



Bourgeois Bennett

COMMUNICATIONS WITH JUDGES

To the Honorable District Judges,
Seventeenth Judicial District,
Thibodaux, Louisiana.

In fulfilling our responsibility as Seventeenth Judicial District - District Court Fund auditors for the year ended December 31, 1996, we are required to communicate to the Judges certain matters related to the conduct of our audit.

1) AUDITOR'S RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS AND GOVERNMENT AUDITING STANDARDS

Our audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatements.

As required, separate letters have been issued on the internal control structure and compliance with laws and regulations.

2) SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted nor required to be adopted for the year ended December 31, 1996.

3) SIGNIFICANT AUDIT ADJUSTMENTS

We did not initiate any significant audit adjustments during our recent audit. Year end adjustments and closing entries were prepared.

This information is intended solely for the use of the Seventeenth Judicial District - District Court Fund and should not be used for any other purpose.

Bourgeois Bennett, LLC

Certified Public Accountants

Thibodaux, La.,
January 24, 1997.

COMMUNICATIONS LETTER



Bourgeois Bennett

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable District Judges,
Seventeenth Judicial District,
Thibodaux, Louisiana.

We have audited the general purpose financial statements of the Seventeenth Judicial District - District Court Fund (the District), State of Louisiana, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 1996, and have issued our report thereon dated January 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the District's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the judges, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Bourgeois Bennett, LLC.

Certified Public Accountants

Thibodaux, La.,
January 24, 1997.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Condition - During our audit, we noted the District's cash disbursement policy requires one signature on checks.

Recommendation - We encourage the District to adopt and maintain a policy that requires dual signatures on checks of a significant amount.

Response - Within the last five years, the Judges have had discussions about changing this procedure in the interest of the Fund. However, considering the way the fund is utilized by the four judges and considering that we use one account and one checkbook, requiring more than one signature would be most impractical and, in some cases, most inconvenient. The judge authorizing the expenditure signs the check unless he is unavailable. Each judge is bonded and the court employer that actually prepares the checks and manages the Fund is bonded. We do not believe that requiring more than one signature is necessary to adequately safeguard the Fund.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

This report is intended for the information of the Judges, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Burgess Bennett, LLC

Certified Public Accountants.

Thibodaux, La.,
January 24, 1997.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

Note 6 - REIMBURSED EXPENDITURES (Continued)

These costs are not recognized as expenditures of the District and accordingly, are not included in the general purpose financial statements. In addition, the District recognized \$3,142 in reimbursements from the Louisiana State Judiciary Department for travel-related expenditures.

During 1996, the District also received \$60,000 from the Lafourche Parish Council Criminal Court Fund to assist in funding current operations. These funds have been reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as an operating transfer.

Note 4 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January <u>1, 1996</u>	Additions	Adjustment	Balance December <u>31, 1996</u>
Building renovations	\$ 17,691	\$ -	\$ -	\$ 17,691
Equipment	<u>303,483</u>	<u>63,712</u>	<u>(123,912)</u>	<u>243,283</u>
Totals	<u>\$321,174</u>	<u>\$63,712</u>	<u>\$(123,912)</u>	<u>\$261,174</u>

The adjustment is based on a physical inventory of items in the General Fixed Assets Account Group.

Note 5 - RETIREMENT PLAN

Plan Description - The Seventeenth Judicial District - District Court Fund (the District) contributes to the Louisiana State Employees' Retirement System Pension Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Louisiana State Employees' Retirement System (LASERS). LASERS provides retirement, deferred and disability benefits, survivor's benefits and annual cost-of-living adjustments to plan members and beneficiaries. Title 11 Chapter 491 of the Louisiana Revised Statutes (R.S.) established and provided for LASERS. LASERS issues a publicly available financial report that includes financial statements and required supplementary information for LASERS. That report may be obtained by writing to Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70808-4213.

Funding Policy - Plan members are required to contribute 7.5% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 12.0% of annual covered payroll. The contribution requirements of plan members are established by Louisiana Revised Statute 11:62. The contribution requirements of the District are established under Louisiana Revised Statutes 11:383-11:384. The District's contributions to LASERS for the years ending December 31, 1996, 1995 and 1994 were \$26,926, \$37,310 and \$33,446, respectively, equal to the required contributions for each year.

Note 6 - REIMBURSED EXPENDITURES

Substantially all employees of the District are paid by the Lafourche Parish Council General Fund or the Seventeenth Judicial District Criminal Court Fund. For the year ended December 31, 1996, these two funds paid \$301,843 in personnel services for the District.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1) Total Column on Combined Statements - Overview

The total column on the combined statements - overview is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - CASH AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

State law also requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

During the year the District's investments consisted solely of certificates of deposit. The District's cash and investments in excess of the FDIC insurance are collateralized by securities held by an unaffiliated bank in the name of the financial institution pledged to the District.

Note 3 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1996 consisted of the following:

Lafourche Parish:	
District Attorney	\$ 2,712
Clerk of Court	2,041
Sheriff	— 5,580
Total	\$10,333

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Investments**

Investments are stated at cost, which approximates market.

f) **General Fixed Assets**

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The Account Group is not a fund. It is concerned only with the measurement of financial position.

It is not involved with the measurement of results of operations. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical costs.

g) **Accumulated Vacation and Sick Leave**

Employees can earn one day of vacation or personal leave for each consecutive month of employment up to a maximum of ten days per year. Vacation shall be taken during the calendar year earned or forfeited by the employee. Employees will not be entitled to compensation for unused vacation or personal leave upon termination of employment.

Employees can earn one day of sick leave for each consecutive month of employment up to a maximum of ten days per year. Unused sick leave shall be accumulated from one calendar year to the next up to a maximum of 60 days per year. Employees will not be entitled to compensation for unused sick leave upon termination.

The presiding judge may permit an employee to take additional vacation or sick leave for a reasonable period taking into account the needs of the employee, project functioning of the court and the public interest.

h) **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledger, is not utilized by the District.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Account Group

An account group is used to establish accounting control and accountability. The District's Account Group is as follows:

General Fixed Assets Account Group - This account group is used to account for fixed assets not accounted for in proprietary or trust funds.

c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Governmental Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Fees and charges for services are recorded when earned since they are measurable and available. Interest income on investments is recorded as revenue when the investments have matured and the income is available. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

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

d) Operating Budgetary Data

As required by the Louisiana Revised Statute 35:1343, the Honorable District Judges (The Judges) adopted a budget for the District's General Fund. The Judges, as allowed by state law, do not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Judges. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The General Fund budget is adopted on a basis materially consistent with generally accepted accounting principles.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL -
GOVERNMENTAL FUND TYPE - GENERAL FUND**

Seventeenth Judicial District - District Court Fund

For the year ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues			
Service fees:			
Sheriff's Office	\$ 35,000	\$ 35,002	\$ 18,852
Clerk of Court	25,000	25,078	78
District Attorney	4,500	11,283	3,493
Miscellaneous - interest	14,000	8,748	(1,251)
Total revenues	<u>118,500</u>	<u>131,112</u>	<u>15,272</u>
Expenditures			
Current:			
General Government:			
Personal services:			
Salaries and related benefits	30,000	30,427	(427)
Supplies and materials:			
Office supplies	6,200	11,135	(4,935)
Books and subscriptions	18,112	14,754	3,358
Other services and charges:			
Travel	9,000	4,890	2,070
Equipment maintenance and repair	17,000	24,664	(7,664)
Professional fees	3,100	2,986	104
Insurance	2,000	2,000	500
Continuing legal education	4,000	4,202	(202)
Postage	1,000	670	330
Rentals	1,100	1,148	48
Telephone	3,130	2,527	603
Miscellaneous	2,800	2,680	200
Capital expenditures:			
Machinery and equipment	69,000	63,712	5,288
Total expenditures	<u>167,432</u>	<u>168,341</u>	<u>(909)</u>
(Deficiency) of Revenues Over Expenditures	<u>(48,932)</u>	<u>(36,969)</u>	<u>14,163</u>
Other Financing Sources			
Operating transfers in:			
Criminal Court Fund	61,600	60,800	(3,000)
Excess of Revenues and Other Sources Over Expenditures	<u>\$ 12,668</u>	<u>23,431</u>	<u>\$ 11,763</u>
Fund Balance			
Beginning of year		<u>470,225</u>	
End of year		<u>\$ 493,686</u>	

See notes to financial statements.

**COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP**

Seventeenth Judicial District - District Court Fund

December 31, 1998

	<u>Governmental Fund Type</u>	<u>Account Group</u>	<u>Total</u>
	<u>General</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
Assets			
Cash	\$ 100,026	\$ -	\$ 100,026
Investments	384,944	-	384,944
Due from other governmental units	10,333	-	10,333
Fixed assets	-	261,174	261,174
Totals	<u>\$ 495,303</u>	<u>\$ 261,174</u>	<u>\$ 756,477</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 1,637		\$ 1,637
Fund Equity and Other Credits			
Investment in general fixed assets	-	\$ 261,174	261,174
Fund balance - unreserved	493,668	-	493,668
Total fixed equity and other credits	<u>493,668</u>	<u>261,174</u>	<u>754,842</u>
Totals	<u>\$ 495,303</u>	<u>\$ 261,174</u>	<u>\$ 756,477</u>

See notes to financial statements.



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Honorable District Judge,
Seventeenth Judicial District,
Thibodaux, Louisiana.

We have audited the accompanying general purpose financial statements of the Seventeenth Judicial District - District Court Fund (the District), State of Louisiana, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Seventeenth Judicial District - District Court Fund as of December 31, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 1997 on our consideration of the Seventeenth Judicial District - District Court Fund's internal control structure and a report dated January 24, 1997 on its compliance with laws and regulations.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, La.,
January 24, 1997.

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December 31, 1996

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Financial Report
Seventeenth Judicial District - District Court Fund

Thibodaux, Louisiana

December 31, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 8-6-97

8-6-97