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CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Financial Statements
and Independent Accountant's Report
As of and for the Two Year Period Ended June 30, 2003
With Supplemental Information Schedules

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 2-11-04

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

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and Independent Auditor's Reports
As of and for the Two Year Period Ended June 30, 2003
With Supplemental Information Schedules

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Mike B. Gillespie, CPA

(A Professional Accounting Corporation)
414 E. Nezpique Street
PO Box 1347
Jennings, LA 70546

INDEPENDENT AUDITOR'S REPORT

Honorable Judge C. Steve Gunnell,
Honorable Marshal Clarence Cormier, Jr.
And Members of the City Council
City of Jennings, Louisiana

I have audited the accompanying general purpose financial statements of the City Court and City Marshal of the City of Jennings, Louisiana (City Court and City Marshal), a component unit of the City of Jennings, Louisiana, as of June 30, 2003, and for the two year period then ended. These general purpose financial statements are the responsibility of the City Court and City Marshal's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with U.S. 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City Court and City Marshal, as of June 30, 2003 and the results of its operations for the two year period then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 8, 2004, on my consideration of City Court and City Marshal's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City Court and City Marshal. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Mike B. Gillespie, CPA, APAC

Certified Public Accountant

Jennings, Louisiana
January 8, 2004

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

ALL FUND TYPES
COMBINED BALANCE SHEET
AS OF JUNE 30, 2003

	Governmental Fund Type	Fiduciary Fund Type	Account Group	
	General Funds	*Agency Funds*	General Fixed Assets	Total (Memorandum Only)
ASSETS				
Cash and cash equivalents	$ 55,582	$ 82,220	$ -	$ 137,802
Due from other funds	5,787	-	-	5,787
Due from other governments	1,760	-	-	1,760
Property and equipment	-	-	9,427	9,427
TOTAL ASSETS	$ 63,129	$ 82,220	$ 9,427	$ 154,776
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 2,262	$ -	$ -	$ 2,262
Due to other funds	-	5,787	-	5,787
Unsettled deposits	-	76,433	-	76,433
Total Liabilities	2,262	82,220	-	84,482
Equity and Other Credits:				
Investment in general fixed assets	-	-	9,427	9,427
Fund Balance:				
Unreserved-undesignated	60,867	-	-	60,867
Total Fund Equity and Other Credits	60,867	-	9,427	70,294
TOTAL LIABILITIES AND FUND BALANCE	$ 63,129	$ 82,220	$ 9,427	$ 154,776

The accompanying notes are an integral part of this statement.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE TWO YEAR PERIOD ENDED JUNE 30, 2003

		General Funds
REVENUES		
Fees, charges, and commissions for services:		
Court costs, fees and fines	$	140,508
Miscellaneous		2,457
Intergovernmental Revenue		7,280
Total Revenues		150,245
EXPENDITURES		
Current:		
Personal services and related benefits		27,474
Operating services		60,771
Materials and supplies		16,236
Intergovernmental:		
City of Jennings		3,040
Jefferson Davis Parish Sheriff		1,682
Capital Outlay		5,218
Total Expenditures		114,421
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES		35,824
FUND BALANCE AT BEGINNING OF PERIOD		25,043
FUND BALANCE AT END OF PERIOD	$	60,867

The accompanying notes are an integral part of this statement.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE TWO YEAR PERIOD ENDED JUNE 30, 2003

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Fees, charges, and commissions for services:			
Court costs, fees and fines	$ 119,548	$ 140,508	$ 20,960
Miscellaneous	-	2,457	2,457
Intergovernmental Revenue	-	7,280	7,280
Total Revenues	119,548	150,245	30,697
EXPENDITURES			
Current:			
Personal services and related benefits	10,750	27,474	(16,724)
Operating services	55,171	60,771	(5,600)
Materials and supplies	15,950	16,236	(286)
Intergovernmental:			
City of Jennings	3,840	3,040	800
Jefferson Davis Parish Sheriff	3,950	1,682	2,268
Capital Outlay	2,800	5,218	(2,418)
Total Expenditures	92,461	114,421	(21,960)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	27,087	35,824	8,737
FUND BALANCE AT BEGINNING OF PERIOD	25,043	25,043	-
FUND BALANCE AT END OF PERIOD	$ 52,130	$ 60,867	$ 8,737

The accompanying notes are an integral part of this statement.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

Notes to the Financial Statements
As of and for the Two Year Period Ended June 30, 2003

INTRODUCTION

The City Court was created under the authority of LSA-RS 13:1871 – 2512. The City Court of Jennings, Louisiana, has one elected judge and one elected Marshal.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the City Court and City Marshal of Jennings, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

The city court judges and marshals are independently elected officials. However, the City Court is fiscally dependent on the City of Jennings for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the City Court is fiscally dependent on the city, the City Court was determined to be a component unit of the City of Jennings, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the City Court and City Marshal and do not present information on the City of Jennings, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The City Court and City Marshal use funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the City Court and City Marshal are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

General Fund

The General Fund is the principal fund of the City Court and City Marshal and accounts for its operations. The various fees and fines due to the City Court and City Marshal are accounted for in this fund.

Agency Funds

Agency funds account for assets that are held by the City Court and City Marshal in a custodial capacity pending their transfer to the proper recipient, as provided by Louisiana law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are accounted for using a flow of current financial resources measurement focus. The accompanying financial statements have been prepared on the modified accrual basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues such as court costs, fees, and fines are recognized when susceptible to accrual (i.e. when they are "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 City Court and City Marshal consider all revenues available when collected and are recognized as revenue at that time.

Expenditures

Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

E. BUDGET PRACTICES

The proposed budgets for the two years ending June 30, 2003 were made available for public inspection prior to June 15th each year. The budgets were not amended.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Encumbrance accounting is not used. Formal integration of the budget into the accounting records is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments if applicable.

F. ENCUMBRANCES

The City Court and City Marshal do not utilize encumbrance accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law the City Court and City Marshal may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. General fixed assets provided by the City of Jennings are not recorded within the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

I. COMPENSATED ABSENCES

The City Court's and City Marshal's policy is that sick leave and vacation leave does not accumulate or vest from year to year. Sick leave and vacation leave is available only during each employee's tenure, annually, and is not payable upon retirement or termination.

Vacation time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the general fund. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these long-term amounts.

As of June 30, 2003, the City Court and City Marshal did not have a liability for compensated absences paid directly out of the General Fund.

J. TOTAL COLUMNS ON STATEMENTS

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2003, the City Court and City Marshal had cash (book balances) totaling $ 137,802 as follows:

Cash on hand	$ 201
Demand deposits	137,602
Interest-bearing demand deposits	0
Certificates of deposits	0
	$ 137,802

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 June 30, 2003, the City Court and City Marshal has $ 144,117 in deposits (collected bank balances). These deposits are secured from risk by $ 144,117 of federal deposit insurance and $ 0, of pledged securities held by the custodial bank in the name of the fiscal bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the City Court and City Marshal that the fiscal agent has failed to pay deposited funds upon demand.

3. PENSION PLAN

Municipal Employees' Retirement System of Louisiana

Plan Description. Substantially all employees of the City Court and City Marshal are members of the Municipal Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City Court and City Marshal are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% percent of their final-average monthly salary in excess of $100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60 with basic benefit reduced 3% for each year retirement precedes age 62, unless he has at least 30 years creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their 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 required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the City Court and City Marshal are required to contribute at an actuarially determined rate. The current employer rate is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (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 proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City Court and City Marshal are established and may be amended by state statute. As provided by R.S. 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. The City Court and City Marshal contributions to the System under Plan B for the years ending June 30, 2003, 2002, and 2001, were $0, $0, $0, respectively, equal to the required contributions for each year.

Louisiana State Employees' Retirement System (LASERS)

Plan Description. The City Judge is a member of the Louisiana State Employees' Retirement System (LASERS), a cost-sharing. Multiple-employer defined benefits pension plan administered by a separate board of trustees. The system was established and provided for within Title 11, Subtitle II, Chapter 1, of the Louisiana Revised Statutes. Benefit provisions are authorized within LRS 11:441-501.

Those employees considered eligible for membership in LASERS include all state employees except those specifically excluded by statute and are eligible immediately upon employment. Members are vested after 10 years of services.

A member is eligible to retire after at least 10 years of service at age 60, 25 years at age 55, or after 30 years at any age. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The system does provide for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable at a rate of 2.5% of the average of the highest three consecutive years of compensation, multiplied by the number of years of creditable service. Once an employee has accumulated 10 years of service, disability benefits apply based on the regular benefit formula without age restrictions.

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, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

Funding Policy. The vast majority of state employees contribute 7.5% of their salaries. Exceptions include judges, court officers, the governor, lieutenant governor, and legislators, who contribute 11.5% of their respective salaries; the clerk of the House of Representatives, and secretary of the Senate who contribute 11.5% of their salaries; certain Department of Corrections employees, who contribute 9.0%; and certain employees of the Department of Wildlife and Fisheries and Bridge Police employees, who contribute 8.5% of their salaries. The employers of each group listed, including the City Court Judges, contributed 14.1% of the employees' salaries toward future benefits for fiscal year 2003. The City Court's contribution to the System for the years ending December 31, 2003, 2002, and 2001 were $2,527, $3,083, and $2,914, respectively, equal to the required contributions for each year.

4. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled balances follows:

Agency fund:

	Beginning of Year	Additions	Reductions	End of Year
Criminal Fund	$ 20,137	$ 448,775	$ 441,521	$ 27,391
Civil Fund	40,702	114,726	107,078	48,350
Garnishment Fund	646	159,251	159,769	128
Bond Fund	22,351	6,250	22,250	6,351
Total	$ 83,836	$ 729,002	$ 730,618	$ 82,220

5. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 2003, are as follows:

	Due from Other Funds	Due to Other Funds
General Funds:		
Criminal Fund	$ 3,442	$ 0
Civil Fund	624	0
Marshal's Fund	1,721	0
Agency Funds:		
Criminal Fund	0	5,163
Civil Fund	0	624
Garnishment Fund	0	0
Total	$ 5,787	$ 5,787

6. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2003
Equipment and furniture	$ 4,209	$ 5,218	$ 0	$ 9,427
Total	$ 4,209	$ 5,218	$ 0	$ 9,427

7. EXPENDITURES OF THE CITY COURT AND CITY MARSHAL PAID BY THE CITY OF JENNINGS

Certain operating expenditures of the City Court and City Marshal are paid by the City of Jennings, as required under Louisiana law, and are not included in the accompanying financial statements. Specifically, the City of Jennings maintains and operates the city courtroom and office in which the City Court's and City Marshal's offices are located. The City of Jennings also pays the salaries and benefits of certain employees and also pays a portion of operating expenses of the court. The total amount of these expenditures was not available and therefore is not included in the accompanying financial statements.

8. EXPENDITURES – ACTUAL AND BUDGET

General fund actual expenditures exceeded budgeted expenditures by $21,960 for the two years ended June 30, 2003.

9. RISK MANAGEMENT

City Court and the Marshal are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are managed by coverage through commercial insurance paid either by the City of Jennings or the City Court.

SUPPLEMENTAL INFORMATION SCHEDULES

CRIMINAL OPERATING FUND

The Criminal Operating Fund consists solely of funds received from the criminal agency fund on behalf of the criminal operating fund. Expenditures from this fund include all expenses necessary to support activities relevant to conducting criminal court cases. These expenses include, but are not limited to, various office expenses, continuing education, and outside services needed for criminal court operations.

CIVIL OPERATING FUND

The Civil Operating Fund consists solely of funds received from the civil agency fund on behalf of the civil operating fund. Expenditures from this fund include all expenses necessary to support operations for civil court. These expenses include, but are not limited to, clerk fees, employer portion of judge's retirement, and travel expenses.

MARSHAL'S FUND

The Marshal's Fund consists of fees collected from the criminal agency fund on behalf of the marshal, any bond forfeitures, and reimbursements from the city. Expenditures from this fund include any expenses incurred by the marshal in the normal operating course of his/her duties. These expenses include, but are not limited to, auto expenses, office expenses, and various other expenses deemed necessary at the discretion of the marshal.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2003

	Criminal Fund	Civil Fund	Marshall's Fund	Total
ASSETS				
Cash and cash equivalents	$ 38,626	$ 3,697	$ 13,259	$ 55,582
Due from other funds	3,441	625	1,721	5,787
Due from other governments	-	-	1,760	1,760
TOTAL ASSETS	$ 42,067	$ 4,322	$ 16,740	$ 63,129
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	$ 2,206	$ -	$ 56	$ 2,262
Total Liabilities	2,206	-	56	2,262
Fund Balance:				
Unreserved-undesignated	39,861	4,322	16,684	60,867
TOTAL LIABILITIES AND FUND BALANCE	$ 42,067	$ 4,322	$ 16,740	$ 63,129

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

GOVERNMENTAL FUNDS - GENERAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE TWO YEAR PERIOD ENDED JUNE 30, 2003

	Criminal Fund	Civil Fund	Marshall's Fund	Total
REVENUES				
Fees, charges, and commissions for services:				
Court costs, fees and fines	$ 84,285	$ 26,184	$ 30,039	$ 140,508
Miscellaneous	2,457	-	-	2,457
Intergovernmental Revenue	-	-	7,280	7,280
Total Revenue	86,742	26,184	37,319	150,245
EXPENDITURES				
Current:				
Personal services and related benefits	-	18,554	8,920	27,474
Operating services	48,473	1,221	11,077	60,771
Materials and supplies	14,292	-	1,944	16,236
Intergovernmental:				
City of Jennings- salary reimbursements	-	3,040	-	3,040
Jefferson Davis Parish Sheriff- fuel	-	-	1,682	1,682
Capital Outlay	3,295	-	1,923	5,218
Total Expenditures	66,060	22,815	25,546	114,421
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	20,682	3,369	11,773	35,824
FUND BALANCE AT BEGINNING OF PERIOD	19,179	953	4,911	25,043
FUND BALANCE AT END OF PERIOD	$ 39,861	$ 4,322	$ 16,684	$ 60,867

CRIMINAL AGENCY FUND

The Criminal Agency Fund was created for the collection of any fines or fees, from adjudication or other means, originating from criminal court cases, tickets, misdemeanors, etc. These funds are fully distributed to other agencies, entities, and programs related to the criminal cases involved or as deemed by statute. This fund is custodial in nature and does not involve measurement of results of operations.

CIVIL AGENCY FUND

The Civil Agency Fund was created for the collection of fees associated with the civil case process. These funds are distributed to plaintiffs, defendants, and other agencies, entities and programs deemed appropriate by adjudication or statute. This fund is custodial in nature and does not involve measurement of results of operations.

GARNISHMENT FUND

The Garnishment Fund was established to account for collections of garnished wages and the distributions of those collections to the rightful parties. This fund is custodial in nature and does not involve measurement of results of operations.

BOND FUND

The Bond Fund was established to account for the collection of bonds deposited on behalf of a jailed individual. These bonds are either refunded upon appearance at court, used to pay restitution and other fines/fees, or forfeited to the city marshal. This fund is custodial in nature and does not involve measurement of results of operations.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING BALANCE SHEET
AS OF JUNE 30, 2003

	Criminal Fund	Civil Fund	Garnishment Fund	Bond Fund	Total
ASSETS					
Cash and cash equivalents	$ 27,391	$ 48,350	$ 128	$ 6,351	$ 82,220
TOTAL ASSETS	$ 27,391	$ 48,350	$ 128	$ 6,351	$ 82,220
LIABILITIES					
Due to other funds	$ 5,163	$ 624	$ -	$ -	$ 5,787
Unsettled deposits	22,228	47,726	128	6,351	76,433
TOTAL LIABILITIES	$ 27,391	$ 48,350	$ 128	$ 6,351	$ 82,220

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN UNSETTLED BALANCES
FOR THE TWO YEAR PERIOD ENDED JUNE 30, 2003

	Criminal Fund	Civil Fund	Garnishment Fund	Bond Fund	Total
UNSETTLED BALANCES AT BEGINNING OF PERIOD	$ 20,137	$ 40,702	$ 646	$ 22,351	$ 83,836
ADDITIONS :					
Civil Suits	-	114,726	-	-	114,726
Garnishments	-	-	159,251	-	159,251
Fines and court costs	448,775	-	-	-	448,775
Bonds	-	-	-	6,250	6,250
Total Additions	448,775	114,726	159,251	6,250	729,002
REDUCTIONS :					
Deposits settled to:					
Jennings City Court	86,063	26,994	-	-	113,057
City of Jennings	166,187	-	-	-	166,187
City Marshall	36,088	11,951	9,201	-	57,240
District Attorney	19,359	-	-	-	19,359
Indigent Defender Board	74,725	-	-	-	74,725
Other Agencies	59,099	-	-	-	59,099
Refunds	-	-	-	22,250	22,250
City Judge	-	39,272	-	-	39,272
Others	-	28,861	150,568	-	179,429
Total Reductions	441,521	107,078	159,769	22,250	730,618
UNSETTLED BALANCES AT END OF PERIOD	$ 27,391	$ 48,350	$ 128	$ 6,351	$ 82,220

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Judge C. Steve Gunnell
Honorable Marshal Clarence Cormier, Jr.
And Members of the City Council
City of Jennings, Louisiana

I have audited the general purpose financial statements of the City Court and City Marshal, a component unit of the City of Jennings, Louisiana, as of and for the two year period ended June 30, 2003, and have issued my report thereon dated January 8, 2004. I conducted my audit in accordance with U.S. 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 the City Court and City Marshal's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under *Governmental Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 03-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the City Court and City Marshal's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily disclose all matters in 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 does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Judge, the Marshal, City Court's management, others within the organization, the Legislative Auditor, and any grant awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mike B. Gillespie, CPA, APAC

Certified Public Accountant

Jennings, Louisiana
January 8, 2004

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Two Year Period Ended June 30, 2003

Section I Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the City Court and City Marshal as of and for the two year period ended June 30, 2003.
2. No reportable conditions concerning internal controls were disclosed during the audit of the financial statements as reported in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements, which would be required to be reported in accordance with Government Auditing Standards, was disclosed during the audit.
4. Reportable conditions in internal control over major federal award programs:

   Not applicable.
5. The auditor's report on compliance for the major federal award programs:

   Not applicable.
6. Audit findings relative to the major federal award programs:

   Not applicable.
7. A management letter was not issued.
8. The programs tested as major programs included:

   Not applicable.
9. The threshold used for distinguishing between Type A and B programs:

   Not applicable.
10. Is the auditee qualified as a low-risk auditee, as defined by OMB Circular A-133?:

    Not applicable.

Section II Financial Statement Findings

Current Year Findings

Finding 03-1 : AUDIT NOT COMPLETED TIMELY

Condition: This audit was not completed within six months of the close of the City Court's fiscal year, June 30, 2003, as required under LSA-RS 24:513(A)(5)(a).

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Two Year Period Ended June 30, 2003

Cause of Condition: Due to unavoidable scheduling conflicts between the auditor and the Court's bookkeeper, the Court's bookkeeper was unavailable during a two week period which fell during the final two week period of the engagement.

Effect of Condition: As a result of the bookkeeper's absence, the auditors were unable to perform necessary procedures needed to complete the audit in a timely manner. The final day of fieldwork ended on January 8, 2004. The effect of this condition resulted in noncompliance with LSA-RS 24:513(A)(5)(a).

Recommendation: The auditor and the Court should implement changes to ensure that the future engagements are being performed in a timely manner taking into consideration any potential scheduling conflicts with the Court's staff.

Management Response: We will implement the necessary procedures for the next applicable audit period end, June 30, 2005.

Section III Federal Award Findings and Questioned Costs

No findings to report.

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
Jennings, Louisiana

MANAGEMENT'S STATUS OF PRIOR AUDIT FINDINGS
For the Two Year Period Ended June 30, 2003

SECTION I – Financial Statement Findings:

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/ Partial Corrective Action Taken	Additional Explanation
00-1	1999	Failure to adopt budget, City Marshal.	Yes	Budgets were adopted.	N/A

SECTION II - Federal Awards Findings and Questioned Costs:

No findings reported.

SECTION III – Management Letter Findings:

No findings reported

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THIS STATUS OF PRIOR YEAR FINDNGS HAS BEEN PREPARED BY MANAGEMENT

CITY COURT AND CITY MARSHAL OF JENNINGS, LOUISIANA
Jennings, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
For the Two Year Period Ended June 30, 2003

SECTION I – Financial Statement Findings:

Ref. No.	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
03-1	Audit not completed timely.	Will coordinate staff schedules with auditor.	Judge Steve Gunnell	Compliance for bi-annual audit for period ending June 30, 2005.

SECTION II - Federal Awards Findings and Questioned Costs:

No findings reported.

SECTION III – Management Letter Findings:

No findings reported.

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THIS CORRECTIVE ACTION PLAN HAS BEEN PREPARED BY MANAGEMENT