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WINNSBORO CITY COURT
WINNSBORO, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENTS
JUNE 30, 2004
AND
INDEPENDENT AUDITORS' REPORT

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 1-19-05

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

COMPONENT UNIT FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004
WITH SUPPLEMENTAL INFORMATION SCHEDULES

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INDEPENDENT AUDITORS' REPORT

The Honorable Judge Ann B. McIntyre
Winnsboro City Court
Winnsboro, Louisiana

We have audited the accompanying component unit financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Winnsboro City Court, Winnsboro, Louisiana, a component unit of the City of Winnsboro as of and for the year ended June 30, 2004, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Winnsboro City Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the 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, each major fund and the aggregate remaining fund information of the Winnsboro City Court as of June 30, 2004, and the respective changes in financial position thereof for the year then ended 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 28, 2004, on our consideration of the Winnsboro City Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable Judge Ann B. McIntyre
Winnsboro City Court
Winnsboro, Louisiana
Page 2

Management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 17 are not a required part of the component unit financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Winnsboro City Court's component unit financial statements. Management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the component unit financial statements. Management's discussion and analysis and budgetary comparison information have been subjected to the auditing procedures applied in the audit of the component unit financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. Management's discussion and analysis and budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Minchew, Robinson, Gardner,
Langston & Bryan, CPAs*

Monroe, Louisiana
December 28, 2004

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

**Required Supplemental Information (Part A)
Management Discussion and Analysis**

WARD 7/WINNSBORO CITY COURT

1308 CORNELL STREET

WINNSBORO, LOUISIANA 71295

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ANN B. MCINTYRE
JUDGE

GAYLA STEVENS
CLERK

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Winnsboro City Court (the Court) provides an overview of the Court's activities for the year ended June 30, 2004. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

*Assets of the Court exceeded its liabilities by \$26,922.

*Expenses of the Court exceeded its revenue by \$6,072 for the year ended June 30, 2004.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an overview of the Court's basic financial statements. The Statement of Net Assets and the Statement of Activities (Governmental-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund tell how these services were financed in the short term as well as what remains for future spending. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government - wide Financial Statements. These financial statements are used to present a general over all look at the finances of the Court similar to a private sector business.

Statement of Net Assets. By determining the difference between the assets and liabilities of the Court, "Net Assets" is determined. By comparing Statements of Net Assets over a period of time, the overall financial trend of the Court can be monitored.

Statement of Activities. This statement shows changes in the Court's net assets during the course of the fiscal year and includes revenues and expenses for items such as earned and accumulated but unused leave, which is going to effect cash flows in future fiscal years. The Statement of Activities reports all changes to net assets as soon as the event affecting net assets occurs.

Fund Financial Statements - To comply with finance related legal requirements, the Court groups related accounts into funds. Fund accounting is used by state and local governments to manage revenues or resources designated for a specific purpose. These funds can be divided into two categories: governmental funds and agency or fiduciary funds.

Government Funds - information contained in these funds may be used to determine a government's immediate or near-term financing needs since the focus of governmental fund financial statements is on immediate or near term revenues and expenses and not only on balances available at the end of the fiscal year.

Governmental funds account for the same functions as governmental activities found in the government-wide statements but is presented with a more narrow focus. The reader may find it helpful to draw a comparison between the information presented in the governmental funds with information presented for governmental activities in the government-wide financial statements to better understand the long range impact of decisions made for near-term financing. One may choose to use the reconciliation provided for the governmental fund balance sheet and governmental fund statement of revenue, expenditures, and changes in fund balances to more clearly draw the comparison between these governmental funds and governmental activities.

A budgetary comparison statement is provided to demonstrate compliance with the Court's annual adopted appropriated budget.

Agency (Fiduciary) Funds - these funds are used to manage monies and resources held by the Court on behalf of others. Since these resources do not belong to the Court and are not available to support the operations of the Court, they are not reflected in the government-wide financial statements.

Notes to the Financial Statements - These notes provide additional information which is helpful in understanding the data presented in the government-wide and fund financial statements.

Other Information - this report provides certain required supplementary information above and beyond the basic financial statements and accompanying notes regarding the financial activities of the Court.

Government - wide Financial Analysis

Net assets may be used to track the Court's financial trend over the course of several fiscal years. As of June 30, 2004, the Court's excess of assets over liabilities is \$26,922. Of the Court's assets, \$9,508 is fixed assets (land, buildings & equipment) and is not available for future spending. This fixed asset amount is approximately 35% of the total assets.

Because fiscal year 2004 is the first year this reporting model is being used, comparative information is unavailable for additional government - wide financial analysis. A comprehensive comparative analysis of government - wide data will be presented after prior years information is retained.

Financial Analysis of the Government's Funds

Fund accounting is used by the Court to demonstrate its compliance with finance related legal requirements and to provide information used in determining the government's financing needs. Governmental funds are used to provide information on near-term inflows, outflows, and expendable resource balances. The unreserved fund balance may be used to gauge the government's end of year net resources that will be available for spending. The Court's combined governmental fund balances as of June 30, 2004 is \$17,414. The June 30, 2003 combined governmental fund balances was \$26,392. This is a decrease of \$8,978. Of the June 30, 2004 balances, \$17,414 is unreserved and undesignated.

General Fund Budgetary Highlights

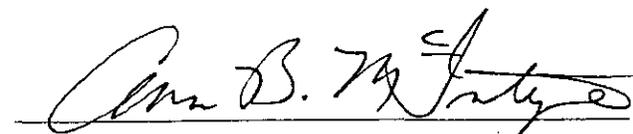
The expenditures for the year ended June 30, 2004, were \$9,669 less than budgeted. The revenues were less than budgeted by \$27,645 for the year ended. This left an unfavorable variance of \$17,976 for the year ended for budget to actual comparisons.

Capital Asset and Debt Administration

Capital Assets: The Court's investment in capital assets for its governmental activities as of June 30, 2004 amounts to \$9,508 (net of accumulated depreciation). Fixed asset increases of \$4,175 for the year are the result of computer purchases.

Request for Information

This report may be used by all persons with an interest in the financial status of the Court. It is designed to help the reader gain a general over - all view of the Court's finances. Any questions or requests for additional information should be addressed to the Winnsboro City Court, 1308 Cornell Street, Winnsboro, Louisiana 71295.



December 20, 2004

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

Government-Wide Financial Statements

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

STATEMENT OF NET ASSETS
June 30, 2004

ASSETS

Cash and Cash Equivalents	\$ 61,034
Due From Other Funds	3,195
Capital Assets (net of accumulated depreciation)	<u>9,508</u>
Total Assets	<u>\$ 73,737</u>

LIABILITIES

Bank Overdraft	\$ 431
Accounts Payable	2,273
Deposits	<u>44,111</u>
Total Liabilities	<u>\$ 46,815</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	\$ 9,508
Unrestricted	<u>17,414</u>
Total Net Assets	<u>\$ 26,922</u>
Total Liabilities and Net Assets	<u>\$ 73,737</u>

The accompanying notes are an integral part of this financial statement.

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Expenses</u>	<u>Operating and Capital Grants</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Functions/Programs:			
Judiciary:			
Personal Services	\$ 39,484	\$ 0	\$ (39,484)
Operating Services	27,992	0	(27,992)
Materials and Supplies	38,066	0	(38,066)
Travel	9,650	0	(9,650)
Civil Fund	10,906	0	(10,906)
Restitution	2,747	0	(2,747)
Garnishment	73,103	0	(73,103)
Witness Fee & Breathe Test	850	0	(850)
Crimestoppers	1,327	0	(1,327)
Coroner's Fee	2,200	0	(2,200)
Bond Fund Expense	3,273	0	(3,273)
CMIS	1,420	0	(1,420)
Traumatic Injury	770	0	(770)
Miscellaneous	14	0	(14)
Depreciation	1,269	0	(1,269)
	<u>\$ 213,071</u>	<u>\$ 0</u>	<u>\$ (213,071)</u>
PROGRAM REVENUES:			
Fees, Charges, and Court Costs:			
Criminal Costs			\$ 33,417
Marshall Fees			24,103
Civil Fees			54,122
NSF, Probation and Restitution Fees			15,189
Garnishments			60,089
Bond Fees			1,958
Crimestopper Fees			1,217
Off Duty Law Officer - Witness Fees			2,905
Other Charges			13,999
			<u>\$ 206,999</u>
Total Program Revenues			<u>\$ 206,999</u>
CHANGES IN NET ASSETS			<u>\$ (6,072)</u>
NET ASSETS AT BEGINNING OF YEAR			<u>32,994</u>
NET ASSETS AT END OF YEAR			<u><u>\$ 26,922</u></u>

The accompanying notes are an integral part of this financial statement.

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

Fund Financial Statements

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

BALANCE SHEET
June 30, 2004

	<u>GENERAL FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 61,034
Due From Other Funds	<u>3,195</u>
Total Assets	<u>\$ 64,229</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Bank Overdrafts	\$ 431
Accounts Payable	2,273
Deposits	<u>44,111</u>
Total Liabilities	<u>\$ 46,815</u>
 Fund Equity:	
Unreserved - Undesignated	<u>\$ 17,414</u>
Total Fund Equity	<u>\$ 17,414</u>
Total Liabilities and Fund Equity	<u>\$ 64,229</u>

The accompanying notes are an integral part of this financial statement.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

Total Fund Balances at June 30, 2004	\$	<u>17,414</u>
Capital Assets at June 30, 2004	\$	65,083
Less: Accumulated Depreciation at June 30, 2004		<u>55,575</u>
	\$	<u>9,508</u>
Net Assets at June 30, 2004	\$	<u><u>26,922</u></u>

The accompanying notes are an integral part of this financial statement.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>GENERAL FUND</u>
REVENUES	
Criminal Costs	\$ 33,417
Marshall Fees	24,103
Civil Fees	54,122
NSF, Probation and Restitution Fees	15,189
Garnishments	60,089
Bond Fees	1,958
Crimestopper Fees	1,217
Off Duty Law Officer - Witness Fees	2,905
Other Charges	<u>13,999</u>
Total Revenue	<u>\$ 206,999</u>
EXPENDITURES	
Personal Services	\$ 39,484
Operating Services	27,992
Materials and Supplies	38,066
Travel	9,650
Civil Fund	10,906
Restitution	2,747
Garnishment	73,103
Witness Fee & Breathe Test	850
Crimestoppers	1,327
Coroner's Fee	2,200
Bond Fund Expense	3,273
CMIS Expense	1,420
Traumatic Injury	770
Miscellaneous	14
Capital Outlay	<u>4,175</u>
Total Expenditures	<u>\$ 215,977</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (8,978)
FUND BALANCE AT BEGINNING OF YEAR	<u>26,392</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 17,414</u></u>

The accompanying notes are an integral part of this financial statement

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

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

Total Net Change in Fund Balance	\$ (8,978)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation for the period.	<u>2,906</u>
Changes in Net Assets of Governmental Activities	<u>\$ (6,072)</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUNDS
June 30, 2004

	<u>AGENCY FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 4,439
Total Assets	<u>\$ 4,439</u>
LIABILITIES	
Due to Other Funds	\$ 3,195
Due to Others	<u>1,244</u>
Total Liabilities	<u>\$ 4,439</u>

The accompanying notes are an integral part of this financial statement.

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The Winnsboro City Court was created by Legislative Act Number 516 on July 12, 1974. This court serves Ward 7 of Franklin Parish, which consists of the Town of Winnsboro and surrounding areas. The term of office is six years. At present the Honorable Judge Ann B. McIntyre is presiding Judge.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Winnsboro 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 No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (the "Statement"), which was unanimously approved in June 1999 by the Governmental Accounting Standards Board. Certain of the changes in the Statement include the following:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Court's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all the Court's activities.

A change in the fund statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements). The Court has elected to implement the provisions of the Statement for the fiscal year ended June 30, 2004.

B. REPORTING ENTITY

This report includes all funds and account groups which are controlled by or dependent on the Winnsboro City Court Judge. Control or dependence on the Judge was determined on the basis of budget adoption and other general oversight responsibility. This report also includes the funds of the Ward 7 Marshall.

The accounting and reporting policies of the Winnsboro City Court, Winnsboro, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, the industry audit guide, Audits of State and Local Governmental Units; Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and/or, where applicable, Public Law 98-502, the Single Audit Act of 1996, and OMB Circular A-133.

For financial reporting purposes, in conformity with the Governmental Accounting Standards Board (GASB), Winnsboro City Court, Winnsboro, Louisiana, is a component of the City of Winnsboro, Louisiana. The financial reporting entity consists of (a) the primary government (City of Winnsboro), (b) organization fo which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. REPORTING ENTITY (Cont'd)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of Winnsboro 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 City of Winnsboro to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City of Winnsboro.
2. Organizations for which the City of Winnsboro does not appoint a voting majority but are fiscally dependent on the City of Winnsboro.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the *organization is not included because of the nature or significance of the relationship.*

Because the City of Winnsboro provides for the operation and maintenance of the Courtroom and office space of the Judges in its city courthouse, the Winnsboro City Court was determined to be a component unit of the City of Winnsboro as well as salary for court administrator, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Winnsboro City Court and do not present information on the City of Winnsboro, the general government services provided by that governmental unit or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The 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 Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds account for all or most of the Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Winnsboro City Court. The following are the Court's governmental funds:

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Fund Accounting (Cont'd)

General Fund

The General Fund is the primary operating fund for the Court and it accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policies.

Fiduciary Funds

Fiduciary Funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Court are agency funds. 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.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

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 balances 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 the Court's 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 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 judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Court costs, civil fees, and reinstatement fees are recorded in the year in which they are earned.

Interest income on bank deposits is recorded when the interest has been earned and the amount can be determined.

Substantially all other revenues are recognized when received by the Court.

Based on the above criteria, court costs, civil fees and reinstatement fees have been treated as susceptible to accrual.

WINNSBORO CITY COURT
WINNSBORO, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Cont'd)

Expenditures

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

Government - Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statements of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these columns 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 non-exchange transactions are recognized in accordance with the requirements for GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

Program Revenues

Program revenues included in the column labeled Statement of Activities are derived directly from the Winnsboro City Court's users as a fee for services; program revenues reduce the cost of the function to be financed from the Court's general revenue.

E. BUDGETS

On June 28, 2003, the City Judge prepared a budget on the modified accrual basis. At year end all appropriations lapse.

F. CASH AND CASH EQUIVALENTS

Under state law, the Court may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. The Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. Cash and cash equivalents include cash, demand deposits, interest-bearing demand deposits, and amounts in time deposits and those investments with original maturities of 90 days or less.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

G. CAPITAL ASSETS (Cont'd)

<u>Description</u>	<u>Estimated Lives</u>
Computer Equipment	3-5 Years
Furniture and Fixtures	5-10 Years
Equipment	5-10 Years
Renovations	7-20 Years

H. ESTIMATES

The preparation of the 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. RISK MANAGEMENT

The Court is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions. The Court maintains professional liability coverage on the Clerk to manage its exposure to fraud, illegal acts and errors and omissions. The City of Winnsboro provides the remainder of insurance coverage.

NOTE 2 CASH AND CASH EQUIVALENTS

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The Court may invest in certificates and time deposits of state bank organized under Louisiana law and national banks having their principle offices in Louisiana. At June 30, 2004, the Court had cash (book balances) of \$65,473 deposits. These amounts 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 bank. 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. Cash (bank balances) at June 30, 2004, are secured as follows:

WINNSBORO STATE BANK	
Bank Balance	<u>\$ 6,254</u>
Federal Deposit Insurance	<u>\$ 100,000</u>
FRANKLIN STATE BANK	
Bank Balance	<u>\$ 81,995</u>
Federal Deposit Insurance	<u>\$ 100,000</u>

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 3 DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds as reported in the fund financial statements at June 30, 2004, are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,195	\$ 0
Agency Funds	<u>0</u>	<u>3,195</u>
Totals	<u>\$ 3,195</u>	<u>\$ 3,195</u>

The balances resulted from fees, charges, and other court costs collected by the agency funds on behalf of the general fund.

NOTE 4 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2004 follows:

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
Capital Assets	\$ 60,908	\$ 4,175	\$ 0	\$ 65,083
Accumulated Depreciation	<u>(54,306)</u>	<u>(1,269)</u>	0	<u>(55,575)</u>
	<u>\$ 6,602</u>	<u>\$ 2,906</u>	<u>\$ 0</u>	<u>\$ 9,508</u>

The capital asset balance at June 30, 2004, has been restated to include accumulated depreciation in accordance with GASB Statement No. 34.

NOTE 5 CHANGES IN AGENCY FUNDS - UNSETTLED DEPOSITS HELD FOR OTHERS

A summary of changes in agency fund deposits due others for the year ended June 30, 2004, is as follows:

Balance at June 30, 2003	\$ 14,875
Additions	77,197
Reductions	<u>(87,633)</u>
Balance at June 30, 2004	<u>\$ 4,439</u>

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

NOTES TO FINANCIAL STATEMENTS

NOTE 6 ON-BEHALF PAYMENTS

The City of Winnsboro provides a substantial amount of fiscal support to the Court for its operation. The City of Winnsboro made on-behalf payments for the Court for salaries, fringe benefits and operating expenses.

NOTE 7 PRIOR YEAR RESTATEMENT

The Court implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The statement requires reporting capital assets net of accumulate depreciation in the government-wide financial statements. The impact of the restatement on the governmental funds is as follows:

	<u>Governmental Funds</u>
Fund Balance, June 30, 2003	\$ 26,392
Adjustment to capitalize assets and to record beginning accumulated depreciation on those assets as of June 30, 2003.	<u>6,602</u>
Governmental activities net assets, June 30, ,2004	<u><u>\$ 32,994</u></u>

**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

REQUIRED SUPPLEMENTAL INFORMATION (PART B)

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**WINNSBORO CITY COURT
WINNSBORO, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES	\$ 234,644	\$ 234,644	\$ 206,999	\$ (27,645)
EXPENDITURES				
General & Administrative	216,983	216,983	211,802	5,181
Capital Outlay	<u>8,663</u>	<u>8,663</u>	<u>4,175</u>	<u>4,488</u>
	<u>\$ 225,646</u>	<u>\$ 225,646</u>	<u>\$ 215,977</u>	<u>\$ 9,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 8,998	\$ 8,998	\$ (8,978)	\$ (17,976)
FUND BALANCE AT BEGINNING OF YEAR	<u>26,393</u>	<u>26,393</u>	<u>26,392</u>	<u>(1)</u>
FUND BALANCE AT END OF YEAR	<u>\$ 35,391</u>	<u>\$ 35,391</u>	<u>\$ 17,414</u>	<u>\$ (17,977)</u>

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

The Honorable Ann McIntyre, Judge
Winnsboro City Court
Winnsboro, Louisiana

We have audited the component unit financial statements of Winnsboro City Court as of and for the year ended June 30, 2004, and have issued our report thereon dated December 28, 2004. We conducted our audit in accordance with generally accepted auditing standards and the 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 Winnsboro City Court'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 in 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 no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Winnsboro City Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation on the internal control over financial reporting that, in our judgement, could adversely affect Winnsboro City Court's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questions costs as item 04-1.

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 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 considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

The Honorable Ann McIntyre, Judge
Winnsboro City Court
Winnsboro, Louisiana
Page 2

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*Minchew, Robinson, Gardner,
Langston & Bryan, CPAs*

Monroe, Louisiana
December 28, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

The Honorable Ann McIntyre, Judge
Winnsboro City Court
Winnsboro, Louisiana

We have audited the component unit financial statements of Winnsboro City Court as of and for the year ended June 30, 2004, and have issued our report thereon dated December 28, 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 General of the United States. Our audit of the financial statements as of June 30, 2004, resulted in an unqualified opinion.

Section I- Summary of Auditor's Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness ___ Yes X No Reportable Conditions X Yes ___ No

Compliance

Compliance Material to Financial Statements ___ Yes X No

B. Federal Awards - N/A

Internal Control

Material Weakness ___ Yes ___ No

Reportable Conditions Yes ___ No ___

Type of Opinion on Compliance
For Major Programs

Unqualified ___ Qualified ___
Disclaimer ___ Adverse ___

Are their findings required to be reported in accordance with Circular A-133,
Section .510 (a)?

C. Identification of Major Programs: N/A

CFDA Number(s)

Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004

Section II - Financial Statement Findings

04-1 Internal Control

Condition:

In our review of the Winnsboro City Court, Winnsboro, Louisiana internal control, it was noted that there was an absence of appropriate segregation of duties consistent with control objectives in the areas of cash receipts and disbursements.

Criteria:

Internal controls should be in place that provide reasonable assurance that individuals in the cash receipts and disbursements functions do not perform multiple tasks.

Effect:

Because of the failure to provide reasonable assurance that employees do not perform multiple tasks, misstatements could occur, whether intentional or unintentional.

Recommendation:

Procedures should be implemented requiring that different employees perform the various procedures of the cash receipts and disbursements functions.

Response:

The Judge has indicated that due to the size of the operations and limited number of permanent employees, corrections are not practical at this time.

Section III - Federal Award Findings and Question Costs - N/A

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

Section I- Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No Management Letter Issued