Michigan Department of Treasury
496 (02/06)

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type	Local Unit Name	County
☐County ☒City ☐Twp ☐Village ☐Other	City of Lansing, 54A-District Court	Ingham

Fiscal Year End	Opinion Date	Date Audit Report Submitted to State
6/30/2006	11/22/2006	1-23-07

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	**Check each applicable box below**. (See instructions for further detail.)
1.	☒	☐	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2.	☒	☐	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3.	☒	☐	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4.	☒	☐	The local unit has adopted a budget for all required funds.
5.	☒	☐	A public hearing on the budget was held in accordance with State statute.
6.	☒	☐	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7.	☒	☐	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8.	☒	☐	The local unit only holds deposits/investments that comply with statutory requirements.
9.	☒	☐	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan,* as revised (see Appendix H of Bulletin).
10.	☒	☐	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11.	☒	☐	The local unit is free of repeated comments from previous years.
12.	☒	☐	The audit opinion is UNQUALIFIED.
13.	☒	☐	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14.	☐	☒	The board or council approves all invoices prior to payment as required by charter or statute.
15.	☒	☐	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)
Financial Statements	☒	
The letter of Comments and Recommendations	☐	See Comments and Recommendations Letter for the City of Lansing
Other (Describe)	☐	

Certified Public Accountant (Firm Name)	Telephone Number
Rehmann Robson	517.787.6503

Street Address	City	State	Zip
675 Robinson Road	Jackson	MI	49204

Authorizing CPA Signature	Printed Name	License Number
	Stephen W. Blann, CPA, CGFM	24801

CITY OF LANSING, 54A-DISTRICT COURT AGENCY FUND

(An Agency Fund of the City of Lansing, Michigan)

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

For The Year Ended June 30, 2006

REHMANN ROBSON

Certified Public Accountants

CITY OF LANSING, 54A-DISTRICT COURT AGENCY FUND
(An Agency Fund of the City of Lansing, Michigan)

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REHMANN ROBSON
Certified Public Accountants
A member of THE REHMANN GROUP

an independent member of BAKER TILLY INTERNATIONAL

INDEPENDENT AUDITORS' REPORT

November 22, 2006

Honorable Mayor and
Members of the City Council
City of Lansing, Michigan

We have audited the accompanying financial statements of the ***City of Lansing, 54A-District Court, an agency fund of the City of Lansing, Michigan***, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

As described in Note 1, the financial statements present only the 54A-District Court and do not purport to, and do not present fairly the financial position of the City of Lansing, Michigan, as of June 30, 2006, and the changes in its assets and liabilities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Lansing, 54A-District Court, an agency fund of the City of Lansing, Michigan, as of June 30, 2006, and the changes in assets and liabilities thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Lansing, 54A-District Court. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The Court has not presented Management's Discussion and Analysis (MD&A) as required supplementary information. The GASB has determined that such information is necessary to supplement, although not required to be part of, the basic financial statements.

Rehmann Robson

675 Robinson Road · P.O. Box 449 · Jackson, MI 49204 · Phone 517.787.6503 · Fax 517.788.8111 · www.rehmann.com

FINANCIAL STATEMENTS

City of Lansing 54A-District Court Agency Funds

Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2006

	54-A District Court		
	Bail Bonds	Garnishment, Indemnity Bond and Restitution	Totals
Assets			
Cash and cash equivalents	$ 102,124	$ 16,573	$ 118,697
Equity in pooled cash	134,004	5,678	139,682
Total assets	$ 236,128	$ 22,251	$ 258,379
Liabilities			
Undistributed receipts	$ 236,128	$ 22,251	$ 258,379

The accompanying notes are an integral part of these financial statements.

City of Lansing 54A-District Court Agency Funds

Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2006

	Beginning Balance	Additions	Deletions	Ending Balance
54-A District Court - Bail Bonds				
Assets				
Cash and cash equivalents	$ 65,000	$ 37,124	$ -	$ 102,124
Equity in pooled cash	209,417	833,617	909,030	134,004
Total assets	$ 274,417	$ 870,741	$ 909,030	$ 236,128
Liabilities				
Undistributed receipts	$ 274,417	$ 870,741	$ 909,030	$ 236,128
54-A District Court - Garnishment, Indemnity Bond and Restitution				
Assets				
Cash and cash equivalents	$ 15,000	$ 1,573	$ -	$ 16,573
Equity in pooled cash	14,092	135,641	144,055	5,678
Total assets	$ 29,092	$ 137,214	$ 144,055	$ 22,251
Liabilities				
Undistributed receipts	$ 29,092	$ 137,214	$ 144,055	$ 22,251
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 80,000	$ 38,697	$ -	$ 118,697
Equity in pooled cash	223,509	969,258	1,053,085	139,682
Total assets	$ 303,509	$ 1,007,955	$ 1,053,085	$ 258,379
Liabilities				
Undistributed receipts	$ 303,509	$ 1,007,955	$ 1,053,085	$ 258,379

The accompanying notes are an integral part of these financial statements.

CITY OF LANSING, 54A-DISTRICT COURT AGENCY FUND

Notes To Financial Statements

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The 54-A District Court is a district court for the City of Lansing under the State of Michigan Supreme Court System.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Basis of Accounting

The accounts of the Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, cash receipts and cash disbursements.

The funds of the Court are classified as agency funds, which are used to account for assets held by the Court as an agent for individuals, private organizations and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The 54-A District Court has two agency funds, as follows:

Bail Bond Fund
This fund is used to hold cash received by the District Court for bail bonds.

Garnishment, Indemnity Bond and Restitution Fund
This fund is used to hold cash received by the District Court for garnishment payments until claimed, and to hold indemnity bonds deposited relating to civil disputes until the Court rules on the case.

Cash and Equity of City of Lansing Pooled Cash

All amounts classified as cash of the Court are held by local financial institutions. The carrying amount of the Court's cash deposits and equity in City of Lansing pooled cash was $118,697 and $139,682, respectively, at June 30, 2006.

Amounts shown as equity in City of Lansing pooled cash represent funds of the Court held in the City of Lansing's Treasurer's pooled cash account. Investment policies and risk categorization for the City's cash and investments are included in the City of Lansing's financial statements.

Operating Costs Paid by the City of Lansing

Certain costs are not reflected in the accompanying financial statements as they were provided by the City of Lansing. These costs are included in the accompanying schedule of operating costs paid by the City.

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SUPPLEMENTAL INFORMATION

City of Lansing 54A-District Court Agency Funds

Supplemental Schedule of Operating Costs Paid by the City
For the Year Ended June 30, 2006

Revenue	
Contributions from the City of Lansing	**$ 4,148,654**
Expenditures	
Personnel services	$ 3,717,413
Office supplies	131,282
Miscellaneous operating expenditures	113,580
Witness and jury fees	38,426
Contractual services	105,201
Conferences and workshops	4,075
Insurance and bonds	29,536
Repair and maintenance	1,959
Library	7,182
Total expenditures	**$ 4,148,654**