

The above conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the primary government financial statements for the fiscal year ended June 30, 1997 and this report does not affect our report on these financial statements dated January 10, 1998.

Kristen V. Company
Certified Public Accountants

Monroe, Louisiana
January 10, 1998

statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted the following matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses:

- Condition:** There is an inadequate segregation of duties within the accounting system.

Cause: Due to the small number of employees within this component unit of the City of Jennings, Louisiana.

Recommendation: Based upon the size of the operation and the cost benefits of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: No response is considered necessary.
- Condition:** Subsidiary listing of bonds outstanding for bond agency fund not being reconciled to cash in bank. Cash in bank should correspond with bonds held listing. (Report)

Cause: Unknown.

Recommendation: Monthly reconciliation of cash and bonds outstanding needs to be performed.

Response: City Court has implemented reconciliation procedures for these amounts on a monthly basis.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City Court and City Marshall in a separate letter dated January 10, 1998.

This report is intended for the information of the City Court's management and the Legislative Auditor. This report is not intended to limit the distribution of this report, which is a matter of public record.

Kidder & Company
Certified Public Accountants

Jennings, Louisiana
January 18, 1998

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

The Honorable Steve Carroll
The Honorable Clarence Currier, Jr.
and the Members of the City Council
City of Jennings, Louisiana 70546

We have audited the general purpose financial statements of the Jennings City Court and City Marshall, a component unit of the City of Jennings, as of and for the year ended June 30, 1997, and have issued our report thereon dated January 16, 1998. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jennings City Court and City Marshall's general purpose 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 these provisions is not the objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following material instances of noncompliance as required to be reported under Government Auditing Standards:

- Condition:** Fiscal books are not being kept for the City Court Civil Fund. This is in violation of Louisiana R.S. 24:514 which requires the annual preparation of financial statements. They were unable to compile statements that could be audited. This condition also resulted in the failure of the City Court to file annual financial statements with the Legislative Auditor within six months of the close of the year. (Report)

Cause: Primarily due to lack of adequate accounting knowledge and lack of training on computer software which is relied upon to provide needed reports from which to compile financial statements.

Recommendation: There needs to be strict procedures from which accounting information can be compiled from the underlying receipts for filing fees which initiate all the activity in the Civil Fund. Disbursements should be based on accumulation of this data so as to provide necessary documentation to support these disbursements. This will also provide a documented audit trail and reduce audit costs.

Response: Management is implementing procedures to enable monthly financial statements. These procedures will require computerized preparation of checks on reports for the Civil Fund Agency receipts. Also, these reports will be used to reconcile receipts to deposits, and allow for adequate documentation of disbursements from the agency account. The Civil Court operating account is also to maintain a monthly general ledger in order for the court to monitor the results of its activities and account balances.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jennings City Court and City Marshall's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the fairness of statements and not to provide assurance on the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components did not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the fairness of

ADDITIONAL REPORTS

CITY COURT AND CITY MARSHALL OF JENNERES, LOUISIANA

COMBINED BALANCE SHEET
AGENCY FUND TYPES
JUNE 30, 1997

	Criminal Fund	General Fund	Fuel Fund	Total (Miscellaneous Fund) June 30, 1997
ASSETS:				
Cash on Hand	\$ -0-	\$ 3,009	\$ -0-	\$ 3,009
Cash in Bank	17,186	280	2,892	20,358
Due from Other Funds	-0-	282	-0-	282
Total Assets	\$ 17,186	\$ 3,571	\$ 2,892	\$ 23,649
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Treasury Held	\$ -0-	\$ -0-	\$ 2,892	\$ 2,892
Due to Other Agencies	15,678	4,481	-0-	20,159
Due to Other Funds	1,566	-0-	-0-	1,566
Overdrafts Payable	-0-	-0-	-0-	-0-
Total Liabilities	\$ 17,186	\$ 4,481	\$ 2,892	\$ 24,559

CITY COURT AND CITY MARSHALL OF BONHOMME, LOUISIANA

SPECIAL REVENUE FUND
COMPARING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1997

	Criminal Fund	Marshall Fund	Total (Difference in Only) June 30, 1997
Revenues:			
Court Costs	\$ 25,484	\$ -	\$ 25,484
Marshall's Fee	-	2,540	2,540
Head Professions	1,624	2,560	4,184
Miscellaneous Revenue	177	-	177
Intra-governmental Revenue	18,138	-	18,138
Total Revenues	\$ 45,423	\$ 18,040	\$ 63,463
Expenditures:			
Supplies	\$ -	\$ 1,619	\$ 1,619
Insurance	150	1,944	2,094
Miscellaneous	27	-	27
Office Expenditures	11,070	2,080	13,150
Other Salaries	-	700	700
Professional Fees	4,080	-	4,080
Repairs and Maintenance	2,742	-	2,742
Continuing Education	527	-	527
Seminars	1,255	642	1,897
Vehicle Expenses	-	2,570	2,570
Witness Fees	412	-	412
Total Expenditures	\$ 24,083	\$ 9,855	\$ 33,938
Excess (Deficit) of Revenues over Expenditures	\$ 21,340	\$ 8,185	\$ 29,525
Fund Balance, Beginning of Period	0	301	0
Fund Balance, End of Period	\$ 21,340	\$ 1,186	\$ 22,526

CITY COURT AND CITY MARSHALL OF JENNER, LOUISIANA

COMBINED BALANCE SHEET
SPECIAL REVENUE FUND TYPES
JUNE 30, 1997

	Criminal Fund	Marshalls Fund	Total (Marshalls Only) June 30, 1997
ASSETS:			
Cash on Hand	\$ 180	\$ -	\$ 180
Cash in Bank	18,900	1,025	11,975
Fees Receivable	1,500	461	2,070
Due from Other Funds	1,500	-	1,500
Total Assets	\$ 14,180	\$ 1,506	\$ 15,716
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-
Total Liabilities	\$ -	\$ -	\$ -
Fund Balance:			
Unassigned-unassigned	\$ 14,180	\$ 1,506	\$ 15,716
Total Liabilities and Fund Balance	\$ 14,180	\$ 1,506	\$ 15,716

SUPPLEMENTAL INFORMATION
COMBINING STATEMENTS

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1997

or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable as a life annuity, equal to 2 percent of their final average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees without least 30 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year of creditable service age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 per cent of final average salary. Final average salary is the employee's average salary over the 30 consecutive or partial months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their complete contributions, may retire at the ages specified above and receive the benefit accrued as of the date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and copies of supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7603 Gilmer Park Boulevard, Baton Rouge, Louisiana 70820, or by calling (504) 922-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their covered monthly salary and the City Court and City Marshall of Jennings, Louisiana is required to contribute at an actuarially determined rate. The current rate is 2.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based on proportionality on the salaries of the active members of each plan. The contribution requirements of plan members and the City Court and City Marshall of Jennings, Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. This City of Jennings contributed monies to the System under Plan B for the years ending June 30, 1997, 1996, and 1995, were \$26,700, \$26,297, and \$29,870, respectively, equal to the required contribution for each year.

6. ECONOMIC DEPENDENCE

The Jennings City Court is dependent on the City of Jennings for facilities furnished, employee salaries and a share of payroll taxes and retirement. The City Court does, however, partially reimburse part of these costs monthly.

7. INTERFUND RECEIVABLES & PAYABLES

	Interfund Receivables	Interfund Payables
Special Revenue Funds:		
Criminal Funds	\$ 1,560	\$ -
Agency Funds:		
Criminal Fund	-	1,560
	\$ 1,560	\$ 1,560

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1997

3. CASH

As June 30, 1997, the City Court and City Marshal had cash deposited with financial institutions totaling \$23,240. Under state law, bank balances must be secured by federal deposit insurance or the pledge of securities issued by the Federal Reserve Bank. As of June 30, 1997, all bank balances were fully insured by federal deposit insurance as follows:

Bank Balance	\$	23,240
Insured (FDIC)	\$	23,240

3. RESTRICTED ASSETS

At June 30, 1997, Restricted Assets consisted of the following:

Cash - Bond Fund Account	\$	2,690
Due from Other Funds		790
Total	\$	3,480

The restricted cash amounts represent amounts paid for delinquent bonds which have been posted upon arrest. The bonds are held in escrow until the delinquent is arrested or found to be not guilty. If the delinquent forfeits his bond, it is then transferred to the City of Jennings as an operating transfer to reimburse the City for the financing it provides to the City Court and City Marshal.

The other restricted amounts represent amounts paid out of the fiduciary funds which should have been reimbursed to an agency of the general fund used to operate the civil court activities. These payments have primarily been a result of bank charges paid by the agency fund which are due and payable by the civil fund.

4. RECEIVABLES

At June 30, 1997, Jennings City Court has an amount in outstanding fines receivable of \$19,809. These fines were assessed by the judge (assessable) but until paid are not available, therefore, they have not been assessed. This method of fine collection is initiated when it is determined that in particular cases, this is less of a financial burden on the City than paying the offenders.

5. RETIREMENT COMMITMENTS - PENSION PLANS

Substantially all employees of the City Court and City Marshal of Jennings, Louisiana are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, Firefighters' Retirement System of Louisiana, or Louisiana State Employees Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Precise information relative to each plan follows:

A. MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefits provisions. All employees of the municipality, except for professors, business and the City Police, are members of Plan B. The City Court employees are paid by the City of Jennings and thus are included in the System.

All permanent employees working at least 26 hours per week, who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible for participation in the System. Under Plan B, employees who retire on or after age 50 with at least 10 years of creditable service of

CITY COURT AND CITY MARSHALL OF JENNINGS, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1993

AGENCY FUNDS:

Agency funds account for assets or are spent for individuals, private organizations, other governments, and/or other funds. Agency funds are established in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The City Court and City Marshall fund is accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Gross receipts, fees, and costs are considered "incurred" when collected and are recognized as revenues at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The City Court and City Marshall of Jennings do not utilize formal comprehensive accounting.

D. FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) should be accounted for in the General Fixed Asset Account Group, and are recorded as expenditures in the City Court and City Marshall fund when purchased. General fixed assets of the City Court and City Marshall are transferred to the City of Jennings and accounted for in the City of Jennings-General Fixed Asset Account Group. Accordingly a Group of Fixed Asset Account Group is not presented in the general purpose financial statements.

E. ACCUMULATED VACATION AND SICK LEAVE

It is the City Court's and City Marshall's policy that sick leave and vacation leave do not accumulate from year to year. Such accrued sick leave and vacation leave is available only during each employee's tenure, annually, and is not payable upon retirement or termination. Therefore, accrued sick and vacation leave is not a contingent liability of the City Court and City Marshall.

G. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned "Miscellaneous Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund transactions have not been made in the aggregation of this data.

CITY COURT AND CITY MARSHALL, OF JENNINGS, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City Court and City Marshall of Jennings, Louisiana do not conform to generally accepted accounting principles as applicable to governmental bodies, as required by Louisiana Revised Statute 24:517 and the guidelines set forth in the "Louisiana Governmental Audit Guide," and the industry audit guide, "Manual of State and Local Governmental Units," published by the American Institute of Certified Public Accountants. Our examination was also made in accordance with the provisions of "Environmental Auditing Standards, promulgated by the United States Comptroller General, as they pertain to financial and compliance audits.

The following is a summary of the more significant accounting policies.

A. REPORTING ENTITY

Section 2108 of GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the City of Jennings is determined on the basis of the following criteria:

1. Appointment of officials.
2. Designation of management.
3. Ability to significantly influence operations.
4. Accountability for fiscal matters.
5. Scope of Public Service.

Because the Jennings City Court and City Marshall are locally dependent on the City of Jennings for office space and constitutions and that the nature and significance of the relationship between the City Court system and the City of Jennings is such that exclusion from the municipality's financial statements would render financial statements incomplete or misleading, the Jennings City Court and City Marshall were determined to be component units of the City of Jennings. The accompanying financial statements present information only on the basis maintained by the City Court and City Marshall and do not present information of the City of Jennings, the general government services provided by the governmental unit, or other governmental units that cover over the governmental reporting entity.

B. FUND ACCOUNTING

The activities of the City Court and City Marshall are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures as appropriate. This entity are accounted for in three individual funds based upon the purpose for which they are spent and the manner by which spending activities are controlled. The funds presented in the financial statements are described as follows:

GOVERNMENTAL FUNDS

Special Revenue Fund - Special revenue: Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

CITY COURT AND CITY MARSHALL OF JENNIS, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE, ALL GOVERNMENTAL FUND TYPES,
FOR THE YEAR ENDED JUNE 30, 1997

		Governmental Fund Types Special Revenue Fund
REVENUES		
Court Costs	\$	25,484
Marshall Fees		7,540
Real Property		6,124
Miscellaneous Revenue		177
Intergovernmental Revenues		18,125
Total Revenues	<u>\$</u>	<u>57,450</u>
EXPENDITURES:		
Miscellaneous	\$	37
Supplies		1,674
Insurance		1,094
Office Expenditures		13,850
Other Salaries		700
Professional Fees		6,090
Repairs and Maintenance		2,347
Contracting, Education		327
Seminars		4,000
Vehicle Expenses		2,710
Witness Fees		417
Total Expenditures	<u>\$</u>	<u>33,534</u>
Excess (Deficit) of Revenues over Expenditures	\$	23,916
Fund Balance, Beginning of Period	[8,270
Fund Balance, End of Period	\$	32,186

The Accompanying Notes Are An Integral Part of These Financial Statements.

CITY COURT AND CITY MARSHALL OF JENNING, LOUISIANA

COMBINED BALANCE SHEET
ALL FUND TYPES
JUNE 30, 1997

	Governmental Fund Type Special Revenue Fund	Voluntary Fund Types Agency Fund	Total (Memoranda- Only) June 30, 1997
ASSETS:			
Cash on Hand	\$ 189	\$ 3,939	\$ 4,128
Cash in Bank	13,994	17,386	31,380
Accounts Receivable	2,856	-	2,856
Due from Other Funds	1,566	-	1,566
Restricted Assets:			
Cash in Bank	-	2,992	2,992
Due from Other Funds	-	282	282
Total Assets	\$ 18,705	\$ 24,609	\$ 43,314
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Due to Other Funds	\$ -	\$ 1,566	\$ 1,566
Due to Other Agencies	-	20,081	20,081
Payable from Restricted Assets:			
Bonds Payable	-	2,992	2,992
Total Liabilities	\$ -	\$ 24,639	\$ 24,639
Fund Balance:			
Unreserved-undesignated	\$ 18,716	\$ -	\$ 18,716
Total Liabilities and Fund Balance	\$ 18,716	\$ 24,639	\$ 43,355

The Accompanying Notes Are an Integral Part of These Financial Statements.

KRIEGER & COMPANY

A PROFESSIONAL CORPORATION

2000 WYOMING

1100 UNIVERSITY

BOULDER, COLORADO

303-440-5000

INDEPENDENT AUDITORS' REPORT

The Honorable Steve Howell,
The Honorable Clarence Carriere, Jr.,
and the Members of the City Council
City of Jennings, Louisiana 70546

We have audited the accompanying general purpose financial statements of the City Court and City Marshall of the City of Jennings, Louisiana, a component unit of the City of Jennings, Louisiana, as of and for the year ended June 30, 1997. These general purpose financial statements are the responsibility of the City Court and City Marshall of the City of Jennings, Louisiana, management. Our responsibility is to express an opinion on these general purpose financial statements.

We conducted our audit in accordance with generally accepted auditing standards and 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the Civil Court funds, which should be included in order to conform with generally accepted accounting principles. The effect of the omitted fund on the assets, liabilities, revenues and expenditures is unknown.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the general purpose financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the City Court and City Marshall of the City of Jennings, Louisiana, as of June 30, 1997, and the results of its operations as of June 30, 1997 for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated January 18, 1998 on our consideration of the City Court and City Marshall's internal control structure and its compliance with laws and regulations.

We were engaged to audit the general purpose financial statements for the purpose of forming an opinion on those statements taken as a whole. The combining financial statements listed in the table of contents are prepared for purposes of additional analysis and are not a required part of the general purpose financial statements. Accordingly, we do not express an opinion on the accompanying combining financial statements.

Krieger & Company

Certified Public Accountants

Jennings, Louisiana
January 30, 1998

CITY COURT AND CITY MARSHALL OF JENNERIE, LOUISIANA

**GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1997**

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CITY COURT AND CITY SHERIFFS OF JENNINGS, OKLAHOMA

GENERAL FINANCIAL STATEMENT, RECEIPTS AND
DISBURSEMENT AND BUDGET REPORT

AN ORDER FOR THE YEAR
ENDING DECEMBER 31, 1967

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

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