</u>

See Accountants' Compilation Report.

CITY COURT OF KAPLAN, LOUISIANA
Witness Fee Special Revenue Fund

Budgetary Comparison Schedule
Year Ended June 30, 2004
With Comparative Actual Amounts for Year Ended June 30, 2004

	2004			Variance - Favorable (Unfavorable)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Court costs - city fines	\$ 5,818	\$ 4,852	\$ 4,861	\$ 9	\$ 5,698
Court costs - state fines	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>	<u>120</u>
Total revenues	<u>5,818</u>	<u>4,852</u>	<u>4,962</u>	<u>110</u>	<u>5,818</u>
Expenditures:					
General government - Witness fees	<u>4,025</u>	<u>5,138</u>	<u>5,512</u>	<u>(374)</u>	<u>4,025</u>
Total expenditures	<u>4,025</u>	<u>5,138</u>	<u>5,512</u>	<u>(374)</u>	<u>4,025</u>
Excess (deficiency) of revenues over expenditures	<u>1,793</u>	<u>(286)</u>	<u>(550)</u>	<u>(264)</u>	<u>1,793</u>
Fund balance, beginning	<u>7,025</u>	<u>7,025</u>	<u>7,025</u>	<u>-</u>	<u>5,232</u>
Fund balance, ending	<u>\$ 8,818</u>	<u>\$ 6,739</u>	<u>\$ 6,475</u>	<u>\$ (264)</u>	<u>\$ 7,025</u>

See Accountants' Compilation Report.

OTHER SUPPLEMENTAL INFORMATION

AGENCY FUNDS

Civil Fund

The Civil Fund is used to account for the advance costs on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

State Fines Fund

The State Fines Fund is used to account for the receipt and disbursement of state fines and court costs.

City Fines Fund

The City Fines Fund is used to account for the receipt and disbursement of city fines and court costs.

Bond Fund

The Bond Fund is used to account for the receipt and disbursement of bonds.

CITY COURT OF KAPLAN, LOUISIANA
Agency Funds

Combining Balance Sheet
June 30, 2004
With Comparative Totals for June 30, 2003

	Civil Fund	State Fines Fund	City Fines Fund	Bond Fund	Total	
					2004	2003
ASSETS						
Cash and cash equivalents	\$ 5,532	\$ -	\$ 5,005	\$ 9,388	\$ 19,925	\$ 27,728
Due from other funds	<u>5,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,592</u>	<u>5,592</u>
Total assets	<u>\$ 11,124</u>	<u>-</u>	<u>\$ 5,005</u>	<u>\$ 9,388</u>	<u>\$ 25,517</u>	<u>\$ 33,320</u>
LIABILITIES						
Due to agencies and others	<u>\$ 11,124</u>	<u>\$ -</u>	<u>\$ 5,005</u>	<u>\$ 9,388</u>	<u>\$ 25,517</u>	<u>\$ 33,320</u>

See Accountants' Compilation Report.

CITY COURT OF KAPLAN, LOUISIANA
Agency Funds

Combining Schedule of Collections, Distributions, and Unsettled Balances
For the Year Ended June 30, 2004
With Comparative Totals for Year ended June 30, 2003

	Civil Fund	State Fines Fund	City Fines Fund	Bond Fund	Totals	
					2004	2003
Balances, July 1, 2003, as previously reported	\$ 9,143	\$ 652	\$ 11,702	\$ 11,823	\$ 33,320	\$ 25,786
Prior period adjustment	-	-	-	-	-	5,592
Balances, beginning, as restated	9,143	652	11,702	11,823	33,320	31,378
Additions:						
Deposits in civil suits	13,742	-	-	-	13,742	8,776
Fines	-	3,654	90,740	17,720	112,114	130,050
Bonds	-	-	-	8,742	8,742	10,319
Total collections	<u>13,742</u>	<u>3,654</u>	<u>90,740</u>	<u>26,462</u>	<u>134,598</u>	<u>149,145</u>
Reductions:						
Payments by order of the Court	4,926	-	-	-	4,926	2,376
Refund of deposits	415	-	-	11,046	11,461	8,132
Fees transferred to General Fund	-	673	15,307	-	15,980	14,091
Fines transferred to other funds	-	-	-	17,851	17,851	24,409
District attorney	-	300	1,040	-	1,340	2,400
City marshal	1,274	225	8,595	-	10,094	10,421
Sheriff	359	-	-	-	359	149
Other fees	2,340	19	642	-	3,001	2,545
Indigent defender board	-	412	15,756	-	16,168	17,160
Crime lab	-	250	6,730	-	6,980	7,320
LA commission on law enforcement	-	53	1,476	-	1,529	1,606
Witness fees	-	105	5,871	-	5,976	5,123
Judges support compensation fee	2,102	-	-	-	2,102	1,221
Judicial costs	-	26	1,036	-	1,062	1,246
Clerk of Court	345	-	-	-	345	240
City of Kaplan	-	-	40,984	-	40,984	43,035
Vermilion parish police jury	-	2,243	-	-	2,243	5,729
Total distributions	<u>11,761</u>	<u>4,306</u>	<u>97,437</u>	<u>28,897</u>	<u>142,401</u>	<u>147,203</u>
Unsettled balances, ending	<u>\$ 11,124</u>	<u>\$ -</u>	<u>\$ 5,005</u>	<u>\$ 9,388</u>	<u>\$ 25,517</u>	<u>\$ 33,320</u>

See Accountants' Compilation Report.

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Frank E. Lemoine, City Judge
City Court of Kaplan, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the City Court of Kaplan, Louisiana (City Court), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Court's compliance with certain laws and regulations during the year ended June 30, 2004, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. 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 material 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).

There were no expenditures made during the year which exceeded \$15,000 for material and supplies, or \$100,000 for public works.

Code of Ethics for Public Officials and Public Employees

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

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
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332 W. Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

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

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.
Management provided us with a copy of the original budget. There was one amendment to the budget during the year.
6. Trace the budget adoption and amendments to the minute book.
We traced the adoption of the original budget to the minutes of a meeting held on June 26, 2003, which indicated that the budget had been adopted by the City Court. We also traced the adoption of the amended budget to the minutes of a meeting held on May 27, 2004.
7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

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; and

All six payments were properly coded to the correct fund and general ledger account.
 - (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the City Court Judge.

Meetings

9. There were no procedures applicable to meetings because the City Court Judge is an independently elected official and does not hold public meetings as do other governmental units.

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 like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which 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 which may constitute bonuses, advance, or gifts.

The City Court Judge is paid by the State of Louisiana and the Vermilion Parish Police Jury, and all other City Court employees are paid by the Vermilion Parish Police Jury and the City of Kaplan; therefore, the City Court had no payroll expenditures to examine.

See the Summary Schedule of Current and Prior Year Findings for any comments or unresolved matters.

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 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
September 28, 2004

CITY COURT OF KAPLAN, LOUISIANA

Summary Schedule of Current and Prior Year Findings
and Corrective Action Plan
Year ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
<u>CURRENT YEAR (6/30/04) --</u>						
<u>Internal Control:</u>						
04-1(IC)	Unknown	The City Court of Kaplan did not have adequate segregation of functions within the accounting system.	N/A	Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.	Theresa Green, Clerk	N/A
<u>PRIOR YEAR (06/30/03) --</u>						
<u>Internal Control:</u>						
03-1 (IC)		See item 04-1(IC) above.				
<u>Compliance:</u>						
03-2 (C)		Actual total revenues in the General Fund failed to meet budgeted revenues by \$1,485 or 7.4%. LSA-RS 39:1311 requires the City Court to amend the budget when actual plus projected revenue collections for the year fail to meet budgeted revenues by 5.0% or more.	Yes	Management will more closely monitor the budgeted and actual revenues to determine if amendments to the original budget are necessary.	Theresa Green, Clerk	N/A
03-3 (C)		There were several instances of payments to former City Court employees out of the Civil Fund, which is an agency fund that holds deposits in civil litigation. There is no authority to make payments to employees out of the Civil Fund.	Yes	Management will ensure that there are no longer payments to anyone but those specified in the civil suits for which the deposits are being held.	Theresa Green, Clerk	N/A