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City Judge
City Court of Leesville, Louisiana
A Component unit of the
City of Leesville, Louisiana

Financial Statements

For the Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. This 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.

FEB 2 5 1998

Release Date: _____

TABLE OF CONTENTS

Accountants' Compilation Report.....	1
Combined Balance Sheet - All Fund Types and Account Group.....	2
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund.....	3
Notes to the Financial Statements.....	4
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	10
Louisiana Attestation Questionnaire.....	12

KNIGHT MASNEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

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October 28, 1997

Accountant's Compilation Report

Chris Smith, III, City Judge
City Court of Leesville, Louisiana

We have compiled the accompanying balance sheet of the City Judge of the City Court of Leesville, Louisiana (a Component Unit of the City of Leesville, Louisiana) as of June 30, 1997, and the related statements of revenues, expenses and changes in fund balance for each of the two years then ended 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 responsibility 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.

Knight-Masden
KNIGHT  MASNEN

CITY LEDGER
CITY COURT OF LEBANON, LOUISIANA
 A Component Unit of the City of Leesville, Louisiana
 Certified Balance Sheet - All Fund Types and Account Group
 June 30, 1997

	Governmental Fund Type		Primary Fund Type		Account Group			Total (Governmental and) Fund
	General Fund	Special	Agency Fund	Trust	General Fund	Long Term Debt	Trust Debt	
ASSETS								
Cash and cash equivalents	\$ 28,946		\$ 7,600	\$ -	\$ -	\$ -	\$ -	\$ 36,546
Due from other funds	1,120		-	-	-	-	-	1,120
Due from other governments	521		-	-	-	-	-	521
Prepaid expenses	1,891		-	-	-	-	-	1,891
Fund assets	-		-	-	69,164	-	-	69,164
Amounts to be provided for retirement of long-term debt	-		-	-	-	8,878	-	8,878
Total Assets	\$ 32,488		\$ 7,600	\$ -	\$ 69,164	\$ 8,878	\$ -	\$ 118,130
LIABILITIES AND FUND EQUITY								
Liabilities								
Accounts payable	\$ 95		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95
Due to other funds	1,030		1,030	-	-	-	-	2,060
Due to other governments	-		1,754	-	-	-	-	1,754
Bonds payable	-		1,311	-	-	-	-	1,311
Bonds payable - other	-		-	-	-	-	-	-
Other payables	4,440		-	-	-	-	-	4,440
Capital lease payables	-		-	-	-	1,478	-	1,478
Total Liabilities	\$ 6,465		\$ 4,095	\$ -	\$ -	\$ 1,478	\$ -	\$ 12,038
Fund Equity								
Investments in general fund assets	-		-	-	69,164	-	-	69,164
Fund balance	17,943		-	-	-	-	-	17,943
Unreserved undesignated	1,580		-	-	69,164	-	-	70,744
Total Fund Equity	\$ 19,523		\$ -	\$ -	\$ 69,164	\$ -	\$ -	\$ 88,687
Total Liabilities and Fund Equity	\$ 26,013		\$ 4,095	\$ -	\$ 69,164	\$ 1,478	\$ -	\$ 118,130

See accompanying report

CITY JUDGES
CITY COURT OF LISIENILLE, LOUISIANA
 A Component Unit of the City of Lisenille, Louisiana
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balances
General Fund
For the Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues		
Carry over from Traffic Fund	\$ 43,403	\$ 48,808
Intergovernmental	45,779	37,243
Other		
Interest	308	133
Miscellaneous	<u>492</u>	<u> </u>
Total Revenues	<u>89,982</u>	<u>86,184</u>
Expenditures		
Current		
General Government		
Salaries	44,870	48,191
Payroll taxes	7,680	8,467
Retirement	3,000	3,539
Telephone	3,077	3,770
Office expense	3,847	3,667
Printing and copy services	3,600	3,636
Dues and subscriptions	300	300
Contract Labor	1,170	-
Utilities	-	3,657
Maintenance and repair	-	419
Accounting	1,950	4,475
Insurance	581	758
Miscellaneous	289	2,836
Debt Service		
Principal	7,324	7,436
Interest	<u>2,943</u>	<u>2,947</u>
Total Expenditures	<u>77,006</u>	<u>82,729</u>
Excess of Revenues Over Expenditures	12,976	3,455
Fund Balance, Beginning of Year	<u>5,003</u>	<u>1,642</u>
Fund Balance, End of Year	<u>\$ 17,982</u>	<u>\$ 5,097</u>

See accountant's report

CITY JUDGE
CITY COURT OF LEEVILLE, LOUISIANA
A Component Unit of the City of Leesville, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies

The City Court of Leesville, Louisiana was established by Louisiana Revised Statute 13:2825. Its territorial jurisdiction extends throughout Ward 1 of Warren Parish in which the City of Leesville is located. The Court is composed of a city judge (elected), a city marshal (elected) and a city clerk (appointed by the city judge). Court costs are assessed by the city judge in all criminal matters including traffic violations. These costs are utilized in operation of the court. Costs are deposited into separate special accounts for the city marshal and the city judge.

The accompanying financial statements of the City Judge of the City Court of Leesville, Louisiana (Judge's Office) 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.

The following is a summary of certain significant accounting policies and practices.

A. Financial Reporting Entity

For financial reporting purposes, the Judge's Office is a component unit of the City of Leesville, Louisiana (the City). The accompanying financial statements present information only on the funds and account groups maintained by the Judge's Office and do not present information on the City and the governmental services provided by it.

B. Fund Accounting

The Judge's Office uses fund and account groups to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. In this financial statement, funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types". The fund classifications and a description of each existing fund type follows:

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of unmarked taxes (special revenue funds), the acquisition or construction of general fund assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in any other fund. The general fund is the only governmental fund necessary for the Judge's Office.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The fiduciary funds used in the Judge's Office consist of two agency funds: Traffic Fund and Civil Fund.

CITY JUDGE
CITY COURT OF LEBESVILLE, LOUISIANA
A Component Unit of the City of Leesville, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. An account group is concerned only with the measurement of financial position and is not involved with measurement of results of operations. The only account groups presently used by the Judge's Office are for general fixed assets and general long term debt.

C. Basis of Accounting

All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Penalties, fines and bonds, and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intragovernmental revenues and interest income are accrued when their receipts occur soon enough after the end of the accounting period so as to be both measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

D. Budgets

The Judge's Office does not adopt a budget for any of its funds.

E. Due To/From Other Funds

Amounts in each fund owed to/from are offset by corresponding entries in another fund. Fund debts as such are considered available for expenditure unless specifically restricted within the statement.

F. Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account group, and they are recorded as expenditures in the governmental fund type when purchased. No depreciation has been provided on general fixed assets. Fixed assets are recorded at historical cost except for those assets acquired before July, 1978 which are recorded at an estimated cost (35,178).

G. Compensated Absence

An employee may earn from 3 to 30 days vacation and 10 days of sick leave per year depending on length of service. All vacation and sick leave accrues on January 1 of each year. The Judge's Office liability for accumulated unpaid vacation and sick leave, was approximately 11,080 at June 30, 1997 and is reflected in other payables in the general fund.

CITY JUDGE
CITY COURT OF LEEVILLE, LOUISIANA
A Component Unit of the City of Leesville, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 1 - Summary of Significant Accounting Policies, Continued

H. Cash Equivalents

Cash equivalents include amounts in bank time deposits (money market account).

I. Advance Cost

Advance cost represents money received in connection with civil suits. The plaintiff of each civil suit is required to make an advance payment to this account to cover the cost incurred by the court in processing the suit. These cash advances remain in this account until they are earned by the court, at which time they are disbursed to the proper entities, or until the case has been dismissed and the remaining amount is refunded.

J. Total Columns on Combined Balance Sheet - All Fund Types and Account Groups

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial positions in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidated or blended presentation have not been made in the aggregation of this data.

K. Comparative Data

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

Note 2 - Court Operation

All fees collected by the Court are required to be remitted to the City of Leesville, when prosecution is on behalf of the City; to the Town of New Llano when prosecution is on behalf of the Town; and to the Verdon Parish Police Jury when the prosecution is on behalf of the state or parish.

Court costs are assessed by the City Judge in both criminal and civil cases under the authority of Louisiana Revised Statute 15:242. Costs collected in criminal cases (including traffic violations) are used to pay the operational expenses of the court including salaries of the Clerk and other office personnel. The Judge receives no fees in criminal matters, including peace bonds. Court costs collected in civil cases are paid to the City Judge.

Each traffic violation is also assessed additional costs as provided by various statutes for the operation of the City Marshal's Office, the Indigent Defender Fund, the area crime lab and the Louisiana Commission on Law Enforcement. These costs are deposited in the Traffic Fund and remitted directly to the agency's involved. In all other criminal cases, costs are collected by the City Marshal and a portion is remitted to the Judge's Office General Fund.

CITY JUDGE
CITY COURT OF LISIUVILLE, LOUISIANA
 A Component Unit of the City of Lumbville, Louisiana
 Notes to the Financial Statements
 June 30, 1997

Note 2 - Court Operations, Continued

Supplemental salary payments are paid directly to the City Judge and the City Court Clerk by the City of Lumbville and the Police Jury of Vernon Parish. The City Court is provided office space by the City of Lumbville without charge.

Note 3 - Cash and Cash Equivalents

Under state law, the Judge's Office 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 Judge's Office 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, 1997, the Judge's Office had cash and cash equivalents investments with a maturity date of 90 days or less totaling \$27,624 as follows:

Demand and time deposits	<u>\$ 27,624</u>
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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 or 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. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank. Cash and cash equivalents (bank balances) at June 30, 1997, are secured as follows:

Bank balances	<u>\$ 26,824</u>
Federal deposit insurance	<u>\$ 800</u>

Note 4 - Inherited Receivables, Payables

Receivable Fund	Payable Fund	Amount
General Fund	Traffic Fund (Agency)	<u>\$ 1,120</u>

CITY AUDITOR
 CITY COURT OF LEBLANCHE, LOUISIANA
 A Component Unit of the City of Leesville, Louisiana
 Notes to the Financial Statements
 June 30, 1997

Note 5 - Intergovernmental Receivables, Payables

Receivable Fund	Governmental Entity	Amount
General Fund	Leesville City Court - Marshal Road Fund	\$ 302
Payable Fund	Governmental Entity	Amount
Fiduciary		
Traffic Fund	Other government	\$ 3,729

Note 6 - General Fixed Assets

A summary of general fixed assets at June 30, 1997 is shown below.

Courts and furnishings	\$ 8,418
Office equipment	60,786
Total	\$ 69,204

There were no additions or deletions of fixed assets during the year.

Note 7 - Pension Plans

The Judge's Office contributes to the Louisiana State Employees Retirement System (the system), a cost sharing multiple-employer, public retirement system (PFRS), controlled and administered by a separate board of trustees. All state employees except certain classes excluded by statute become members of the system as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they are eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of the system.

The system also provides retirement, death and disability benefits to plan members and beneficiaries. Benefits are established by state statute. The Louisiana State Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to Louisiana State Employees Retirement System, P.O. Box 44213, Baton Rouge, LA 70804-0213 or by calling (800) 256-3000.

CITY JUDGE
CITY COURT OF LEBESVILLE, LOUISIANA
A Component Unit of the City of Leesville, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 7 - Pension Plans, Continued

Continued employees are required by state statute to contribute 11.5 percent of their salary to the plan. The Judge's Office is required by the same statute to contribute 11.9 percent. The only covered employee for 1997 was the Judge. Payments were based on fees paid to the Judge from the Civil Fund. The Judge's Office's contributions to the system for the years ended June 30, 1997, and 1996 were \$2,085 and \$1,519, respectively, equal to the required contributions for the year.

Note 8 - Changes in Long-Term Debt

The following is a summary of debt transactions of the Judge's Office for the year ended June 30, 1997:

Capital lease payable, beginning of year	\$ 18,200
Capital lease payments	<u>7,818</u>
Capital lease payable, end of year	<u>\$ 8,478</u>

Debt as of June 30, 1997, is composed of the following items:

Capitalized Lease Obligations:

\$15,838 (issued October, 1996 - Due in monthly installments of \$647.74, including interest at 12% (incurred by computer equipment)	
	<u>\$ 8,478</u>

The annual requirements to amortize all debt outstanding as of June 30, 1997, including interest payments, of \$5,589 are as follows:

Year Ending June 30	Lease Obligation
1998	\$ 10,173
1999	<u>7,362</u>
	<u>\$ 17,535</u>

CITY JUDGE
CITY COURT OF LEBANVILLE, LOUISIANA
A Component Unit of the City of Leesville, Louisiana
Notes to the Financial Statements
June 30, 1997

Note 9 - Changes in Agency Fund Assets and Liabilities

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
TRAFFIC FUND				
Assets				
Cash	\$ 3,026	\$ 159,608	\$ 156,608	\$ 4,479
Total Assets	\$ 3,026	\$ 159,608	\$ 156,608	\$ 4,479
Liabilities				
Bonds payable	\$ 1,126	\$ -	\$ 526	\$ 600
Due to other funds	479	1,612	479	1,612
Due to other governments	424	2,262	424	2,262
Total Liabilities	\$ 2,029	\$ 3,874	\$ 1,429	\$ 4,479
CIVIL FUND				
Assets				
Cash	\$ 3,795	\$ 60,672	\$ 61,286	\$ 3,131
Total Assets	\$ 3,795	\$ 60,672	\$ 61,286	\$ 3,131
Liabilities				
Advance costs	\$ 1,738	\$ 3,150	\$ 1,738	\$ 3,150
Due to general fund	628	-	628	-
Other payables	1,429	-	1,429	-
Total Liabilities	\$ 3,795	\$ 3,150	\$ 3,795	\$ 3,131

KNIGHT MAsDEN

Certified Public Accountants

A PROFESSIONAL ACCOUNTING CORPORATION

June 20, 1997

Coan L. Knight, Jr., CPA
K. Martin Masden, CPA

Associates:
John E. Thomas II, CPA
Melanie L. Server, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Chris Smith, III, City Judge
City Court of Leesville, 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 Judge of the City Court of Leesville, Louisiana, its Component Unit of the City of Leesville, Louisiana) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the City Judge of the City Court of Leesville, Louisiana, its Component Unit of the City of Leesville, Louisiana) compliance with certain laws and regulations during the years ended June 30, 1997 and 1996 included in the accompanying Louisiana American Questionnaires. 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 purposes.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-PS 38:1212 (the public bid law).

There were no expenditures made during the years for materials and supplies exceeding \$5,000, or public works expenditures exceeding \$50,000.

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-PS 42:1181-1186 (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 required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (B) were also included on the listing obtained from management in agreed-upon procedure (1) as immediate family members.

Name of the employees included on the list of employees provided by management in agreed-upon procedure (1) appeared on the list provided by management in agreed-upon procedure (B).

Accounting and Reporting

5. Randomly select 10 disbursements made during each period under examination and:
a) trace payments to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the 10 selected disbursements for each year and found that payment was for the proper amount and made to the correct payee.

b) determine if payments were properly coded to the general ledger account:

All of the payments were properly coded to the correct general ledger account.

Debt

7. Examine bank deposits for the periods under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like instruments.

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

Advances and Benefits

8. Examine payroll records for each year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We inspected payroll records for the two years and noted two instances of advance payroll payments to employees. The personnel policy manual of the Court allows salary advances to employees in hardship cases, which appears to be in conflict with State law.

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 Judge of the City Court of Leesville, Louisiana, its Comptroller (then of the City of Leesville, 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.

Knight-Madden
KNIGHT & MADDEN