

**CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana**

**Financial Report**

**Year Ended June 30, 2011**

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 **MAR 21 2012**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Elvin Fontenot, City Judge  
City Court of Leesville, Louisiana  
(Vernon Parish Ward One Court)  
Leesville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Leesville, Louisiana, a component unit of the City of Leesville, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the City Court of Leesville, Louisiana's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of City Court of Leesville's management. Our responsibility is to express opinions 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 the 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, the major fund, and the aggregate remaining fund information of the City Court of Leesville, Louisiana, as of June 30, 2011, and the respective changes in financial position 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 a report dated March 12, 2012, on our consideration of City Court of Leesville, Louisiana'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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (page 25) 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.

The City Court of Leesville, Louisiana, has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
March 12, 2012

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Net Assets  
June 30, 2011

| ASSETS  |                  |
|---|------------------|
| Current assets                                  |                  |
| Cash  | \$ 31,795        |
| Noncurrent assets                               |                  |
| Capital assets, net                             | <u>2,833</u>     |
| Total assets                                    | <u>34,628</u>    |
|   |                  |
| LIABILITIES                                     |                  |
| Accrued liabilities                             | <u>8,423</u>     |
|   |                  |
| NET ASSETS                                      |                  |
| Invested in capital assets, net of related debt | 2,833            |
| Unrestricted                                    | <u>23,372</u>    |
| Total net assets                                | <u>\$ 26,205</u> |

The accompanying notes are an integral part of the basic financial statements

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Activities  
Year Ended June 30, 2011

|                        |                  |
|------------------------|------------------|
| Judiciary              |                  |
| Accounting             | \$ 12,070        |
| Contract labor         | 8,775            |
| Depreciation           | 500              |
| Dues and seminars      | 2,825            |
| Lease expense          | 46               |
| Miscellaneous          | 9,528            |
| Office supplies        | 12,048           |
| Payroll taxes          | 6,059            |
| Postage                | 10,384           |
| Repairs & maintenance  | 13,356           |
| Retirement             | 5,583            |
| Salaries               | 85,700           |
| State agency fees      | 9,712            |
| Telephone              | 4,941            |
| Travel                 | 15,094           |
| Uniforms               | <u>256</u>       |
| Total expenses         | <u>196,877</u>   |
|                        |                  |
| Program revenues       |                  |
| Court costs received   | 140,405          |
| Intergovernmental      | 30,651           |
| Probation income       | <u>39,148</u>    |
| Total program revenues | <u>210,204</u>   |
|                        |                  |
| Net program revenue    | 13,327           |
|                        |                  |
| Beginning net assets   | <u>12,878</u>    |
|                        |                  |
| Ending net assets      | <u>\$ 26,205</u> |

The accompanying notes are an integral part of the basic financial statements



**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTION - MAJOR FUND**

### **MAJOR FUND**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Balance Sheet - Governmental Fund  
General Fund  
June 30, 2011

ASSETS

|                          |                  |
|--------------------------|------------------|
| Cash - Criminal account  | \$ 8,206         |
| Cash - Probation account | <u>23,589</u>    |
| Total assets             | <u>\$ 31,795</u> |

LIABILITIES AND FUND BALANCE

|                                    |                  |
|------------------------------------|------------------|
| Liabilities                        |                  |
| Accrued liabilities                | \$ 8,423         |
| Fund balance                       |                  |
| Unassigned                         | <u>23,372</u>    |
| Total liabilities and fund balance | <u>\$ 31,795</u> |

The accompanying notes are an integral part of the basic financial statements

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
June 30, 2011

|   |                 |
|---|-----------------|
| Total fund balance for governmental funds at June 30, 2011  | \$23,372        |
| Total net assets reported for governmental activities in the statement of net assets is different because   |                 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of |                 |
| Equipment, net of \$116,085 accumulated depreciation  | <u>2,833</u>    |
| Total net assets of governmental activities at June 30, 2011  | <u>\$26,205</u> |

The accompanying notes are an integral part of the basic financial statements

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
General Fund  
Year Ended June 30, 2011

|                                      |                  |
|--------------------------------------|------------------|
| <b>Revenues</b>                      |                  |
| Court costs received                 | \$ 140,405       |
| Intergovernmental                    | 30,651           |
| Probation income                     | <u>39,148</u>    |
| Total revenues                       | <u>210,204</u>   |
| <br>                                 |                  |
| <b>Expenditures</b>                  |                  |
| Current -                            |                  |
| Accounting                           | 12,070           |
| Contract labor                       | 8,775            |
| Dues and seminars                    | 2,825            |
| Lease expense                        | 46               |
| Miscellaneous                        | 9,528            |
| Office supplies                      | 12,048           |
| Payroll taxes                        | 6,059            |
| Postage                              | 10,384           |
| Repairs & maintenance                | 13,356           |
| Retirement                           | 5,583            |
| Salaries                             | 85,700           |
| State agency fees                    | 9,712            |
| Telephone                            | 4,941            |
| Travel                               | 15,094           |
| Uniforms                             | <u>256</u>       |
| Total expenditures                   | <u>196,377</u>   |
| Excess of revenues over expenditures | 13,827           |
| <br>                                 |                  |
| Fund balance, beginning              | <u>9,545</u>     |
| Fund balance, ending                 | <u>\$ 23,372</u> |

The accompanying notes are an integral part of the basic financial statements

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
Year Ended June 30, 2011

|  |                 |
|--|-----------------|
| Total net changes in fund balance at June 30, 2011 per<br>Statement of Revenues, Expenditures and Changes in Fund Balance  | \$13,827        |
| The change in net assets reported for governmental activities in the<br>statement of activities is different because   |                 |
| Governmental funds report capital outlays as expenditures. However,<br>in the statement of activities, the cost of those assets is allocated over<br>their estimated useful lives and reported as depreciation expense |                 |
| Depreciation expense for the year ended June 30, 2011  | <u>(500)</u>    |
| Total changes in net assets at June 30, 2011 per Statement of Activities   | <u>\$13,327</u> |

The accompanying notes are an integral part of the basic financial statements

## **FUND DESCRIPTION - NONMAJOR FUNDS**

### **FIDUCIARY FUNDS - AGENCY FUNDS**

An agency fund is used to account for assets held by the City Court in a trustee capacity or as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

#### **Civil Fund -**

The Civil Fund is used to account for advanced court costs on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

#### **Traffic Fund -**

The Traffic Fund is used to account for funds received from traffic violations and distributes the funds to various government agencies which receive a designated portion of each traffic ticket.

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds  
June 30, 2011

ASSETS

|      |                  |
|------|------------------|
| Cash | <u>\$ 30,592</u> |
|------|------------------|

LIABILITIES

|                              |                  |
|------------------------------|------------------|
| Advanced court costs payable | \$ 9,373         |
| Due to others                | <u>21,219</u>    |
| Total liabilities            | <u>\$ 30,592</u> |

The accompanying notes are an integral part of the basic financial statements



CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The City Court of Leesville (City Court) was created under Louisiana Revised Statute 13:2485 as a political subdivision of the State of Louisiana. The City Court's territorial jurisdiction extends throughout Ward one of Vernon Parish in which the City of Leesville is located. The Court operates under the control of the City Judge, an elected official serving a term of six years.

The accompanying financial statements of the City Court of Leesville have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A Financial Reporting Entity

This report includes all funds, which are controlled by, or dependent on the City Court Judge. Control by or dependence on the City Court of Leesville was determined on the basis of general oversight responsibility. Governmental Accounting Standard 14 defines the financial reporting entity as a combination of the primary government, organizations for which the primary government is financially accountable and 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. This standard is effective for financial statements for periods beginning after December 15, 1992. City Court of Leesville (City Court) is a component unit of the City of Leesville, Louisiana. The Notes to Basic Financial Statements of the City of Leesville identify the City Court as a component unit, however, the City of Leesville does not present the financial information of the City Court.

B Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The City Court has no business-type activities.

CITY COURT OF LEESVILLE  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between program revenues of the City Court and the cost of the function. Program revenues are derived directly from City Court users as a fee for services. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the City Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the City Court are classified as governmental. The emphasis on fund financial statements is on the major governmental fund, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the City Court is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the City Court. It is used to account for all financial resources except those required to be accounted for in the Fiduciary Fund and appropriations by other governmental bodies on behalf of the City Court.

The Parish of Vernon and the City of Leesville maintain individual accounting records for City Court expenditures financed by their individual appropriations and report such expenditures in their respective financial statements.

CITY COURT OF LEESVILLE  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

The following fund is a nonmajor fiduciary fund

Agency Fund

An agency fund is used to account for assets held by the City Court in a trustee capacity or as an agent for individuals, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Civil Fund – accounts for advanced court costs on suits filed by litigants

Traffic Fund – accounts for funds received from traffic violations

**C** Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets. In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CITY COURT OF LEESVILLE  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the City Court's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance reserve accounts have been established for certain restricted cash in the governmental fund type to indicate that they do not represent "available spendable resources".

Agency funds do not involve measurement of results of operations. They are accounted for using the modified accrual basis of accounting.

**D     Assets, Liabilities and Equity**

**Cash and interest-bearing deposits**

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the City Court.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

CITY COURT OF LEESVILLE  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

|                                   |            |
|-----------------------------------|------------|
| Furniture, fixtures and equipment | 5-10 years |
|-----------------------------------|------------|

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

**Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

CITY COURT OF LEESVILLE  
 (VERNON PARISH WARD ONE COURT)  
 Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge. The Judge is the highest level of decision-making authority for the City Court’s office.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

As of June 30, 2011, fund balance is composed of the following:

|                    | General<br>Fund |
|--------------------|-----------------|
| Nonspendable       | \$ -            |
| Restricted         | -               |
| Committed          | -               |
| Assigned           | -               |
| Unassigned         | 23,372          |
| Total fund balance | \$ 23,372       |

E Budgetary and Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally prepared or as amended by the City Court. All budgetary appropriations lapse at the end of each fiscal year.

F Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 and expenditures during the reporting period. Actual results could differ from those estimates.

CITY COURT OF LEESVILLE  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the City Court may deposit funds within a bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2011, the City Court has cash (book balances) totaling \$62,387 of which \$30,592 is attributable to fiduciary funds, which is not presented in the statement of net assets.

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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) of \$62,387 at June 30, 2011 are fully secured by federal deposit insurance.

(3) Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

|                               | <u>Balance</u><br><u>07/01/10</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>6/30/11</u> |
|-------------------------------|-----------------------------------|------------------|------------------|----------------------------------|
| Equipment                     | \$ 118,918                        | \$ -             | \$ -             | \$ 118,918                       |
| Less accumulated depreciation | <u>(115,585)</u>                  | <u>(500)</u>     | <u>-</u>         | <u>(116,085)</u>                 |
| Capital assets, net           | <u>\$ 3,333</u>                   | <u>\$ (500)</u>  | <u>\$ -</u>      | <u>\$ 2,833</u>                  |

(4) Risk Management

The City Court is exposed to risks of loss in the areas of general liability, property hazards, and workers' compensation. Those risks are handled by purchasing commercial insurance. The City of Leesville is covered under the City of Leesville, Louisiana's insurance policies. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded insurance coverage for the current or prior three fiscal years.

CITY COURT OF LEESVILLE  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Expenditures of the Leesville City Court paid by the City of Leesville

The cost of some expenditures for the operation of the City Court of Leesville, as required by statute, is paid by the City of Leesville, Louisiana. These expenditures are not included in the accompanying financial statements.

The City Court has two elected officials, Elvin Fontenot, Judge and Robert Pynes, City Marshal. These salaries are paid by the City of Leesville and are therefore included in their financial statements.

(6) Pension Plans

Eligible employees of the City Court participate in a multiple-employer public employee retirement system (PERS), which is controlled and administered by a separate board of trustees. This retirement system provides retirement, disability and death benefits to plan members and their beneficiaries. Elected officials and officials appointed by the governor may at their option, become members of the system. Pertinent information relative to the plan follows:

Louisiana State Retirement System

Plan members are required to contribute 11.5 percent of their annual covered salary to the system while the City Court is required to contribute the statutory rate of 18.6 percent of the total annual covered salary. The City Court's total contributions to the system for the years ended June 30, 2011, 2010, and 2009 were \$7,258, \$7,128, and \$7,559, respectively, equal to the required contributions for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana State Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804-4213.

Simple IRA Plan

The City Court also has a Simple IRA Plan available to full-time employees through American Funds. Eligible employees may direct the City Court to contribute a percentage of the employee's compensation on a pre-tax basis to his or her Simple IRA. The employer must match pre-tax deferrals on a dollar-for-dollar basis up to 3% of compensation. Total expense for the years ended June 30, 2011, 2010, and 2009, was approximately \$2,557, \$2,400 and \$1,954, respectively.



CITY COURT OF LEESVILLE  
 (VERNON PARISH WARD ONE COURT)  
 Leesville, Louisiana

Notes to Basic Financial Statements (Continued)

(8) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2011 follows

|                        | <u>Civil Court<br/>Fund</u> | <u>Traffic<br/>Fund</u> | <u>Total</u>     |
|------------------------|-----------------------------|-------------------------|------------------|
| Balance, July 1, 2010  | \$ 8,608                    | \$ 11,734               | \$ 20,342        |
| Additions              | 86,453                      | 244,539                 | 330,992          |
| Deletions              | <u>(78,453)</u>             | <u>(242,289)</u>        | <u>(320,742)</u> |
| Balance, June 30, 2011 | <u>\$ 16,608</u>            | <u>\$ 13,984</u>        | <u>\$ 30,592</u> |

(9) Subsequent Event Review

The City Court has evaluated subsequent events through March 12, 2012, the date which the financial statements were available to be issued

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY COURT OF LEESVILLE, LOUISIANA  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Budgetary Comparison Schedule  
For the Year Ended June 30, 2011

|                                      | Original<br>Budget | Final<br>Budget | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|-----------------|------------------|---|
| <b>Revenues</b>                      |                    |                 |                  |   |
| Court costs received                 | \$ 136,500         | \$ 122,000      | \$ 140,405       | \$ 18,405   |
| Intergovernmental                    | 24,250             | 43,857          | 30,651           | (13,206)  |
| Probation income                     | 35,500             | 30,151          | 39,148           | 8,997   |
| Total revenues                       | <u>196,250</u>     | <u>196,008</u>  | <u>210,204</u>   | <u>14,196</u>   |
| <b>Expenditures</b>                  |                    |                 |                  |   |
| Current -                            |                    |                 |                  |   |
| Accounting                           | 11,000             | 12,000          | 12,070           | (70)  |
| Contract labor                       | 5,350              | 1,000           | 8,775            | (7,775)   |
| Computer expense                     | 775                | 13,000          | -                | 13,000  |
| Dues and seminars                    | 3,650              | 2,500           | 2,825            | (325)   |
| Lease expense                        | 13,250             | 100             | 46               | 54  |
| Miscellaneous                        | 10,250             | 7,200           | 9,528            | (2,328)   |
| Office supplies                      | 7,950              | 12,200          | 12,048           | 152   |
| Payroll taxes                        | 7,150              | 8,950           | 6,059            | 2,891   |
| Postage                              | 2,840              | 10,300          | 10,384           | (84)  |
| Repairs & maintenance                | 4,450              | 500             | 13,356           | (12,856)  |
| Retirement                           | 8,150              | 5,800           | 5,583            | 217   |
| Salaries                             | 94,500             | 105,000         | 85,700           | 19,300  |
| State agency fees                    | 2,850              | 3,120           | 9,712            | (6,592)   |
| Telephone                            | 4,350              | 5,100           | 4,941            | 159   |
| Travel                               | 14,900             | 15,050          | 15,094           | (44)  |
| Uniforms                             | 3,720              | 500             | 256              | 244   |
| Total expenditures                   | <u>195,135</u>     | <u>202,320</u>  | <u>196,377</u>   | <u>5,943</u>  |
| Excess of revenues over expenditures | 1,115              | (6,312)         | 13,827           | 20,139  |
| Fund balance, beginning              | <u>9,545</u>       | <u>9,545</u>    | <u>9,545</u>     | <u>-</u>  |
| Fund balance, ending                 | <u>\$ 10,660</u>   | <u>\$ 3,233</u> | <u>\$ 23,372</u> | <u>\$ 20,139</u>  |

**INTERNAL CONTROL,  
COMPLIANCE, AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## 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

The Honorable Elvin Fontenot, City Judge  
City Court of Leesville, Louisiana  
(Vernon Parish Ward One Court)  
Leesville, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of Leesville, Louisiana ("City Court"), a component unit of the City of Leesville, Louisiana, as of and for the year ended June 30, 2011, which collectively comprise the City Court's basic financial statements, and have issued our report thereon dated March 12, 2012. 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 the City Court'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 of the effectiveness of the City Court'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 would 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan that we consider to be significant deficiencies in internal control over financial reporting as items #11-1(IC) and #11-2(IC). 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 the City Court'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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in accompanying schedule of current and prior findings and management's corrective action plan as item #11-3(C).

The City Court's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the City Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City Court's management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
March 12, 2012

LEESVILLE CITY COURT  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
June 30, 2011

| Ref No                           | Fiscal Year Finding Initially Occurred | Description of Finding   | Corrective Action Taken | Corrective Action Planned  | Name of Contact Person | Anticipated Date Of Completion |
|----------------------------------|--|--|-------------------------|--|------------------------|--------------------------------|
| <u>CURRENT YEAR (6/30/11) --</u> |  |  |                         |  |                        |                                |
| <u>Internal Control</u>          |  |  |                         |  |                        |                                |
| 11-1(IC)                         | 2010                                   | Leesville City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes |                         | Elvin Fontenot, Judge, has evaluated the cost vs benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of City Court to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation | Elvin Fontenot, Judge  | N/A                            |
| 11-2(IC)                         | 2010                                   | Due to few employees, Leesville City Court does not have adequate segregation of functions within the accounting system  |                         | Elvin Fontenot, Judge, has evaluated the cost vs benefit of establishing segregation of accounting duties and has determined that it is not cost effective to achieve complete segregation of duties within the accounting system  | Elvin Fontenot, Judge  | N/A                            |
| <u>Compliance</u>                |  |  |                         |  |                        |                                |
| 11-3(C)                          | 2010                                   | State law requires audit reports to be completed and submitted six months after the fiscal year Leesville City Court's audit report was not completed and submitted prior to January 1, 2012   |                         | The financial information to start the audit will be presented to the auditor's in a timely manner to make certain that all future submission deadlines are met  | Elvin Fontenot, Judge  | June 2012                      |

(continued)

LEESVILLE CITY COURT  
(VERNON PARISH WARD ONE COURT)  
Leesville, Louisiana

Summary Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
June 30, 2011

| <u>Ref No</u>                  | <u>Fiscal Year Finding Initially Occurred</u> | <u>Description of Finding</u>   | <u>Corrective Action Taken</u> | <u>Corrective Action Planned</u>  | <u>Name of Contact Person</u> | <u>Anticipated Date Of Completion</u> |
|--------------------------------|---|---|--------------------------------|-----------------------------------|-------------------------------|---------------------------------------|
| <u>PRIOR YEAR (6/30/10) --</u> |   |   |                                |                                   |                               |                                       |
| <u>Internal Control</u>        |   |   |                                |                                   |                               |                                       |
| 10-1(IC)                       | 2010  | Leesville City Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entry's financial transactions or preparing its financial statements, including the related notes | No                             | See current year finding 11-1(IC) | Elvin Fontenot, Judge         | N/A                                   |
| 10-2(IC)                       | 2010  | Due to few employees, Leesville City Court does not have adequate segregation of functions within the accounting system   | No                             | See current year finding 11-2(IC) | Elvin Fontenot, Judge         | N/A                                   |
| <u>Compliance</u>              |   |   |                                |                                   |                               |                                       |
| 10-3(C)                        | 2010  | Leesville City Court did not comply with budgeting requirements of the Local Government Budget Act (R S 39 1301-16) as applicable A budget for the General Fund was not adopted   | Yes                            |                                   | Elvin Fontenot, Judge         | March 2011                            |
| 10-4(C)                        | 2010  | State law requires audit reports to be completed and submitted six months after the fiscal year Leesville City Court's audit report was not completed and submitted prior to January 1, 2011  | No                             | See current year finding 11-3(C)  | Elvin Fontenot, Judge         | June 2011                             |