

**City Court of Monroe
Monroe, Louisiana**

**Basic Financial Statements
With Independent Auditors' Report
As of and for the Year Ended
April 30, 2012
With Supplemental Information**

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 27 2013**

|

**CITY COURT OF MONROE
CITY OF MONROE, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED APRIL 30, 2012**

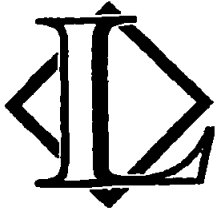
TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditors' Report		1
Required Supplemental Information (Part I): Management's Discussion and Analysis		3
Basic Financial Statements:		
Governmental Funds Balance Sheet/ Statement of Net Assets	A	8
Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities	B	9
Statement of Fiduciary Net Assets	C	10
Notes to the Financial Statements		11
	<u>Schedule</u>	<u>Page</u>
Required Supplemental Information (Part II):		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	1	21
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) and Actual		22
Other Supplemental Information:		
Fiduciary Fund Type – Agency Funds		23
Fiduciary Fund Type – Agency Funds – Combining Schedule of Changes in Unsettled Deposits	2	24

**CITY COURT OF MONROE
CITY OF MONROE, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED APRIL 30, 2012**

TABLE OF CONTENTS (CONTINUED)

	<u>Schedule</u>	<u>Page</u>
Independent Auditors' Report Required by <i>Government Auditing Standards:</i>		
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Matters Based on an Audit of Financial Statements Performed Performed in Accordance with <i>Government Auditing Standards</i>		25
Schedule of Findings and Responses	3	27
Summary Schedule of Prior Audit Findings	4	28
Management Letter		30



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm TODD LITTLE CPA
CHARLES R MARCHBANKS JR, CPA

Independent Auditors' Report

City Court of Monroe
Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Monroe, a component unit of the City of Monroe, as of and for the year ended April 30, 2012, which collectively comprise the City Court of Monroe's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City Court of Monroe's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. 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 basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Monroe as of April 30, 2012, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with U S generally accepted accounting principles

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2012, on our consideration of the City Court of Monroe'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 management's discussion and analysis and budgetary comparison information on pages 3-7 and 20-21 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 the 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Monroe's financial statements. The combining schedule of changes in unsettled deposits is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of changes in unsettled deposits is fairly stated in all material respects in relation to the financial statements as a whole.

Little & Associates, LLC

Monroe, Louisiana

October 31, 2012

Management's Discussion and Analysis

**CITY COURT OF MONROE
MONROE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEAR ENDED APRIL 30, 2012**

Our discussion and analysis of the City Court of Monroe's (the "City Court") financial performance provides an overview of the City Court's financial activities as of and for the fiscal year ended April 30, 2012. Please read it in conjunction with the City Court's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The City Court's net assets increased by \$5,118 or 0.3%

The City Court's total program revenues were \$316,291 in 2012 compared to \$374,713 in 2011.

During the year ended April 30, 2012, the City Court had total expenses, excluding depreciation of \$1,729,372, of which \$1,443,910 was funded by the City of Monroe.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the City Court as a whole. Fund financial statements start on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City Court's operations in more detail than the government-wide statements by providing information about the City Court's most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as a trustee or agent for the benefit of those outside of the City Court. The City Court judges are independently elected officials. However, the City Court is fiscally dependent on the City of Monroe for office space, courtrooms, and related utility costs, as well as substantially all funding of salary and related employee benefit costs. Because the City Court is fiscally dependent on the City of Monroe, the City Court was determined to be a component unit of the City of Monroe. The accompanying financial statements present information only on the funds maintained by the City Court.

Reporting the Funds Maintained by the City Court as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the funds maintained by the Court as a whole begins on page 5. One of the most important questions asked about the City Court's finances is "is the City Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the funds maintained by the City Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities

using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid

These two statements report the City Court's *net assets* and changes in them. You can think of the City Court's net assets – the difference between assets and liabilities – as one way to measure the City Court's financial health, or *financial position*. Over time, *increases* or *decreases* in the City Court's net assets are one indicator of whether its *financial health* is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we record the funds maintained by the City Court as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the City Court are reported here which consists primarily of certain materials and supplies, travel, repairs and maintenance and other program services. These represent expenses not paid out of the City of Monroe budget for judicial expenses. Fines, fees for services, and interest income finance most of these activities.

Reporting the Most Significant Funds Maintained by the City Court

Our analysis of the major funds maintained by the City Court begins on page 6. The fund financial statements begin on page 8 and provide detailed information about the most significant funds maintained by the City Court. The City Court's governmental funds use the following accounting approaches.

Governmental funds – All of the City Court's expenses are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City Court's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain City Court expenses. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation disclosed in the notes to the financial statements.

The City Court as Trustee

The City Court is the trustee, or fiduciary, for its civil division and traffic violation bureau funds. All of the City Court's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 10. We exclude these activities from the City Court's other financial statements because the City Court cannot use these assets to finance its operations. The City Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE FUNDS MAINTAINED BY THE CITY COURT AS A WHOLE

The City Court's total net assets changed from a year ago, increasing from \$1,688,855 to \$1,693,973. Our analysis below will focus on key elements of the total governmental funds for the years ended April 30, 2012 and 2011.

**Table 1
Net Assets**

	Governmental Activities		
	2012	2011	Difference
Current assets	\$ 1,645,629	\$ 1,602,204	\$ 43,425
Capital assets, net	97,861	102,493	(4,632)
Total assets	<u>1,743,490</u>	<u>1,704,697</u>	<u>38,793</u>
Current liabilities	<u>49,517</u>	<u>15,842</u>	<u>33,675</u>
	49,517	15,842	33,675
Net assets:			
Investment in capital assets, net of debt	97,861	102,493	(4,632)
Unrestricted	<u>1,596,112</u>	<u>1,586,362</u>	<u>9,750</u>
Total net assets	<u>\$ 1,693,973</u>	<u>\$ 1,688,855</u>	<u>\$ 5,118</u>

Net assets of the funds maintained by the City Court's governmental activities increased by \$5,118 or 0.3%. Unrestricted net assets, the part of net assets that can be used to finance City Court expenses without constraints or other legal requirements increased by \$9,750 from \$1,586,362 at April 30, 2011, to \$1,596,112 at April 30, 2012.

**Table 2
Change in Net Assets**

	Governmental Activities		
	2012	2011	Differences
Revenues:			
Program revenues:			
Charges for services, fines, fees, & forfeitures	\$ 316,291	\$ 374,713	\$ (58,422)
Interest and other income	7,742	6,144	1,598
Intergovernmental - City of Monroe	<u>1,443,910</u>	<u>1,339,252</u>	<u>104,658</u>
Total revenues	<u>1,767,943</u>	<u>1,720,109</u>	<u>47,834</u>

**Table 2
Change in Net Assets**

	Governmental Activities		
	2012	2011	Differences
Expenses:			
Personal Services and Benefits	1,367,872	1,264,096	103,776
Operating Services	276,890	255,527	21,363
Materials and Supplies	27,796	31,311	(3,515)
Conferences, CLE, and Mileage	56,814	38,351	18,463
Depreciation	33,453	30,337	3,116
Total Expenses	<u>1,762,825</u>	<u>1,619,622</u>	<u>143,203</u>
 Increase in Net Assets	 <u>\$ 5,118</u>	 <u>\$ 100,487</u>	 <u>\$ (95,369)</u>

For the funds maintained by the City Court, total revenues for 2012 increased by \$47,834 (2.78%) as compared to total revenues in 2011, which was due primarily to a \$104,658 increase in Intergovernmental payments from the City of Monroe, which was offset by a decrease in charges for services, fines, fees, and forfeitures in the amount of \$58,422. For the funds maintained by the City Court, program revenues decreased by \$58,422 (15.59%) from program revenue in 2011 of \$374,713 to program revenue of \$316,291 in 2012. The total expenses of the City Court increased by \$143,203 (8.84%). The portion of the expenses paid by the City Court out of its own funds increased by \$35,429 (14%) from \$250,033 to \$285,462.

FUNDS MAINTAINED BY THE CITY COURT

For the funds maintained by the City Court, the governmental funds (as presented on page 8) reported a combined fund balance of \$1,596,112, which is an increase of \$9,750 from last year. The City Court's unassigned fund balance increased \$12,408 from 2011 to 2012. Program revenues decreased by \$58,422 and the amount of funding provided by the City of Monroe increased by \$104,658, respectively, from the prior year. Expenditures paid out of the City Court's own funds increased by \$50,819 from \$263,464 in 2011 to \$314,283 in 2012.

Budgetary Highlights

For the funds maintained by the City Court, a formal budget in accordance with state law is adopted and amended as deemed to be necessary throughout the year. The budget does not include the amounts budgeted by the City of Monroe for the City Court. Total actual revenues were more than the final budgeted revenues by \$5,123. Favorable variances between actual and budgeted revenues occurred mainly in interest income. The total actual expenditures were less than the total final budgeted expenditures by \$4,627, with the most notable favorable variances having occurred in capital outlay and operating services. The final budgeted revenues were less than the original adopted budget by \$101,590, due to unexpected decrease in court costs and civil fees. Total expenditures per the final budget were less than the total expenditures per the original budget by \$101,590. This decrease is due primarily to changes in personal services and benefits paid by the Court that were unanticipated at the time of the adoption of the original budget.

CAPITAL ASSETS

At April 30, 2012, the City Court had invested \$427,613 in capital assets from those funds maintained by the City Court. Accumulated depreciation on capital assets totaled \$329,752 at April 30, 2012.

Table 3
Capital Assets
April 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Computer equipment	\$ 288,490	\$ 259,668
Equipment	80,481	80,481
Improvements	11,683	11,683
Furniture	<u>46,959</u>	<u>46,959</u>
Total Depreciable Property	427,613	398,791
Less Accumulated Depreciation	<u>(329,752)</u>	<u>(296,298)</u>
 Net Capital Assets	 <u>\$ 97,861</u>	 <u>\$ 102,493</u>

This year's major capital asset additions included

Computer and Office equipment	\$ <u>28,281</u>
 Total	 \$ <u>28,281</u>

More detailed information about the capital assets is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City Court's elected judges and appointed officials considered many factors when setting the fiscal year 2013 budget. The amount available for appropriation in governmental funds is expected to approximate \$325,600 in 2013, and budgeted expenditures are estimated to be \$325,600. The City Court does not expect to have any material changes in its operations for the fiscal year ending April 30, 2013.

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the City Court and to show the City Court's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Monroe City Court, Administrative Judges' office at 600 Calypso Street, Monroe, Louisiana 71201.

Judge Tammy D Lee
Judge Larry D. Jefferson
Judge Jeff Joyce

Basic Financial Statements

**CITY COURT OF MONROE
MONROE, LOUISIANA
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET ASSETS
APRIL 30, 2012**

	<u>General Fund</u>	<u>Adjustments/ Reclassifications - Note 1</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash	\$ 1,598,427	\$ -	\$ 1,598,427
Receivables	-	30,443	30,443
Due from fiduciary funds	29,393	(29,393)	-
Due from other governments	1,050	(1,050)	-
Prepaid expenses	16,759	-	16,759
Capital assets, net of accumulated depreciation	-	97,861	97,861
Total Assets	<u>\$ 1,645,629</u>	<u>\$ 97,861</u>	<u>\$ 1,743,490</u>
LIABILITIES			
Accounts payable	\$ 49,505	\$ 12	\$ 49,517
Due to fiduciary fund	12	(12)	-
Total Liabilities	<u>\$ 49,517</u>	<u>\$ -</u>	<u>\$ 49,517</u>
FUND BALANCE/NET ASSETS			
Fund balances			
Nonspendable			
Prepaid Expenses	\$ 16,759	\$ (16,759)	\$ -
Unassigned	1,579,353	(1,579,353)	-
Total Fund Balance	<u>1,596,112</u>	<u>(1,596,112)</u>	<u>\$ -</u>
Total Liabilities and Fund Balances	<u>\$ 1,645,629</u>		
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		97,861	97,861
Unrestricted		1,596,112	1,596,112
Total Net Assets		<u>\$ 1,693,973</u>	<u>\$ 1,693,973</u>

The accompanying notes are an integral part of this statement

**CITY COURT OF MONROE
MONROE, LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES/
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2012**

	General Fund	Adjustments/ Reclassifications - Note 1	Statement of Activities
EXPENDITURES/EXPENSES			
Judiciary - Current			
Personal services & benefits	\$ 1,367,872	\$ -	\$ 1,367,872
Operating services	276,890	-	276,890
Materials and supplies	27,796	-	27,796
Conferences, CLE, and mileage	56,814	-	56,814
Depreciation	-	33,453	33,453
Capital Outlay	28,821	(28,821)	-
Total Expenditures/Expenses	<u>1,758,193</u>	<u>4,632</u>	<u>1,762,825</u>
PROGRAM REVENUES			
Fees, charges, and court costs:			
Court costs	142,947	-	142,947
Civil fees	38,860	-	38,860
Probation fees	82,967	-	82,967
Reinstatement fees	750	-	750
Bond forfeitures	15,370	-	15,370
Other charges for services	35,397	-	35,397
Program Revenues	<u>316,291</u>	<u>-</u>	<u>316,291</u>
Net Program Expense			<u>(1,446,534)</u>
GENERAL REVENUES			
Intergovernmental - City of Monroe	1,443,910	-	1,443,910
Interest income	7,742	-	7,742
Total General Revenues	<u>1,451,652</u>	<u>-</u>	<u>1,451,652</u>
EXCESS OF REVENUES OVER EXPENDITURES	9,750	(9,750)	-
CHANGE IN NET ASSETS		5,118	5,118
FUND BALANCE/NET ASSETS:			
Beginning of the Year	<u>1,586,362</u>		<u>1,688,855</u>
End of Year	<u>\$ 1,596,112</u>	<u>\$ -</u>	<u>\$ 1,693,973</u>

The accompanying notes are an integral part of this statement

**CITY COURT OF MONROE
MONROE, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
APRIL 30, 2012**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 1,400,745
Accounts receivable	<u>209</u>
 Total Assets	 <u><u>\$ 1,400,954</u></u>
LIABILITIES	
Liabilities	
Accounts payable	\$ 176,989
Unsettled deposits held for others	<u>1,223,965</u>
 Total Liabilities	 <u><u>\$ 1,400,954</u></u>

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

INTRODUCTION

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. The current term expires on December 31, 2014.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the City Court of Monroe have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (the "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments* (the "Statement"), which was unanimously approved in June 1999 by the Governmental Accounting Standards Board.

B. REPORTING ENTITY

For reporting purposes, the City of Monroe, Louisiana (the "City") serves as the financial reporting entity for the City. The financial reporting entity consists of (a) the primary government (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 for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

B. REPORTING ENTITY (CONTINUED)

- 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

The Court is fiscally dependent on the City of Monroe for office space, related utility costs, insurance and substantially all salaries and related employee benefit costs. Because the Court is fiscally dependent on the City, the Court was determined to be a component unit of the City of Monroe, the financial reporting entity.

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

C. FUND ACCOUNTING

The Court uses funds to maintain its financial records during the year and to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Funds

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

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

C. FUND ACCOUNTING (CONTINUED)

General Fund

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

Fiduciary Funds

Fiduciary funds' reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Court are agency funds. The Court maintains three agency funds: the Judicial Advance Fund, the Special Cost Fund, and the Bond Escrow Fund. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. In addition, the agency funds are not available to support the Court's operations.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Court's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONTINUED)

Revenues

Court costs, civil fees, probation fees, bond forfeitures, 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, probation fees, bond forfeitures, reinstatement fees, and interest income 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.

Government-Wide Financial Statements (GWFS)

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

Program Revenues - Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from the City Court of Monroe's users as a fee for services; program revenues reduce the cost of the function to be financed from the Court's general revenues

General Revenues - General revenues included in the column labeled Statement of Activities (Schedule B) are derived from on-behalf payments from the City of Monroe, interest income, and from other sources not considered program revenues. General revenues finance the remaining balance of functions not covered by Program revenues.

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (CONTINUED)

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

Statement B	
Capitalization of Capital Assets	\$ 28,821
Loss on Disposal of Capital Assets	-
Recording of Depreciation Expense	(33,453)
Net Effects of Changes	\$ (4,632)
Statement A	
Recording of Net Capital Assets	\$ 97,861
Net Effect of Changes	\$ 97,861

E. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Court maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Description	Estimated Lives
Computer Equipment and Software	3 – 10 years
Equipment	5 – 10 years
Furniture and Fixtures	5 – 10 years

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

F. GOVERNMENTAL FUND BALANCES

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are in a 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 state or federal laws or externally imposed conditions by grantors or creditors
- **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Court through ordinance or resolution.
- **Assigned** – Amounts that are designated by the Court for a particular purpose
- **Unassigned** – All amounts not included in the other spendable classifications.

G. USE OF RESTRICTED RESOURCES

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the Court's policy is to first apply the expense toward restricted resources then toward unrestricted resources. In governmental funds, the Court's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

H. ESTIMATES

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

I. RISK MANAGEMENT

The Court is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, and errors and omissions. The Court maintains professional liability coverage on the Clerk to manage its exposure to fraud, illegal acts and errors and omissions. The City of Monroe provides the remainder of insurance coverage. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts.

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

2. DEPOSITS AND CUSTODIAL CREDIT RISK

Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits 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 banks having principal offices in Louisiana. Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. At April 30, 2012, the Court had cash (book balances) of \$2,999,172, of which \$2,998,672 was in bank accounts and \$500 in petty cash. These amounts are stated at cost, which approximates market.

The Court's deposits (bank balances) totalled \$3,016,648 at April 30, 2012. Under state law, these deposits, or the resulting bank balances, must be collateralized by Federal deposit insurance or the pledge of securities. 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. Also, 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. At April 30, 2012, these deposits were collateralized in full.

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits may not be returned to it. The Court does not have a deposit policy for custodial credit risk. As of April 30, 2012, none of the Court's deposits were exposed to custodial credit risk.

3. RECEIVABLES

The receivables, as reported in the Statement of Net Assets at April 30, 2012, are summarized as follows:

Class of Receivable	General Fund
Fees, Charges, and Commissions - Due from Fiduciary Funds	\$ 29,393
Due from other governmental entities	<u>1,050</u>
Total	<u>\$ 30,443</u>

The Court utilizes the direct write-off method for recording uncollectible accounts receivable. The use of this method produces results that are not materially different from utilization of the allowance method of recording bad debts.

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

4. ACCOUNTS PAYABLE

Accounts payable of \$49,517, as reported in the Statement of Net Assets at April 30, 2012, was comprised of operating trade payables of \$49,505 and due to the Special Cost Fund of \$12

5. DUE FROM/TO OTHER FUNDS

Individual balances due from/due to other funds as reported in the fund financial statements at April 30, 2012, are as follows.

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 29,393	\$ 12
Special Cost Clearing Fund	12	20,501
Judicial Fund	-	8,892
Totals	<u>\$ 29,405</u>	<u>\$ 29,405</u>

The balance due to the general fund resulted from fees, charges, and other court costs collected by the fiduciary (agency) funds on behalf of the general fund

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended April 30, 2012, are as follows:

<u>Governmental Activities</u>	<u>April 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>April 30, 2012</u>
Computer equipment & software	\$ 259,668	28,821	-	\$ 288,489
Equipment	80,481	-	-	80,481
Furniture	46,959	-	-	46,959
Improvements	11,683	-	-	11,683
Total	<u>398,791</u>	<u>28,821</u>	<u>-</u>	<u>427,612</u>
Less Accumulated depreciation.				
Computer equipment & software	187,034	29,202	-	216,236
Equipment	57,476	2,858	-	60,334
Furniture	45,947	225	-	46,172
Improvements	5,841	1,168	-	7,009
Total	<u>296,298</u>	<u>33,453</u>	<u>-</u>	<u>329,751</u>
Capital Assets, Net	<u>\$102,493</u>	<u>(4,632)</u>	<u>-</u>	<u>\$ 97,861</u>

**7. CHANGES IN AGENCY FUNDS –
UNSETTLED DEPOSITS HELD FOR OTHERS**

A summary of changes in agency fund deposits due others for the year ended April 30, 2012, is as follows:

Balance at April 30, 2011	\$ 1,135,914
Additions	1,941,094
Reductions	<u>(1,853,043)</u>
 Balance at April 30, 2012	 <u>\$ 1,223,965</u>

**CITY COURT OF MONROE
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2011**

8. LEASES

The Court leases equipment under lease agreements which are maintained and paid by the City of Monroe. The total lease expense under such arrangement with the City totaled \$11,330 for the year ended April 30, 2012.

9. ON-BEHALF PAYMENTS

The City of Monroe provides a substantial amount of fiscal support to the Court for its operations. The City of Monroe made on-behalf payments of \$1,443,910 for the Court for the year ended April 30, 2012, as follows:

Salaries (including sick pay and vacation pay)	\$ 1,023,595
Fringe Benefits	307,390
Operating expenses	112,925
Total	<u>\$ 1,443,910</u>

The City of Monroe makes contributions to the Municipal Employees' Retirement System of Louisiana on behalf of the employees of the City Court of Monroe.

10. LITIGATION AND CLAIMS

At April 30, 2012, the City Court of Monroe is not involved in any litigation nor is the Court aware of any unasserted claims.

11. INDIGENT DEFENDER FUND – SPECIAL COST ASSESSMENTS

During the year, the Court was informed that it had not been assessing and remitting the proper amount of special court costs to the Public Defender for the Indigent Defender Fund during the period from August 2007 to February 2011. With respect to certain cases, the Court was assessing and remitting \$30 per case to the Public Defender when the Court should have been assessing and remitting \$35 per case to the Public Defender during this time period. The Court has obtained an opinion from the Attorney General regarding the additional funds that are due to the Indigent Defender Fund who advised there will not be any additional fees paid for the prior periods.

12. SUBSEQUENT EVENTS

The Monroe City Court has evaluated events through October 31, 2012, the date which the financial statements were available for issue.

Required Supplemental Information

**CITY COURT OF MONROE
MONROE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED APRIL 30, 2012**

	Budgeted Amounts		Actual Revenues & Expenditures	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Program revenues				
Court costs and civil fees	\$ 242,000	\$ 180,000	\$ 181,807	\$ 1,807
Agency fees	4,200	3,800	-	(3,800)
Probation fees	82,000	82,000	82,967	967
Reinstatement fees	1,000	700	750	50
Bond forfeitures	14,000	14,000	15,370	1,370
Other charges for services	73,600	35,110	35,397	287
General revenues				
Interest income	3,700	3,300	7,742	4,442
Total revenues	420,500	318,910	324,033	5,123
EXPENDITURES				
Judiciary - Current				
Personal services & benefits	131,680	33,680	36,887	3,207
Operating services	192,020	193,430	191,548	(1,882)
Materials and supplies	-	-	213	213
Conferences, CLA & mileage	46,800	56,800	56,814	14
Capital Outlay	50,000	35,000	28,821	(6,179)
Total expenditures	420,500	318,910	314,283	(4,627)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	9,750	9,750
FUND BALANCE AT BEGINNING OF YEAR	1,586,362	1,586,362	1,586,362	-
FUND BALANCE AT END OF YEAR	\$ 1,586,362	\$ 1,586,362	\$ 1,596,112	\$ 9,750

See accompanying notes to Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP) Basis and Actual

Other Supplemental Information

**CITY COURT OF MONROE
MONROE, LOUISIANA
OTHER SUPPLEMENTAL INFORMATION

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

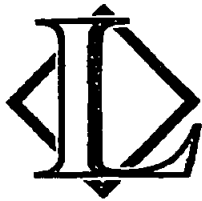
The Bond Escrow Agency Fund accounts for appearance bonds posted by defendants subsequent to arrest and prior to court appearance. The bond posted is refundable to the defendants upon their appearance in court.

**CITY COURT OF MONROE
MONROE, LOUISIANA
FUDICIARY FUND TYPE - AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES
IN UNSETTLED DEPOSITS
FOR THE YEAR ENDED APRIL 30, 2012**

	JUDICIAL FUND	SPECIAL COST	BOND ESCROW FUND	TOTAL
Unsettled deposits held for others April 30. 2011	<u>\$ 831 000</u>	<u>\$ 2</u>	<u>\$ 304 912</u>	<u>\$ 1,135,914</u>
Additions				
Advance deposits	570 808			570,808
Fines and court costs		1,324 786		1,324 786
Appearance bonds			45 500	45 500
Total Additions	<u>570,808</u>	<u>1,324,786</u>	<u>45,500</u>	<u>1,941 094</u>
Total	<u>1,401 808</u>	<u>1,324 788</u>	<u>350,412</u>	<u>3,077 008</u>
Reductions				
Transfers to General Fund:				
Special civil cost	38,960			38,960
Court costs – traffic and criminal		142,947		142 947
Probation fees		82,967		82 967
Transfers to City of Monroe				
Clerk fees	196 636			196,636
Court costs				
Equipment Fund		2,960		2 960
Fines and forfeitures		571,133		571,133
Jail		55,545		55,545
Appearance bond refunds			4,850	4,850
Appearance bond forfeited			39,050	39 050
Attorney s fees	975			975
Indigent Defender Board		211,772		211,772
Judges` Supplemental Compensation Fund	68,006			68,006
Louisiana Commission on Law Enforcement		15 814		15,814
Louisiana Rehabilitation Services				
Head and Spinal Cord Injury		3,682		3,682
Louisiana State Treasurer		15,372		15 372
Marshal s fees	70,871	185 149		256,020
North Louisiana Crminalistic Laboratory		22,027		22 027
Secretary of State	3,175			3,175
Advance deposit refunds	44,890			44,890
Sherff s fees	25,183			25,183
Other reductions	35,338	15,741		51,079
Total Reductions	<u>484,034</u>	<u>1 325,109</u>	<u>43 900</u>	<u>1 853 043</u>
Unsettled deposits held for others April 30. 2009	<u>\$ 917,774</u>	<u>\$ (321)</u>	<u>\$ 306 512</u>	<u>\$ 1 223 965</u>

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control 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 LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm TODD LITTLE, CPA
CHARLES R MARCHBANKS, JR., CPA

**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***

City Court of Monroe
Monroe, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of Monroe, a component unit of the City of Monroe, as of and for the year ended April 30, 2012, which collectively comprise the City Court of Monroe's basic financial statements and have issued our report thereon dated October 31, 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

Management of the City Court of Monroe is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City Court of Monroe's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Monroe's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City Court of Monroe'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or

material weaknesses We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Monroe'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Monroe City Court in a separate letter dated October 31, 2012.

This report is intended solely for the information and use of the Judges of the City Court of Monroe, management, 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, LLC

Monroe, Louisiana
October 31, 2012

**CITY COURT OF MONROE
CITY OF MONROE, LOUISIANA**

**Schedule of Findings and Responses
As of and For the Year Ended April 30, 2012**

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings noted

**CITY COURT OF MONROE
CITY OF MONROE, LOUISIANA**

**Summary Schedule of Prior Audit Findings
As of and For the Year Ended April 30, 2012**

Finding 2011-01 – Insufficient Documentation of Internal Controls

Condition: The Court's current internal control policy requires the approval of the Clerk of Court for general expenditures of the court and the signatures of two judges are required for payment. In addition, the Court has an informal policy for purchases within the Judicial Division that requires no approval, which allows any Judge to make any purchase at their own discretion. However, payment still requires the signature of two Judges. During the course of the year, equipment and other supplies were purchased within the Judicial Division that was only approved by the Judge making the purchase, per the informal policy for the Judicial Division. When the invoice for payment was received and processed, per the documented policy, neither of the remaining judges would authorize payment with their signature. They both deemed the purchases unreasonable and unnecessary expenditures.

Response: Management agrees and will make certain that the policy is updated and documented to reflect the changes suggested by the auditor. Furthermore, the new policy will be adhered to for every future purchase from this point on or until additional changes are necessary for internal control compliance.

Status: Cleared

Narrative Action: Corrective action was taken.

Report Period: April 30, 2011

Finding 2011-02 – Noncompliance with Louisiana Revised Statute 15:168 (B)(1) and Article VII, Section 14 of the Louisiana Constitution of 1974

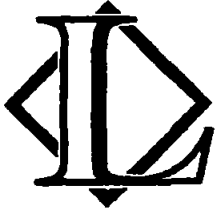
Condition: The Court improperly assessed and remitted the required court costs to the public defender per Louisiana Revised Statute 15:168 (B)(1) in some cases during the years 2007 through 2011. Due to an outdated court cost schedule the court assessed and remitted a \$30 fee to the public defender instead of the \$35 fee required by the Louisiana Revised Statute named above. Furthermore, Article VII, Section 14 (A) of the Louisiana Constitution of 1974 does not allow the city court to loan or donate any property to any person, association, corporation, public or private. The improper collection of the required fees by the city court could be considered a loan to the individuals who were required to pay these fees, which violates the previously mentioned Article of the Louisiana Constitution.

Response: The court agrees to reassess the statutes regarding the court cost schedule and make revisions as required.

Status: Cleared

Narrative: Corrective action was taken

Report Period: April 30, 2011



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm TODD LITTLE, CPA
CHARLES R MARCHBANKS JR CPA

October 31, 2012

Monroe City Court
Monroe, LA

In planning and performing our audit of the financial statements of Monroe City Court as of and for the year ended April 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered Monroe City Court's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Monroe City Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe City Court's internal control.

However, during our audit we became aware of a few matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters are included in ML-2012-01, ML-2012-02, ML-2012-03. We previously reported on the Monroe City Court's internal control in our report dated October 31, 2012. This letter does not affect our report dated October 31, 2012, on the financial statements of the Monroe City Court.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Monroe City Court personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,

Little & Associates, LLC

Little & Associates, LLC

ML-2012-01

Update Outstanding Bond List

The Monroe City Court's Outstanding Bond List is not complete. We noted a difference of \$1,711.50 between the Outstanding Bond List and the amount of outstanding bonds per the General Ledger. We suggest the Court research the difference and update the Outstanding Bond List to reconcile with the amount of outstanding bonds on the General Ledger. We also suggest the Court reconcile the Outstanding Bond List on a monthly basis and retain and review the supporting documentation for all changes to the Outstanding Bond List. A current Outstanding Bond List is a useful tool in maintaining proper records of the outstanding bonds and aids in the prevention of duplicate refunds.

Auditee Response and Plan: The Monroe City Court has researched the difference between its Outstanding Bond List and the amount of bonds per the General Ledger. The Court has reconciled said difference, and identified stale dated checks as the cause of the difference. The Court will void the stale dated checks in question, and reissue them so as to clear this matter. The Court will reconcile the Outstanding Bond List on a monthly basis and will continue to retain and review the supporting documentation for all changes to the Outstanding Bond List. Furthermore, the Court will create a database of outstanding bonds to implement stronger internal controls as they relate to cash bonds.

Person Responsible for Corrective Action:

Judge Tammy Lee
Judge Larry Jefferson
Judge Jefferson Joyce
600 Calypso Street
Monroe, LA 71210

ML-2012-02

Reconcile Judicial Fund #4 Cash and Case Balances

We noted a difference of \$6,767 between the cash balance and the case balance of the Judicial Fund #4. The difference was due to a stale dated check that was voided per the General Ledger, but not voided in the case management system. We recommend that the Court mirror the transactions in the QuickBooks system and the case management system in order to reconcile.

Auditee Response and Plan: The Court will continue to reconcile the Judicial Fund Four (4) cash balance to its Civil Case Management Accounting/Ledger System. The Court has identified one stale dated check that was voided in the General Ledger in its QuickBooks program, but not voided in its Case Management System. The Court promptly corrected this transaction when discovered. Furthermore, the Court will

continue to routinely mirror all accounting transactions in the QuickBooks system and the Case Management System in order to reconcile.

Person Responsible for Corrective Action:

Judge Tammy Lee
Judge Larry Jefferson
Judge Jefferson Joyce
600 Calypso Street
Monroe, LA 71210

ML-2012-03

Resolve Outstanding Payable

We noted an outstanding payable which is due to the prior year finding regarding insufficient documentation of internal controls. We suggest the Court resolve the outstanding payable to avoid issues related to untimely payment of bills.

Auditee Response and Plan: The Court adopted an en blanc order placing more stringent internal controls on the ordering process. However, the Monroe City Court has been unable to reach agreement regarding resolution of the outstanding payable.

Person Responsible for Corrective Action:

Judge Tammy Lee
Judge Larry Jefferson
Judge Jefferson Joyce
600 Calypso Street
Monroe, LA 71210