

City Court of Minden
Webster Parish, Louisiana

Annual Financial Statements
As of and for the Year Ended
December 31, 2010

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 7/6/11

**City Court of Minden
Webster Parish, Louisiana**

December 31, 2010

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Required Supplemental Information

**City Court of Minden
Webster Parish, Louisiana**

**Management's Discussion and Analysis (Unaudited)
for the Year Ended December 31, 2010**

This discussion and analysis of the City Court of Minden, Louisiana's financial performance provides an overview of the financial activities as of and for the year ended December 31, 2010. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Net assets of our governmental activities increased by \$581.
- As a result of this year's operations, liabilities exceeded assets by \$7,205.
- Total program revenues – charges for services for all governmental activities were \$344,578 for the year, which was \$581 more than the program expenses of \$343,997 for these activities.
- The governmental funds reported a total ending fund balance of (\$9,398), of which all was considered unreserved. This compares to the prior year ending fund balance - of (\$9,668), showing an increase of \$270 for the current year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in their independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the City Court of Minden, Louisiana as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The current year's revenues are recorded when they become both measurable and available and expenses are taken into account when incurred and measurable.

These two statements report the net assets and changes in them. You can think of net assets, the difference between assets and liabilities, as one way to measure financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the City Court of Minden, Louisiana.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not as a whole. Some funds are required to be established by State laws. The City Court of Minden, Louisiana uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called

modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net assets increased by \$581, as a result of this year's operations, which indicates that the overall financial position improved slightly during the year. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, absorbed most of the increase this year.

Our following analysis focuses on the net assets (Table A) and changes in net assets (Table B) of the governmental-type activities:

TABLE "A"
Condensed Statement of Net Assets

	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 50	\$ 1,331
Capital assets	<u>2,193</u>	<u>1,882</u>
Total assets	<u>2,243</u>	<u>3,213</u>
Current liabilities	<u>9,448</u>	<u>10,989</u>
Total liabilities	<u>9,448</u>	<u>10,989</u>
Net assets (deficit)		
Invested in capital assets, net of related debt	2,193	1,882
Unrestricted	<u>(9,398)</u>	<u>(9,668)</u>
Total net assets (deficit)	\$ <u>(7,205)</u>	\$ <u>(7,786)</u>

TABLE "B"
Condensed Statement of Activities

	<u>2010</u>	<u>2009</u>
Total program revenues	\$ 344,578	\$ 328,223
Total program expenses	<u>343,997</u>	<u>349,798</u>
Net program income (loss)	581	(23,573)
General revenues	<u>-</u>	<u>15</u>
Change in net assets	581	(23,558)
Net assets (deficit)		
Beginning of the year	<u>(7,786)</u>	<u>15,772</u>
End of the year	\$ <u>(7,205)</u>	\$ <u>(7,786)</u>

Program revenues for the governmental activities increased by \$18,355, due mainly to an increase of \$38,047 in fines generated from criminal cases coupled with a decrease in civil filing fees of \$18,339, while expenses decreased by \$5,799. General revenues consisting of interest earned and miscellaneous revenue decreased by \$15.

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The City Court of Minden, Louisiana uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the Court is being accountable for the resources provided to it and may also give you more insight into the overall financial health of the court.

The governmental fund – general fund, reported an ending fund balance of (\$9,398). This reflects an increase of \$270 from last year. This increase is primarily the result of an increase in collected fees. Total revenues for governmental funds were \$344,578, an increase of \$18,340. Current expenditures for judicial activities were \$344,308. The result for the year was an excess of expenditures over revenues of \$270.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during the year.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, for governmental activities at year-end was \$2,193. There were \$953 in additions to capital assets during the year 2010. Depreciation of \$642 was recorded on capital assets. More detailed information about the capital assets is presented in Note 3 to the financial statements.

DEBT

At year-end, the City Court of Minden, Louisiana had no debt outstanding.

ECONOMIC FACTORS AND RATES

Many factors were considered when budgeting for the current calendar year. Possible new laws and regulations, increased rates and fees that would be charged were all considered. Historically, the office staff and costs remain stable and should continue to do so. The City of Minden, in their current operating budget, absorbs some capital asset purchases and other operating expenses. If these estimates remain consistent, the City Court of Minden, Louisiana's General Fund balance is expected to increase accordingly by the close of 2011.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City Court of Minden, Louisiana's finances and to show accountability for the money it received. If you have any questions about this report or need additional financial information, contact:

Mrs. Joan Luck, Clerk
City Court of Minden
P. O. Box 968
Minden, LA 71058-0968
Phone 318-377-4308

Basic Financial Statements

City Court of Minden
Webster Parish, Louisiana

Statement of Net Assets
December 31, 2010

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 50
Capital assets, net of accumulated depreciation	<u>2,193</u>
Total assets	<u>2,243</u>
Liabilities	
Bank overdraft	1,261
Accounts payable	3,363
Salaries and benefits payable	<u>4,824</u>
Total liabilities	<u>9,448</u>
Net Assets	
Invested in capital assets	2,193
Unrestricted	<u>(9,398)</u>
Total net assets (deficit)	<u>\$ (7,205)</u>

The accompanying notes are an integral part of this statement.

City Court of Minden
Webster Parish, Louisiana

Statement of Activities
for the Year Ended December 31, 2010

Function/Programs	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets Activities</u>
Judicial activities	\$ 343,997	\$ 344,578	\$ 581
Total governmental activities	<u>343,997</u>	<u>344,578</u>	<u>581</u>
General revenues			
Interest			-
Total general revenues			<u>-</u>
Change in net assets			581
Net assets (deficit), beginning of year			(<u>7,786</u>)
Net assets (deficit), end of year			\$ (<u><u>7,205</u></u>)

The accompanying notes are an integral part of this statement.

City Court of Minden
Webster Parish, Louisiana

Balance Sheet - Governmental Funds
December 31, 2010

Assets

Cash and cash equivalents	\$ <u>50</u>
Total assets	\$ <u><u>50</u></u>

Liabilities

Bank overdraft	\$ 1,261
Accounts payable	3,363
Salaries and benefits payable	<u>4,824</u>
Total liabilities	<u>9,448</u>

Fund Balance

Unreserved	(<u>9,398</u>)
Total fund balance (deficit)	(<u>9,398</u>)
Total liabilities and fund balance (deficit)	\$ <u><u>50</u></u>

The accompanying notes are an integral part of this statement.

City Court of Minden
Webster Parish, Louisiana

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2010**

Total fund balance, governmental funds		\$ (9,398)
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet			
Capital assets	\$	41,725	
Less accumulated depreciation		<u>(39,532)</u>	2,193
Net assets of governmental activities		\$	<u><u>(7,205)</u></u>

The accompanying notes are an integral part of this statement.

City Court of Minden
Webster Parish, Louisiana

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
for the Year Ended December 31, 2010

Revenue	
Charges for services	
Criminal fees	\$ 207,560
Juvenile fees	150
Civil fees	136,868
Total revenue	<u>344,578</u>
Expenditures	
Current	
Salaries and employee benefits	255,707
Travel, education and seminars	27,658
Office supplies	12,259
Insurance	10,778
Professional fees	10,129
Telephone and internet	7,858
Witness fees	6,503
Library	4,221
Dues and subscriptions	2,796
Capital outlay	953
Miscellaneous	5,446
Total expenditures	<u>344,308</u>
Excess of Revenue over Expenditures	270
Fund Balance (Deficit) at Beginning of Year	(<u>9,668</u>)
Fund Balance (Deficit) at End of Year	\$ (<u>9,398</u>)

The accompanying notes are an integral part of this statement.

City Court of Minden
Webster Parish, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
for the Year Ended December 31, 2010**

Net change in fund balance - governmental funds	\$	270
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances		953
Depreciation expense on capital assets is reported in the Government-Wide financial statements, but they do not require the use of current financial resources and are not reported in the Governmental Funds financial statement. Current year depreciation expense is:		(642)
Changes in net assets of governmental activities	\$	<u>581</u>

The accompanying notes are an integral part of this statement.

City Court of Minden
Webster Parish, Louisiana

Statement of Fiduciary Net Assets
December 31, 2010

	<u>Criminal Court Fund</u>	<u>Civil Fund</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ <u>5,768</u>	\$ <u>23,936</u>	\$ <u>29,704</u>
Total assets	\$ <u><u>5,768</u></u>	\$ <u><u>23,936</u></u>	\$ <u><u>29,704</u></u>
Liabilities			
Civil funds held for future disposition	\$ -	\$ 23,936	\$ 23,936
Criminal funds held for future disposition	<u>5,768</u>	<u>-</u>	<u>5,768</u>
Total liabilities	\$ <u><u>5,768</u></u>	\$ <u><u>23,936</u></u>	\$ <u><u>29,704</u></u>

The accompanying notes are an integral part of this statement.

**City Court of Minden
Webster Parish, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 2010**

Introduction – The Louisiana Constitution of 1974, Article V, Section 1 created the Courts of the State, among them the City Court of Minden. Article V, Section 15 created the Trial Courts of Limited Jurisdiction and sets forth the duties of the Court. City Court of Minden (the Court) exists and operates in accordance with the authorities cited. As provided by Article V, Section 15 of the Louisiana Constitution of 1974, the Judge has charge of civil and criminal matters in his jurisdiction. The Judge is elected by a popular vote for a term of six years.

The Court's jurisdiction covers Ward One of Webster Parish and serves approximately 30,000 people and employs four full-time employees and one part-time probation officer. For the year ended December 31, 2010, the Court had approximately 2,161 criminal cases and approximately 557 civil cases filed.

There is one Marshal elected by a popular vote that serves the jurisdiction of the Court. He is responsible for serving papers, maintaining order in the courtroom, sale of seized property and works concurrently with the police department.

Note 1 Summary of Significant Accounting Policies

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

Reporting Entity – The City Court Judge and Marshal are independently elected officials. However, the City Court is fiscally dependent on the City of Minden for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the City Court of Minden and do not present information on the City of Minden, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity, as well as partial funding of salary costs. The City Court of Minden is not considered to be a component unit of the City of Minden.

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.

Funds of the Court are classified into the following categories:

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 which may be used to finance future period programs or operations of the City Court of Minden. The following is the Court's only governmental fund:

General Fund is the primary operating fund of 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 court policy.

Fiduciary Funds

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

Criminal Court Fund is used to account for fines and court costs of all criminal cases. Fines collected by the Minden Police Department are remitted monthly to the Court. These and all fines collected by the Court for criminal cases are disbursed to appropriate agencies and the General Fund on a monthly basis.

Civil Fund is used to account for all court costs and restitution resulting from civil cases filed in the Court. Disbursements are made to the General Fund for court fees, to victims for restitution, and other agencies for services performed relative to civil suits.

Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the fund financial statements 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 court operations.

The amounts reflected in the fund financial statements 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 certain compensated absences, claims, and judgments 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 – Revenues are recorded when they are determined to be both measurable and available. Generally, revenues are recorded when cash is received. Fines collected by the City of Minden Police Department and remitted to the Court the succeeding month are recognized as revenue when the fines are received.

Expenditures – Expenditures are generally recorded and reported when the related fund liability is both incurred and measurable. Salaries and related payroll costs are recorded as they are incurred. Operating supplies and other costs are recorded as they become due or incurred and are measurable.

Government-Wide Financial Statements (GWFS)

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

Program Revenues – Program revenues, included in the Statement of Activities, are derived directly from court users as a fee for services; program revenues reduce the cost of the function to be financed from the Court's general revenues.

Budgets – The City Court of Minden, Louisiana presents, adopts and amends an operating budget for the general fund as required by the Louisiana Local Government Budget Act. There were no amendments made to the 2010 budget.

The budget is prepared on a modified accrual basis of accounting. The budget presented in the Budget Comparison Schedule shows the original and final amended budgets for the year. There were no amendments made to the 2010 budget.

The City Court of Minden does not utilize encumbrance accounting under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

Compensated Absences – The vacation and sick leave policy of the Court does not provide for the accumulation and vesting of leave time, therefore the Court has not accrued compensated absences.

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

Short-Term Interfund Receivables/Payables – During the course of operations, transactions occur between funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

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 \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets. 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:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and equipment	5 - 7 years

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Cash and Cash Equivalents

At December 31, 2010, the Court had cash and cash equivalents (book balances) in the general and agency funds totaling \$29,754 as follows:

Demand deposits	\$	50
Interest-bearing demand deposits		29,704
Total	\$	<u>29,754</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, the Court had \$32,821 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance at one financial institution resulting in unsecured depository balances as of December 31, 2010 of \$0.

Note 3 Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2010, is as follows:

Governmental Activities	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
Office equipment	\$ 40,772	\$ 953	\$	\$ 41,725
Less accumulated depreciation	(38,890)	(642)		(39,532)
Capital assets, net	\$ 1,882	\$ 311	\$ -	\$ 2,193

Depreciation expense for the year recorded for governmental activities was \$842.

Note 4 Leases

The Court leases a copier and a postage machine under non-cancelable operating leases with the following minimum annual commitments:

2011	\$ 4,300
2012	4,300
2013	1,842
Total	\$ 10,542

Lease expense for the year ended December 31, 2010, was \$4,300, and is included in miscellaneous expense.

Note 5 Litigation

The Court is not a defendant in any litigation seeking damages from the Court. The Judge estimates that any potential claims against the Court would not materially affect the financial statements.

Note 6 Deficit Fund Equity

The general fund had a deficit fund balance (net assets) at December 31, 2010. Management has taken steps to reduce the deficit by decreasing the number of community service orders and other sentences that do not bring fees into the Court.

Note 7 Retirement Plan

Louisiana State Employees' Retirement System

The Court provides retirement, death, and disability benefits to the Court's Judge through a pension plan administered by another governmental entity. The plan is the Louisiana State Employees' Retirement System (LASERS or the System). Only the Judge of the Court is a member of this cost-sharing multiple-employer public employee retirement system (PERS). All state employees, except certain classes of employees specifically 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 remain eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of LASERS. Benefit provisions are established in accordance with Louisiana State Statute.

Employees are eligible for retirement if the employee has: (a) 30 years of creditable service, regardless of age, or (b) 25 years of service and is at least age 55 or (c) 10 years of service and is at least age 60. The monthly

retirement allowance is equal to two and one-half percent (2 1/2%) of the employee's average compensation multiplied by years of creditable service. The maximum annual benefits cannot exceed the lesser of one hundred percent (100%) of the employee's average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to one (1%) percent of average compensation multiplied by the number of years of creditable service in their respective capacity.

Upon the death of any Louisiana State Employees' Retirement System member in active service with five or more years of service and not eligible for retirement, survivor benefits are paid to certain eligible surviving dependents based on the deceased member's compensation and their relationship to them. For LASERS members who are eligible for retirement, the surviving spouse is eligible for normal retirement benefits.

Substantially all members with ten or more years of credited service who become disabled receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Contribution rates are established by Statute. Employee member contributions are deducted from their salary and remitted to the System by participating employers. The rate in effect for 2010 for judges is eleven and one-half (11.5%) percent of their covered compensation.

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established annually by the Actuarial Forecasting Committee. The Court contributed \$10,537, \$11,674, and \$12,236, respectively, for the years ended December 31, 2010, 2009 and 2008.

Ten-year historical trend information of the Louisiana State Employees' Retirement System is available in the separately issued retirement system report. The trend information provides information about progress made in accumulating sufficient assets to pay benefits when due. The Court does not guarantee the benefits granted by the above plan. The Court does not provide any other post employment benefits.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees Retirement System, P.O. Box 44213, Baton Rouge, LA 70809.

Note 8 Subsequent Events

The Court has evaluated subsequent events through June 23, 2011, the date which the financial statements were available to be issued.

Required Supplemental Information

City Court of Minden

Webster Parish, Louisiana

Budgetary Comparison Schedule - General Fund for the Year Ended December 31, 2010

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenue				
Charges for services				
Criminal fees	\$ 200,000	\$ 200,000	\$ 207,560	\$ 7,560
Juvenile fees	3,500	3,500	150	(3,350)
Civil fees	150,000	150,000	136,888	(13,132)
Total revenues	<u>353,500</u>	<u>353,500</u>	<u>344,578</u>	<u>(8,922)</u>
Expenditures				
Current				
Salaries and employee benefits	285,000	285,000	255,707	29,293
Travel, education and seminars	30,000	30,000	27,658	2,342
Office supplies	18,000	18,000	12,259	5,741
Insurance	8,500	8,500	10,778	(2,278)
Professional fees	12,000	12,000	10,129	1,871
Telephone and Internet	7,000	7,000	7,858	(858)
Witness fees	10,500	10,500	6,503	3,997
Capital outlay	2,000	2,000	953	1,047
Library	3,000	3,000	4,221	(1,221)
Dues and subscriptions	1,200	1,200	2,798	(1,598)
Miscellaneous	8,500	8,500	5,448	1,054
Total expenditures	<u>383,700</u>	<u>383,700</u>	<u>344,308</u>	<u>39,392</u>
Excess of Revenues over Expenditures	(30,200)	(30,200)	270	30,470
Fund Balance (Deficit) at Beginning of Year	(9,668)	(9,668)	(9,668)	-
Fund Balance (Deficit) at End of Year	<u>\$ (39,868)</u>	<u>\$ (39,868)</u>	<u>\$ (9,398)</u>	<u>\$ 30,470</u>

See Independent Auditor's Report.

Auditor's Reports

ROBERTS, CHERRY AND COMPANY
Certified Public Accountants, Consultants

Independent Auditor's Report

Honorable John C. Campbell, Judge
City Court of Minden
Webster Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Minden (the Court) as of and for the year ended December 31, 2010, which collectively comprise the Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City Court of Minden's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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, each major fund, and the aggregate remaining fund information of the City Court of Minden as of December 31, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 3 and 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011, on our consideration of the City Court of Minden'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.


ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
June 23, 2011

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

Honorable John C. Campbell, Judge
City Court of Minden
Webster Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Minden (the Court) as of and for the year ended December 31, 2010, which collectively comprise the Court's basic financial statements and have issued our report thereon dated June 23, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City Court of Minden's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Minden's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City Court of Minden's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses at Finding 2010-1.

The City Court of Minden's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Court's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Roberts, Cherry and Company
ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
June 23, 2011

**City Court of Minden
Webster Parish, Louisiana**

**Schedule of Findings and Responses
for the Year Ended December 31, 2010**

We have audited the basic financial statements of the City Court of Minden as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011. 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 December 31, 2010 resulted in an unqualified opinion. No management letter was issued for the year ended December 31, 2010.

Section I – Summary of Auditor’s Report

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	
Material Weakness	No
Other Conditions	No
Compliance	
Compliance Material to Financial Statements	No

Federal Awards

N/A

Section II – Financial Statement Findings

Finding 2010-1 Budget Preparation

Criteria - Louisiana Revised Statute 39:1305 provides in part that the total proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.

Condition - The Court's 2010 budget indicated an excess of total estimated expenditures over estimated funds available for the ensuing fiscal year.

Effect of Condition – The Court is not in compliance with the budget preparation law.

Cause of Condition - The Court was not aware of this section of the budget preparation law.

Recommendation – We recommend the Court prepare budgets in accordance with the budget preparation law.

Management’s Response – We have reviewed the budget preparation law and will prepare the budget in accordance with the law in the future.

**City Court of Minden
Webster Parish, Louisiana**

**Schedule of Prior Year Findings
for the Year Ended December 31, 2010**

Finding 2009-1 Reconciliation of Bank Accounts

The bank reconciliations prepared by the Court did not agree with the general ledger prepared by their external accountant.

We recommend that the Court review monthly bank reconciliations for accuracy and provide external accountant responsible for preparation of financial records a copy of these bank reconciliations to ensure that the general ledger accounts agree to the reconciled cash balances.

Current Status - Resolved

Finding 2009-2 Recording Accounts Payable

The Court failed to record accounts payable at year-end in accordance with accrual basis accounting.

We recommend that the Court implement procedures to ensure that the general ledger is adjusted to the accrual basis at the end of each reporting period. They should work more closely with their outside accountant and devise a method to identify any items that should be recorded to enable the financial records to be properly stated.

Current Status - Resolved