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**CITY COURT OF MONROE
Monroe, Louisiana**

**Component Unit Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
April 30, 2002
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 10/31/02

CITY COURT OF MONROE
Monroe, Louisiana

Component Unit Financial Statements
With Independent Auditors' Report
As of and for the Year Ended April 30, 2002
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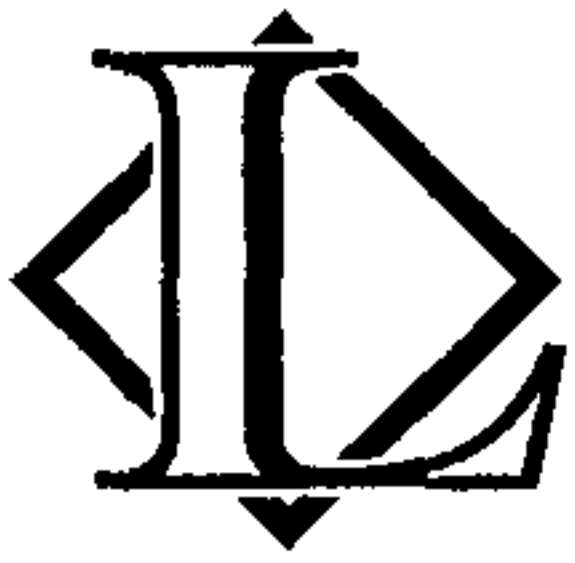
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CITY COURT OF MONROE
Monroe, Louisiana
Component Unit Financial Statements
With Independent Auditors' Report
As of and for the Year Ended April 30, 2002

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LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
JAMES C. BOND, CPA
CHARLES R. MARCHBANKS, JR., CPA

Independent Auditors' Report

City Court of Monroe
Monroe, Louisiana

We have audited the accompanying component unit financial statements of the City Court of Monroe, Louisiana (the Court), a component unit of the City of Monroe, Louisiana, as of and for the year ended April 30, 2002, as listed in the accompanying Table of Contents. These component unit financial statements are the responsibility of the Court's management. Our responsibility is to express an opinion on these component unit financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with U. S. generally accepted auditing standards and 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 component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Court has not been able to reconcile the individual cases in the Judicial Fund (Civil) (Fiduciary Fund Type) to the general ledger of the City Court system. The Judicial Fund represents the majority of the Fiduciary Fund Type. Because of the inability of the Court to reconcile the Judicial Fund to the general ledger of the Court for the year ended April 30, 2002, we were unable to form an opinion regarding the financial activities of the Fiduciary Fund Type column included in the accompanying component unit financial statements.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the financial activities of the Fiduciary Fund Type, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Court as of April 30, 2002, and the results of its operations for the year ended, in conformity with U. S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2002, on our consideration of the Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

City Court of Monroe
Monroe, Louisiana
August 23, 2002

Our audit was made for the purpose of forming an opinion on the component unit financial statements taken as a whole. The financial information listed as Supplemental Information Schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the component unit financial statements of the Court. The information in such schedules has been subjected to the auditing procedures applied in the audit of the basic component unit financial statements, and, in our opinion, except for the effect of such adjustments, if any, as might be required had we been able to satisfy ourselves as to the financial activities of the Fiduciary Fund Type as discussed in the second preceding paragraph, is fairly stated in all material respects in relation to the basic component unit financial statements taken as a whole.

Little & Associates

August 23, 2002
Monroe, Louisiana

CITY COURT OF MONROE
Monroe, Louisiana
ALL FUND TYPES AND ACCOUNT GROUP

Combined Balance Sheet
As of April 30, 2002

	GOVERNMENTAL FUND TYPE - GENERAL FUND	FIDUCIARY FUND TYPE - AGENCY FUNDS	GENERAL FIXED ASSET ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 452,204	\$ 853,697		\$ 1,305,901
Accounts receivable	6,900	462		7,362
Due from other funds	17,026			17,026
Furniture and equipment			\$ 343,973	343,973
TOTAL ASSETS	\$ 476,130	\$ 854,159	\$ 343,973	\$ 1,674,262
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 8,031	\$ 118,055		\$ 126,086
Due to other funds		17,026		17,026
Deposits due others		719,078		719,078
Total Liabilities	8,031	854,159	NONE	862,190
Fund Equity:				
Investment in general fixed assets			\$ 343,973	\$ 343,973
Fund balance, unreserved, undesignated	468,099			468,099
Total Fund Equity	468,099	-	343,973	812,072
TOTAL LIABILITIES AND FUND EQUITY	\$ 476,130	\$ 854,159	\$ 343,973	\$ 1,674,262

The accompanying notes are an integral part of this statement.

CITY COURT OF MONROE
Monroe, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended April 30, 2002

REVENUES

Intergovernmental	\$ 1,073,104
Fees, charges and commissions:	
Civil fees	24,630
Court costs	163,714
Probation fees	19,444
Reinstatement fees	2,663
Other income	16,000
Use of money and property - interest	24,256
Total Revenues	<u>1,323,811</u>

EXPENDITURES

Current:	
Judicial	
Personal services	960,308
Operating services	221,663
Materials and supplies	25,235
Travel and other	46,303
Capital outlay	17,593
Total Expenditures	<u>1,271,102</u>

<i>Excess of Revenues over Expenditures</i>	52,709
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Fund Balance, May 1, 2001	<u>415,390</u>
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Fund Balance, April 30, 2002	<u>\$ 468,099</u>
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The accompanying notes are an integral part of this statement.

City Court of Monroe
(A Component Unit of the City of Monroe, Louisiana)
Notes to the Financial Statements
As of and for the Year Ended April 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided for by Chapter 7 of Title 13 of the Louisiana Revised Statutes, the City Court of Monroe (the Court) has jurisdiction in all civil matters in the City of Monroe (the City) including all of Wards Three and Ten of Ouachita Parish. The criminal jurisdiction of the Court is limited to offenses committed within Wards Three and Ten of Ouachita Parish and violations of City ordinances that are not required to be tried by jury. The City judges are elected for six-year terms.

A. REPORTING ENTITY

As the governing authority of the City, for reporting purposes, the City of Monroe is the financial reporting entity for the City. The financial reporting entity consists (a) the primary government (the City), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the City of Monroe for financial reporting purposes. The basic criterion for including a potential component unit within the reporting is financial accountability. The criteria include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the City to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Because the City provides the Court's building, a portion of its furnishings, and pays a majority of its operating expenditures, the Court is determined to be a component unit of the City of Monroe financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present

City Court of Monroe
(A Component Unit of the City of Monroe, Louisiana)
Notes to the Financial Statements (Continued)
As of and for the Year Ended April 30, 2002

information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The Court uses funds and an account group to report on financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt). They are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The Court's current operations require the use of governmental and fiduciary funds. The fund types used by the Court are described as follows:

Governmental Funds

General Fund

The General Fund is used to account for the operations of the Court. The various fees and charges due to the Court are accounted for in this fund. General operational expenditures not otherwise provided by the City of Monroe are paid from this fund.

Fiduciary Funds

The Bond Escrow Fund, the Judicial Fund and the Special Cost Clearing Fund (all agency funds) are used to account for assets held by the Court as an agent for others. Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

City Court of Monroe
(A Component Unit of the City of Monroe, Louisiana)
Notes to the Financial Statements (Continued)
As of and for the Year Ended April 30, 2002

C. GENERAL FIXED ASSETS

Fixed assets used in governmental fund type operations (general fixed assets) purchased by the General Fund are accounted for in the General Fixed Assets Account Group, rather than in the General Fund. General fixed assets provided by the City of Monroe are recorded in the City's general fixed assets account group and are not reported by the Court. The majority of general fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used for reporting all governmental and certain fiduciary fund types. 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 be used to pay liabilities of the current period. The Court uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

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

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

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

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

Expenditures

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

City Court of Monroe
(A Component Unit of the City of Monroe, Louisiana)
Notes to the Financial Statements (Continued)
As of and for the Year Ended April 30, 2002

E. BUDGET PRACTICES

A proposed budget is prepared on the modified accrual basis of accounting. The budget is then legally adopted by the judges and amended during the year, as necessary. The budget is established and controlled at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year.

F. TOTAL COLUMN ON THE COMBINED BALANCE SHEET

The total column on the combined balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with U. S. generally accepted accounting principals. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state, or the laws of the United States. The Court may invest in certificates and time deposits of state banks organized under Louisiana law and national bank having their principal offices in Louisiana. At April 30, 2002, the Court had cash (book balances) of \$1,305,901, of which \$1,305,401 was in demand deposits and \$500 in petty cash. These amounts are stated at cost, which approximates market.

Under state law, these deposits, or the resulting bank balances, must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at April 30, 2002, are secured as follows:

Bank Balances	<u>\$ 1,327,982</u>
Federal deposit insurance	\$ 300,000
Pledged securities (uncollateralized)	<u>1,185,157</u>
Total	<u>\$ 1,485,157</u>

City Court of Monroe
(A Component Unit of the City of Monroe, Louisiana)
Notes to the Financial Statements (Continued)
As of and for the Year Ended April 30, 2002

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the Court, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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 Court that the fiscal agent bank has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the Court's name.

3. CHANGES IN AGENCY FUNDS' DEPOSITS DUE OTHERS (UNAUDITED)

A summary of changes in agency funds' deposits due others for the year ended April 30, 2002 follows:

Balance, May 1, 2001	\$ 603,507
Additions	1,975,407
Deductions	<u>(1,859,836)</u>
Balance, April 30, 2002	<u>\$ 719,078</u>

4. CHANGES IN GENERAL FIXED ASSETS

The following table presents changes in general fixed assets for the year ended April 30, 2002:

Balance May 1, 2001	\$ 340,514
Additions	3,459
Deletions	<u>NONE</u>
Balance April 30, 2002	<u>\$ 343,973</u>

5. DUE FROM/TO OTHER FUNDS

Individual amounts due from/to other funds at April 30, 2002, are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 17,026	
Agency Funds:		
Special Cost Clearing Fund		\$ 12,581
Judicial Fund		<u>4,445</u>
Totals	<u>\$ 17,026</u>	<u>\$ 17,026</u>

City Court of Monroe
(A Component Unit of the City of Monroe, Louisiana)
Notes to the Financial Statements (Continued)
As of and for the Year Ended April 30, 2002

6. ON-BEHALF PAYMENTS

The City of Monroe made on-behalf payments of \$1,073,104 for Court for the year ended April 30, 2002, as follows:

Salaries	\$ 744,370
Pension benefits	125,937
Other operating expenditures	<u>202,797</u>
Total	<u>\$ 1,073,104</u>

7. RISK FINANCING ACTIVITIES

The Court maintains professional liability coverage on the Clerk to manage its exposure to fraud, illegal acts and errors and omissions. The City of Monroe provides the remainder of insurance coverage.

8. DISCLOSURE ON CONCENTRATIONS

The City of Monroe provides a substantial amount of fiscal support to the Court for its operations.

SUPPLEMENTAL INFORMATION SCHEDULES

**City Court of Monroe
Monroe, Louisiana
Supplemental Information Schedules
As of and for the Year Ended April 30, 2002**

FIDUCIARY FUND TYPE – AGENCY FUNDS

Judicial Fund

The Judicial Fund accounts for advance deposits on civil suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

Special Cost Clearing Fund

The Special Cost Clearing Fund accounts for the collection of fines and court costs and the payment of these collections to recipients in accordance with applicable laws.

Bond Escrow Agency Fund

The Bond Escrow Agency Fund accounts for appearance bonds posted by defendants subsequent to arrest and prior to court appearance. The bond posted is refundable to the defendants upon their appearance in court.

Schedule 1

CITY COURT OF MONROE
Monroe, Louisiana
FUDICIARY FUND TYPE - AGENCY FUNDS

Combining Balance Sheet
 As of April 30, 2002

	<u>JUDICIAL FUND</u>	<u>SPECIAL COST CLEARING FUND</u>	<u>BOND ESCROW FUND</u>	<u>TOTAL</u>
ASSETS				
Cash	\$ 612,072	\$ 112,725	\$ 128,900	\$ 853,697
Accounts receivable	462			462
TOTAL ASSETS	<u>\$ 612,534</u>	<u>\$ 112,725</u>	<u>\$ 128,900</u>	<u>\$ 854,159</u>
LIABILITIES				
Accounts payable	\$ 17,911	\$ 100,144		\$ 118,055
Due to other funds	4,445	12,581		17,026
Deposits due others	590,178	-	128,900	719,078
TOTAL LIABILITIES	<u>\$ 612,534</u>	<u>\$ 112,725</u>	<u>\$ 128,900</u>	<u>\$ 854,159</u>

CITY COURT OF MONROE
Monroe, Louisiana
FUDICIARY FUND TYPE - AGENCY FUNDS

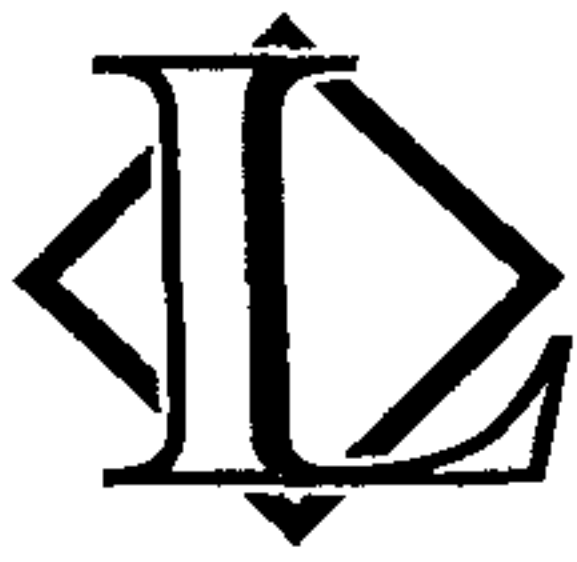
Combining Schedule of Changes in Deposits Due Others
For the Year Ended April 30, 2002

	JUDICIAL FUND	SPECIAL COST CLEARING FUND	BOND ESCROW FUND	TOTAL
Deposits due others, May 1, 2001	\$537,392	\$ 66,115	NONE	\$ 603,507
Additions:				
Advance deposits	434,082			434,082
Fines and court costs		1,412,425		1,412,425
Transfer from City of Monroe			\$128,900	128,900
Total Additions	<u>434,082</u>	<u>1,412,425</u>	<u>128,900</u>	<u>1,975,407</u>
Total	<u>971,474</u>	<u>1,478,540</u>	<u>128,900</u>	<u>2,578,914</u>
Reductions:				
Transfers to General Fund:				
Special civil cost	24,630			24,630
Court costs - traffic and criminal		156,223		156,223
DWI probation		7,491		7,491
Transfers to City of Monroe:				
Clerk fees	154,926			154,926
Court costs:				
Equipment fund		7,650		7,650
Fines and forfeitures		588,121		588,121
Jail		101,563		101,563
Attorney's fees	2,420			2,420
Applied Technology Unit		3,797		3,797
Bond release	7,451			7,451
Booking fees	255			255
Indigent Defender Board		289,656		289,656
Judges' Supplemental Compensation Fund	40,508			40,508
Louisiana Commission on Law Enforcement		39,251		39,251
Louisiana Rehabilitation Services:				
Head and Spinal Cord Injury		9,950		9,950
Louisiana State Treasurer		20,750		20,750
Marshal's fees	56,703	207,125		263,828
North Louisiana Criminalistic Laboratory		46,963		46,963
Secretary of State	2,100			2,100
Settlements to litigants	41,130			41,130
Sheriff's fees	37,320			37,320
Other reductions	13,853			13,853
Total Reductions	<u>381,296</u>	<u>1,478,540</u>	<u>NONE</u>	<u>1,859,836</u>
DEPOSITS DUE OTHERS, APRIL 30, 2002	<u>\$590,178</u>	<u>NONE</u>	<u>\$128,900</u>	<u>\$ 719,078</u>

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**Independent Auditors' Report Required
By *Government Auditing Standards***

The following independent Auditors' report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
JAMES C. BOND, CPA
CHARLES R. MARCHBANKS, JR., CPA

**Independent Auditors' Report on Compliance and on
Internal Control Over Financial Reporting
Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

City Court of Monroe
Monroe, Louisiana

We have audited the component unit financial statements of the City Court of Monroe as of and for the year ended April 30, 2002, and have issued our report thereon dated August 23, 2002. We conducted our 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 of Monroe's component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. Providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. However, we did become aware of one instance of noncompliance, which is described in the accompanying Schedule of Findings as item 02-02.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Monroe's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted two matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the component unit financial statements. The reportable conditions are described in the accompanying Schedule of Findings as items 02-01 and 02-02.

**City Court of Monroe
Monroe, Louisiana**

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 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. Finding 02-01 included in the accompanying Schedule of Findings and Questioned Costs is deemed to be a material weakness.

This report is intended solely for the information and use of the City Court of Monroe, management of the Court, and the Louisiana Legislative Auditor, 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.

Little & Associates

Monroe, Louisiana
August 23, 2002

**City Court of Monroe
Monroe, Louisiana**

Schedule of Findings
For the Year Ended April 30, 2002

02-01 State of Accounting and Reporting for Judicial Fund

Finding

The Court cannot reconcile the individual suit balances in the Judicial Fund (Civil) (Fiduciary Fund Type) to the general ledger of the City Court system. During the conversion of data from the old case management system to the system currently in use (such conversion occurred in a prior year), corrupt and incompatible data did not convert. However, this situation existed prior to the installation of the new case management software, which may, or may not, have been caused by previous attempts at data conversions. During the year ended April 30, 2002, several discussions between the Court and the software vendor have attempted to address the inability to reconcile the case management software to the accounting system. In our meetings and discussions with the software vendor and Court personnel, we have determined that even the most complicated modifications to the case management software will not solve the problem. Simply put, the software cannot convert corrupt and/or incompatible data.

This fund accounts for approximately \$400,000 of funds each year. The absence of proper controls to allow adequate accounting and monthly reconciliation of the case management software to the general ledger increases the risk of misappropriation of assets and/or the risk that errors of irregularities could occur and not be detected in a timely manner.

Recommendation:

Management of the Court should produce a trial balance of all suit balances (per the case management system). This trial balance should be manually reconciled to the suit files. Irreconcilable differences should be researched and properly disposed.

Management's Corrective Action Plan

As of August, 2002, the (case management) software vendor created a report of all suit balances. This report was created to assist the Court with reconciling Deposits Due Others. However, due to corrupt data caused from the conversion, the balances of some of the cases are skewed. The Court has written the Attorney General's office for an opinion on how to dispose of the irreconcilable cash. The Court has requested that all unidentified funds be transferred to the City of Monroe. As new and old cases are processed in the Case Management System, the Deputy Clerks will review the Case Trial Balance and reconcile it to the Suit file. Also, the Business Manager reviews all ledger postings at the end of the month and reconciles the general ledger to the Case Management System. The goal of the Court is to have all irreconcilable differences researched and properly disposed by April 30, 2003.

02-02 No Budget Adopted by the Court

Finding

The Court only recently became aware of the latest change in the Local Budget Act, which included City Courts within the definition of political subdivisions. Accordingly, the Court did not officially adopt a budget for the fiscal year ended April 30, 2002.

Recommendation:

We recommend that the Court: (1) approve an operating budget for the next fiscal year, and (2) monitor and amend the budget for the current fiscal year to ensure that no item is outside regulatory parameters. Advertisements and public hearings should occur as provided in the statutes.

Management's Corrective Action Plan

The Court will adhere to the regulation as provided in R. S. 39:1305. This includes, and is not limited to, approving an operating budget for the next fiscal year and amending the budget for the current fiscal year to ensure that no item is outside regulatory parameters. Court personnel have proposed a budget for the current fiscal year and are awaiting a hearing by the judges for approval.

(Concluded)

**City Court of Monroe
Monroe, Louisiana**

Summary Schedule of Prior Audit Findings
For the Year Ended April 30, 2002

In connection with our audit of the Court as of and for the year ended April 30, 2002, in accordance with the *Louisiana Governmental Audit Guide*, we have also reviewed the status of prior year findings. The following presents the status of those findings:

01-01 State of Accounting and Reporting for Judicial Fund

Partially cleared. In addition to the inability to reconcile the Judicial Fund (Civil) (Fiduciary Fund Type), the prior year finding indicated instances of negative balances caused by costs incurred and paid in suits for which the advance deposit was insufficient. The prior year finding also indicated that fees were not charged for all services rendered.

During our test of expenditures from advance deposits, we noted no instances where costs were incurred for which the suit balance was insufficient to cover the cost, except in instances whereby non-performance by the Court would result in a potential legal liability. Moreover, we noted no instances in which fees were not charged for services rendered.