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CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
FINANCIAL REPORT
FOR THE 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 1-26-05

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INDEPENDENT AUDITOR'S REPORT

The Honorable Donald J. Launey, Jr., Judge
City Court of Ville Platte
Ville Platte, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Ville Platte, a component unit of the City of Ville Platte, as of and for the year ended June 30, 2004, which collectively comprise the City Court of Ville Platte's financial statements as listed in the table of contents. These financial statements are the responsibility of the City Court of Ville Platte. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the City Court of Ville Platte as of June 30, 2003, were audited by other auditors whose report dated September 12, 2003, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City Court of Ville Platte, as of June 30, 2004, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2004, on our consideration of the City Court of Ville Platte's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The Honorable Donald J. Launey, Jr., Judge
City Court of Ville Platte
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The City Court of Ville Platte has not presented management's discussion and analysis or budgetary comparison information for the General and Special Revenue Funds that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City Court of Ville Platte's financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

John S. Dowling & Co.

Opelousas, Louisiana
December 13, 2004

FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Current assets		
Cash and interest-bearing deposits	\$292,221	\$284,535
Receivables	<u>1,220</u>	<u>1,220</u>
<u>Total current assets</u>	293,441	285,755
Noncurrent assets		
Capital assets, net	<u>13,316</u>	<u>13,101</u>
<u>Total assets</u>	306,757	298,856
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	250	
Cash bonds payable	1,387	1,823
Advance deposits payable	<u>12,565</u>	<u>8,912</u>
<u>Total current liabilities</u>	14,202	10,735
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	13,316	13,101
Unrestricted	<u>279,239</u>	<u>275,020</u>
<u>Total net assets</u>	292,555	288,121

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

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u> Fees, Fines, and Charges for Services	<u>Net (Expense) Revenues and</u> Changes in Net Assets Governmental Activities
Governmental activities:			
Judiciary	<u>\$360,218</u>	<u>\$355,781</u>	\$(4,437)
	General revenues:		
	Miscellaneous		<u>8,871</u>
	Change in net assets		4,434
	Net assets, July 1, 2003		<u>288,121</u>
	Net assets, June 30, 2004		<u>292,555</u>

The accompanying notes are an integral part of the 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.

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Criminal Court Cost Fund

To account for the receipt and use of proceeds of criminal court cost charges. Expenditures for maintaining the Court are paid from this Fund.

Collection Fund

To account for the receipt and subsequent disbursement of civil docket fees, small claims fees, and garnishments. Funds are posted by the plaintiff filing the suit and are held until the cases are processed. After the cases are processed, funds are disbursed.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General</u>	<u>Special Revenue Funds</u>		<u>Totals</u>	
		<u>Criminal Court Cost Fund</u>	<u>Collection Fund</u>	<u>(Memorandum Only)</u>	
				<u>2004</u>	<u>2003</u>
<u>ASSETS</u>					
Cash and interest-bearing deposits	\$7,389	\$271,177	\$13,655	\$292,221	\$284,535
Receivables					
Other		1,220		1,220	1,220
Due from other funds	<u>724</u>	<u>4,000</u>	<u> </u>	<u>4,724</u>	<u>4,724</u>
<u>Total assets</u>	<u>8,113</u>	<u>276,397</u>	<u>13,655</u>	<u>298,165</u>	<u>290,479</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable		\$250		\$250	
Cash bonds payable	\$1,387			1,387	\$1,823
Due to other funds		724	\$4,000	4,724	4,724
Advance deposits payable			<u>12,565</u>	<u>12,565</u>	<u>8,912</u>
<u>Total liabilities</u>	<u>1,387</u>	<u>974</u>	<u>16,565</u>	<u>18,926</u>	<u>15,459</u>
Fund balances (deficit)					
Unreserved, undesignated	<u>6,726</u>	<u>275,423</u>	<u>(2,910)</u>	<u>279,239</u>	<u>275,020</u>
<u>Total liabilities and fund balances</u>	<u>8,113</u>	<u>276,397</u>	<u>13,655</u>	<u>298,165</u>	<u>290,479</u>

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

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total fund balances for governmental funds at June 30, 2004 \$279,239

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 funds.
Those assets consist of:

Equipment, net of \$20,669 accumulated depreciation 13,316

Total net assets of governmental activities at June 30, 2004 292,555

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

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Special Revenue Funds</u>		<u>Totals</u>	
		<u>Criminal</u>	<u>Collection</u>	<u>(Memorandum Only)</u>	
		<u>Court</u>	<u>Fund</u>	<u>2004</u>	<u>2003</u>
		<u>Cost</u>	<u>Fund</u>		
		<u>Fund</u>			
Revenues					
Costs assessed for court	\$143,462	\$93,689	\$58,060	\$295,211	\$337,846
Other charges for services	60,570			60,570	54,839
Miscellaneous		1,615	7,256	8,871	6,622
<u>Total revenues</u>	<u>204,032</u>	<u>95,304</u>	<u>65,316</u>	<u>364,652</u>	<u>399,307</u>
Expenditures					
Current					
Judiciary					
Fines remitted to other governmental units	99,561			99,561	128,555
Court costs	84,109		4,616	88,725	98,760
Marshall fees	17,349		2,972	20,321	8,155
Office expense		2,185	855	3,040	6,676
Supplemental salaries		20,840		20,840	26,220
Judge's retirement		5,135	13,907	19,042	45,049
Professional fees		3,250		3,250	3,047
Witness and subpoena fees		9,022		9,022	9,150
Dues and subscriptions		455		455	548
Repairs and maintenance		1,985		1,985	1,064
Professional development		1,170		1,170	955
Uniforms					4,893
Appropriation to City of Ville Platte		38,214		38,214	38,214
Recordation fees		330		330	215
Insurance		700		700	
Travel		4,409		4,409	4,983
Auto expense			4,921	4,921	5,694
Civil fees - judge and marshal			38,028	38,028	39,600
Advertising and publications			170	170	280
Capital outlay		6,250		6,250	7,117
<u>Total expenditures</u>	<u>201,019</u>	<u>93,945</u>	<u>65,469</u>	<u>360,433</u>	<u>429,175</u>

Continued on next page.

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

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES --
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Special Revenue Funds</u>		<u>Totals</u>	
		<u>Criminal Court Cost Fund</u>	<u>Collection Fund</u>	<u>(Memorandum Only)</u>	
				<u>2004</u>	<u>2003</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$3,013</u>	<u>\$1,359</u>	<u>\$(153)</u>	<u>\$4,219</u>	<u>\$(29,868)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in					10,000
Transfers out					(10,000)
<u>Total other financing sources (uses)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net changes in fund balances	3,013	1,359	(153)	4,219	(29,868)
<u>FUND BALANCES (deficit), beginning of year</u>	<u>3,713</u>	<u>274,064</u>	<u>(2,757)</u>	<u>275,020</u>	<u>304,888</u>
<u>FUND BALANCES (deficit), end of year</u>	<u>6,726</u>	<u>275,423</u>	<u>(2,910)</u>	<u>279,239</u>	<u>275,020</u>

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

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Total net changes in fund balances at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$4,219
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The change in net assets reported for governmental activities in the
Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$6,250	
Depreciation expense for the year ended June 30, 2004	(6,035)	<u>215</u>

Total changes in net assets at June 30, 2004 per Statement of Activities	<u>4,434</u>
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The accompanying notes are an integral part of the financial statements.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City Court of Ville Platte have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements of the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion 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 primary government 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 primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
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.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Financial Reporting Entity (Continued)

Because the City Court is fiscally dependent on the City of Ville Platte for office space, courtrooms, and employee salaries and benefits, it is considered to be a component unit of the City of Ville Platte. These financial statements only include funds and activities that are controlled by the City Court Judge as an independently elected parish official.

B. Basis of Presentation

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of 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 for goods or services offered by the programs, 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.

Fund Accounting

The accounts of the City Court are organized and operated 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.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

The various funds of the City Court are classified as governmental funds. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund is at least 10 percent of the corresponding total for all funds.

The major funds of the City Court are described below:

Governmental Funds

General Fund

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

Special Revenue Funds

Criminal Court Cost Fund

The Criminal Court Cost Fund is used to account for the receipt and use of proceeds of criminal court cost charges. Expenditures for maintaining the Court are paid from this Fund.

Collection Fund

The Collection Fund is used to account for the receipt and subsequent disbursement of civil docket fees, small claims fees, and garnishments.

C. 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 VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting (Continued)

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 focus 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 its 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 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 Net 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 asset 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 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 (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 VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 deposits of the City Court of Ville Platte.

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 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 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:

Furniture, fixtures and equipment	5-10 years
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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.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Equity (Continued)

- 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 provisions or enabling legislation.
- 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. If applicable, fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Revenues, Expenditures, and Expenses

Operating Revenues

Operating revenues are those that result from providing services and producing and delivering goods and/or services. Revenues and fees and other charges for services are recorded when the City Court is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, governmental fund expenditures are classified by character.

F. Budgetary and Budgetary Accounting

The City Court of Ville Platte is required to adopt a budget for the General and Special Revenue Funds in accordance with LSA-RS 39:1301-15. The proposed budget should be submitted to the City Court Judge and made available for public inspection at least 15 days prior to the beginning of the budget year.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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 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 \$292,221 as follows:

Cash	\$ 219,044
Time deposits	<u>73,177</u>
Total	<u>\$ 292,221</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. The following is a summary of deposit balances (bank balances) at June 30, 2004, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 323,564</u>
Federal insurance	\$ 215,316
Pledged securities (Category 3)	<u>108,248</u>
Total federal insurance and pledged securities	<u>\$ 323,564</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City Court's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court that the fiscal agent has failed to pay deposited funds upon demand.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

3. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2004 is as follows:

	<u>Balance</u> 07/01/03	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 6/30/2004
Furniture, fixtures and equipment	27,735	6,250	-	33,985
Less: Accumulated depreciation	<u>14,634</u>	<u>6,035</u>	<u>-</u>	<u>20,669</u>
Net capital assets	<u>\$ 13,101</u>	<u>\$ 215</u>	<u>\$ -</u>	<u>\$ 13,316</u>

Depreciation expense of \$6,035 was charged to the judiciary function.

4. PENSION PLAN

Employees of the City Court are included on the City of Ville Platte's payroll and participate in the same retirement system as the employees of that entity.

5. FUND DEFICIT

The Collection Fund reflects a deficit fund balance of \$2,910 at June 30, 2004, which is expected to be funded by future court cost fees.

6. EXPENDITURES OF THE CITY COURT PAID BY THE CITY OF VILLE PLATTE

The cost of some expenditures for the operation of the City Court, as required by Louisiana Revised Statute 13:1889, is paid by the City of Ville Platte, Louisiana. These expenditures are not included in the accompanying financial statements.

7. RISK MANAGEMENT

The City Court is exposed to risks of loss in the area of employee dishonesty. This risk is handled by purchasing commercial insurance coverage. There have been no significant reduction in the insurance coverage during the year.

RELATED REPORT

Russell J. Stelly, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA

Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
 OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS

The Honorable Donald J. Launey, Jr., Judge
 City Court of Ville Platte
 Ville Platte, Louisiana

We have audited the financial statements of the governmental activities and each major fund, of the City Court of Ville Platte, a component unit of the City of Ville Platte, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 13, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City Court of Ville Platte's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Costs as item 2004-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Ville Platte's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City Court of Ville Platte's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 2004-2.

The Honorable Donald J. Launey, Jr., Judge
City Court of Ville Platte
Page 2

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 over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management of the City Court of Ville Platte and is not intended to be and should not be used by anyone other than this specified party.

John S. Dowling & Co.

Opelousas, Louisiana
December 13, 2004

SUPPLEMENTARY INFORMATION

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City Court of Ville Platte, Louisiana.
2. Reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the City Court of Ville Platte, Louisiana was disclosed during the audit.

B. 2004 FINDINGS -- FINANCIAL STATEMENT AUDIT

2004-1 Preparation of Budget

Condition: Budgets were not prepared for the General Fund or the Special Revenue Funds.

Criteria: Louisiana Local Government Budget Act (LSA-RS 39:1301-15) states that the budget must be prepared for all major funds.

Cause: Actual to budget comparisons could not be made

Effect: Budget comparisons were not made.

Response: Budgets will be prepared for the fiscal year ended June 30, 2005.

2004-2 Segregation of Duties

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

Criteria: Accounting duties should be segregated among employees.

Cause: There is a small number of employees at City Court performing the daily operating activities.

Effect: Accounting functions are not segregated.

Response: Due to the nature of the transactions and the size of the entity, accounting functions cannot be segregated.

CITY COURT OF VILLE PLATTE
VILLE PLATTE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2004

SECTION 1 – Internal Control and Compliance Material to the Financial Statements

Compliance

2003-1 Preparation of Budget

Unresolved

Internal Control

2003-2 Segregation of Duties

Unresolved

SECTION II – Management Letter

None