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CITY COURT OF HOUMA

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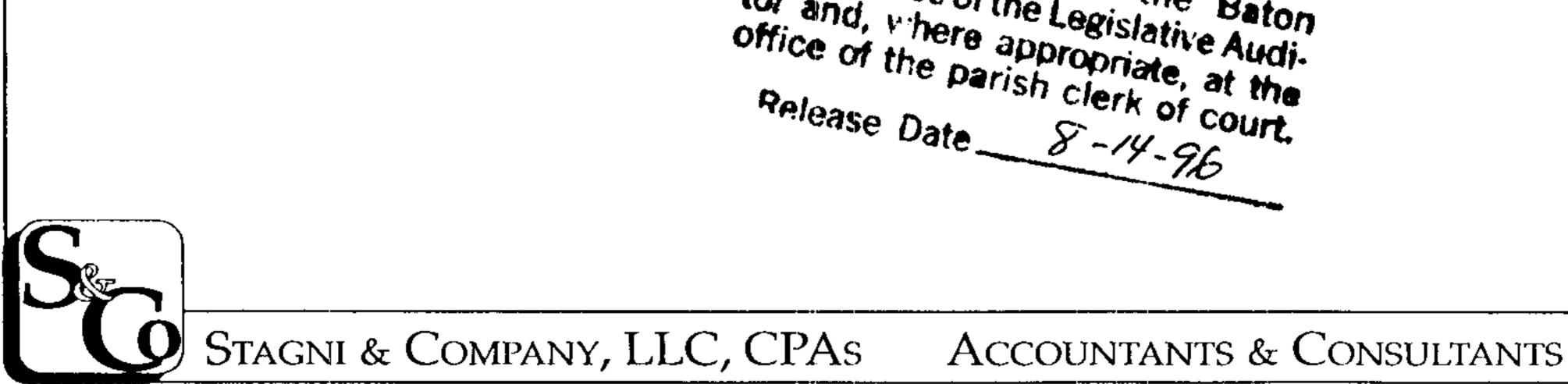
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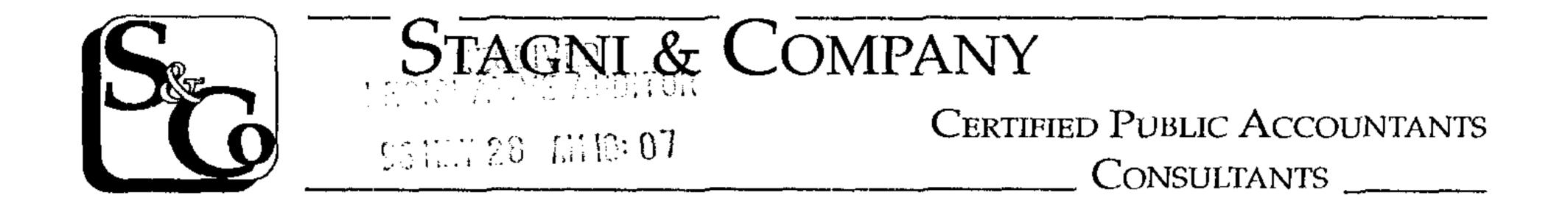
Financial Report,

Internal Control and Compliance Reports

December 31, 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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





March 22, 1996

The Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana

We have completed our audit of the City Court of Houma, Louisiana for the year ended December 31, 1995, and have issued our reports thereon dated March 22, 1996. The results of our audit are contained in our reports; however, there were items which came to our attention during the course of our examination we feel are deserving of your attention. The items noted are outlined as follows:

Prior audit management recommendations:

We noticed that the following recommendations from prior years remain unresolved:

<u>Condition</u> - The Court does not maintain a subsidiary listing of funds held for future disposition in the Civil Cost Fund. The above fund consists of fines, costs, and other advanced costs collected from civil cases and represent a liability to the City Court of Houma, Louisiana.

<u>Recommendation</u> - We recommend that subsidiary ledgers be compiled for the Civil Cost Accounts and that the above accounts be maintained and reconciled periodically as part of the normal accounting routine.

<u>Response</u> - Our response is basically the same as previous years. The system in place provides for adequate accounting control and for determining who has deposited money into these accounts. The Court views the entire amounts in these accounts as a liability. Such a ledger would not reflect who will ultimately receive these funds. The Court feels that such ledgers would serve no purpose other than to provide another basis for reconciling these accounts monthly, and feels that this task is too cumbersome to implement for that sole purpose. Additionally, there is no available staff to accomplish this at this time.

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LIMITED LIABILITY COMPANY MEMBERS: AICPA • LCPA

Honorable Jude Thaddeus Fanguy, Judge Page 2

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<u>Condition</u> - The Judge's Earned Fees Account is not included in the City Court of Houma, Louisiana's general purpose financial statements.

<u>Recommendation</u> - We recommend the Judge's Earned Fees Account be included in the general purpose financial statements of the City Court of Houma, Louisiana.

<u>Response</u> - These fees are not public funds. These fees are not escrow or trust funds.

These are civil fees payable to the Judge under R.S. 13:1874. These fees would be actually paid to the Judge monthly except for the fact that such would be in violation of R.S. 13:1874.1 since the payment of all such civil fees would make the Judge's salary exceed that of the District Judges of the 32nd Judicial District.

R.S. 13:1874.1 does not make these earned civil fees public funds (as R.S. 13:1874 (B) does), does not provide for the disposition of any "surplus" earned fees and does not prohibit same being paid at a later date to the Judge (so long as the Judge's salary, from all sources, does not exceed that of a District Court Judge).

Since the Legislature, in its wisdom, has not sought fit to declare these "surplus" earned civil fees as public or escrow or trust funds or put them into any category that would make them subject to audit, the auditors have no authority to do so.

So, we respectfully decline to acquiesce in our auditors recommendation.

We have filed a suit for Declaratory Judgment against the Legislative Auditor's office and the Legislative Audit Advisory Council asking for a judicial determination of whether these fees are subject to audit, whether they are public, and the uses to which they can be put.

We acknowledge and appreciate the assistance you and the personnel of the City Court of Houma, Louisiana have provided us during our audit and we thank you. If we can assist you in any manner, do not hesitate to call.

Very truly yours,

STAGNI & COMPANY, LLC

Angelique T. Barker, CPA

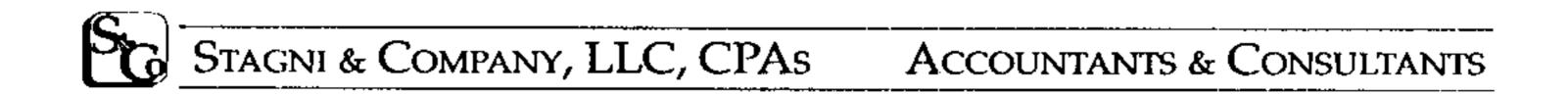


CITY COURT OF HOUMA

Financial Report,

Internal Control and Compliance Reports

December 31, 1995



Financial Report, Internal Control and Compliance Reports

December 31, 1995

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana

We have audited the accompanying general purpose financial statements of the City Court of Houma, Louisiana, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of City Court of Houma, Louisiana'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 Statements*, 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.

The general purpose financial statements referred to above do not include the Judge's Earned Fees Account, which should be included in order to conform with generally accepted accounting principles. The amounts that should be recorded as assets, liabilities, revenues, and expenditures in the Special Revenue Fund Type are not known.

In our opinion, except for the effects on the general purpose financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of City Court of Houma, Louisiana as of December 31, 1995, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana Page 2

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements of individual funds and supplementary schedules and information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the combined general purpose financial statements of the City Court of Houma, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effect on the supplementary information of the omission described in the third paragraph, the supplementary information is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Stagni & Company

Thibodaux, Louisiana March 22, 1996



		Total (Memorandum Only)		\$75,393 443,718 6,874 227,785 \$753,770		\$567 29,785 5,730 10,248 5,892 6,268 94,441 226,389 386,555		227,785 139,430 367,215	\$753,770	
Groups	Account Group General Fixed Assets		\$227,785 <u>\$227,785</u>				\$227,785 227,785	\$227,785		
Account	1, 1995	Fiduciary Fund Types Agency Funds		\$27,924 308,497 \$336,421		\$2,088 6,268 7,235 94,441 226,389			\$336,421	ial statements.
CITY COURT OF HOUMA HOUMA, LOUISIANA ined Balance Sheet - All Fund Types and	December 31,	Governmental Fund Type General Fund		\$47,469 135,221 6,874 \$189,564		\$567 29,785 5,730 8,160 5,892 5,892		139,430 139,430	\$189,564	See notes to financial statements.
Combined			ß	nents om other funds issets al assets	TIES	Its payable and accrued expenses Terrebonne Parish Consolidated Imment Marshall other governmental units other sovernmental units other funds other funds held for future disposition r funds held for future disposition at liabilities	EQUITY	nent in general fixed assets alance - unreserved, undesignated al fund equity	al liabilities and fund equity	

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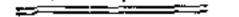
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ASSETS

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

For the Year Ended December 31, 1995

	General Fund
REVENUES	
Charges for services:	
Court costs and fees	\$199,425
Civil fees	59,77 5
City fines retained	25,926
Grant revenue	17,872
Miscellaneous:	
Interest	24,777
Other	3,454
Total revenues	331,229
EXPENDITURES	
Current:	157,091
Salaries and employee benefits	16,104
Office supplies and expenditures	6,500
Postage	1,726
Law books	4,900
Professional fees	6,221
Telephone	4,116
Computer expenditures	634
Community work program	
Counseling services	24,000
Contract labor	850
insurance	1,200
Miscellaneous	24,548
Equipment repairs and maintenance	5,989
Total current expenditures	253,879
Capital outlay	28,324
Debt service:	A 400
Principal	3,128
Interest	160
Total expenditures	285,491
EXCESS OF REVENUES OVER	
EXPENDITURES	45,738
FUND BALANCES	
Beginning of year	93,692
End of year	\$139,430



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See notes to financial statements.



Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Cash Basis) and Actual - General Fund

For the Year Ended December 31, 1995

	Budget	Actual	Favorable (Unfavorable) Variance
REVEUNES			
Charges for services:			
Court costs and fees	\$195,350	\$198,601	\$3,251
Civil fees	61,290	59,910	(1,380)
City fines retained	27,480	25,926	(1,554)
Grant revenue	11,250	17,872	6,622
Miscellaneous:			
Interest	19,260	24,839	5,579
Other	3,420	3,454	34
Total revenues	318,050	330,602	12,552

EXPENDITURES

Current:			
Salaries and employee benefits	58,690	67,969	(9,279)
Reimbursement to Terrebonne			
Parish Consolidated Government	107,202	84,438	22,764
Office supplies and expenditures	14,910	16,103	(1,193)
Postage	4,000	6,500	(2,500)
Law books	1,680	1,726	(46)
Professional fees	5,515	4,900	615
Telephone	4,800	6,221	(1,421)
Computer expenditures	9,720	4,116	5,604
Community work programs	905	634	271
Counseling services	24,000	24,000	0
Contract labor	2,300	850	1,450
Insurance	4,100	1,200	2,900
Miscellaneous	23,510	24,548	(1,038)
Equipment repairs and maintenance	11,880	5,989	5,891
Total current expenditures	273,212	249,194	24,018
Capital outlay	43,180	28,324	14,856
Debt service:			
Principal		3,128	(3,128)
Interest		160	(160)
Total expenditures	316,392	280,806	35,586
EXCESS OF REVENUES OVER			
EXPENDITURES	1,658	49,796	48,138
FUND BALANCES			
Beginning of year	94,200	70,677	(23,523)
End of year	\$95,858	\$120,473	\$24,615

See notes to financial statements.

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Notes to Financial Statements

December 31, 1995

Note 1 <u>Summary of Significant Accounting Policies</u>

The accounting policies of the City Court of Houma, Louisiana conform to generally accepted accounting principles as applicable to governmental units, except as noted in the following summary of the more significant policies:

a. Reporting Entity

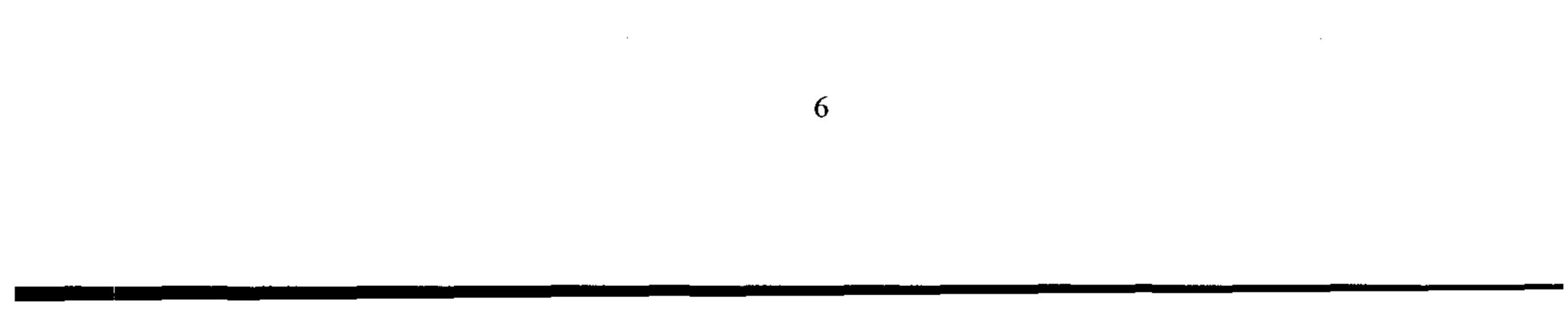
City Court of Houma, Louisiana is a component unit of the Terrebonne Parish Consolidated Government as defined by GASB 14. City Court judges and marshals are independently elected officials. City Court of Houma, Louisiana is fiscally dependent on the Terrebonne Parish Consolidated Government for office space and courtrooms. The substance of the relationship between City Court of Houma, Louisiana and Terrebonne Parish Consolidated Government is that Terrebonne Parish Consolidated Government has approval authority over its capital budget.

b. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

Governmental Fund Types

<u>General Fund</u> - The General Fund is used to account for all financial resources and expenditures of the City Court of Houma, Louisiana except those required to be accounted for in other funds.



Notes to Financial Statements, (Continued)

December 31, 1995

Note I <u>Summary of Significant Accounting Policies</u> (Continued)

b. Fund Accounting, Continued

Fiduciary Fund Types

<u>Agency Funds</u> - Agency Funds are used to account for assets held by the City Court of Houma, Louisiana as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of

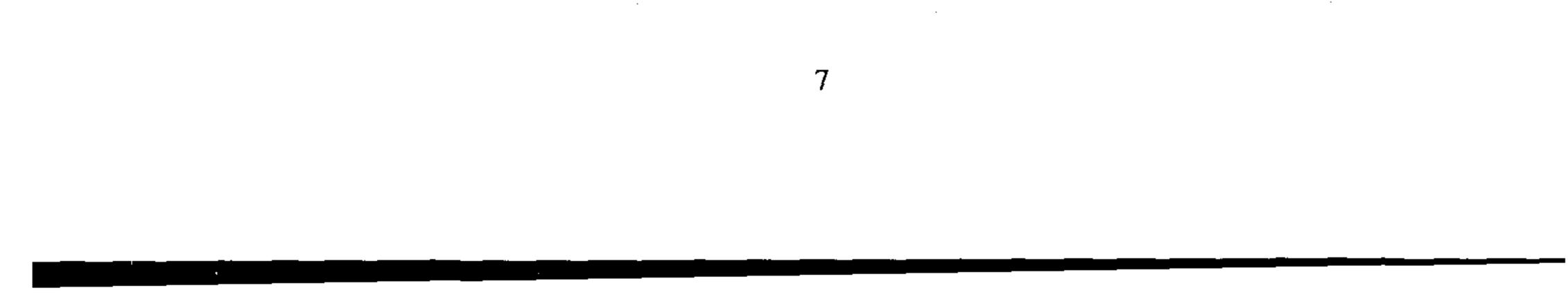
operations.

c. Basis of Accounting

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

The governmental fund types and fiduciary fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the City Court of Houma, Louisiana 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.



Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 <u>Summary of Significant Accounting Policies</u> (Continued)

d. Operating Budgetary Data

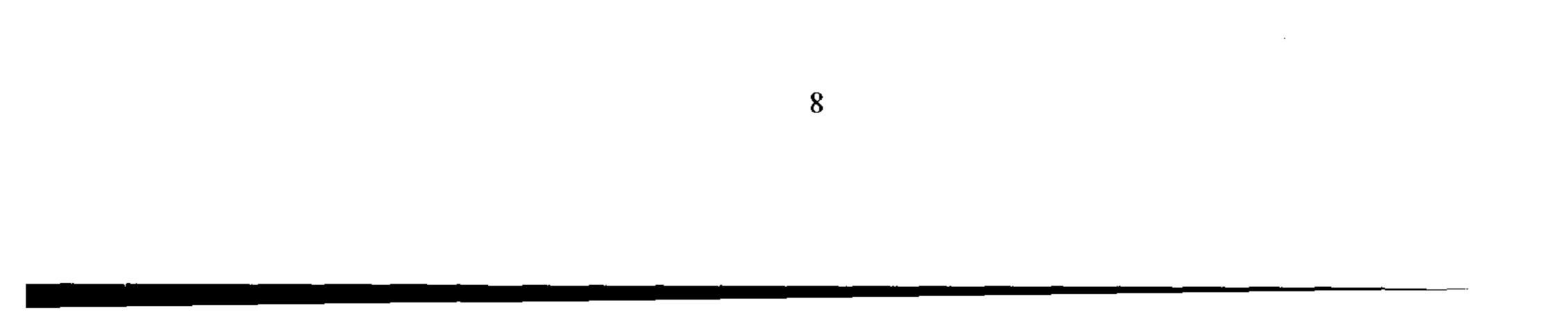
The City Court of Houma, Louisiana follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Formal budgetary integration is employed as a management control device during the year for the General Fund. The adopted budget is prepared on a cash basis. The statement of revenues, expenditures,

and changes in fund balances - budget and actual present comparisons of legally adopted budgets with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present general purpose financial statements in conformity with generally accepted accounting principles, a reconciliation of differences in the excess (deficiency) of revenues and other financing sources over expenditures and other financing uses is presented as follows:

Budgetary basis	\$49,796
Adjustments to GAAP	(4,058)
GAAP basis	\$45,738

- 2. Unused appropriations budgeted for the General Fund lapse at the end of the year.
- 3. The budget amounts shown in the general purpose financial statements are the final authorized amounts as revised during the year.



Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 <u>Summary of Significant Accounting Policies</u> (Continued)

e. Bad Debts

The general purpose financial statements for the City Court of Houma, Louisiana contain no allowance for bad debts. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

f. Fixed Assets and Long-Term Debt

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets acquired are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated.

Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 <u>Summary of Significant Accounting Policies</u> (Continued)

f. Fixed Assets and Long-Term Debt, Continued

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The account group is established to account for the unmatured general obligation indebtedness.

The two account groups are not "funds". They are concerned only with the measurement of financial position and are not involved with the measurements of results of operations.

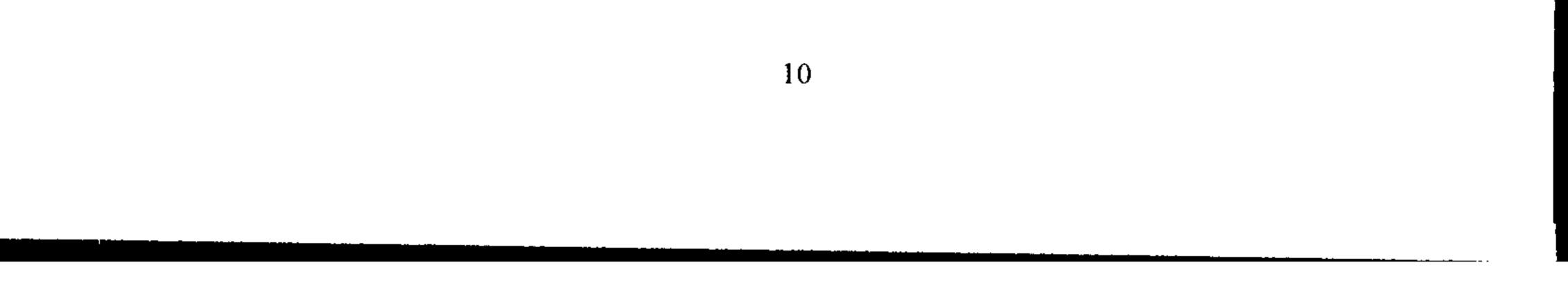
g. Vacation and Sick Leave

Annual vacation leave may not be accrued or deferred to a later time. It must be taken during the calendar year or anniversary year in which it was earned. Amounts due to employees for annual vacation leave at December 31, 1995 are not material in relation to the financial statements of the City Court of Houma, Louisiana.

Sick leave may be earned at a rate of 80 hours per year and may be accumulated to a maximum of 480 hours; however, it does not vest with the employee.

h. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the fund general ledgers, is not utilized by City Court of Houma, Louisiana.



Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 <u>Summary of Significant Accounting Policies</u> (Continued)

i. Total columns on Combined Statements - Overview

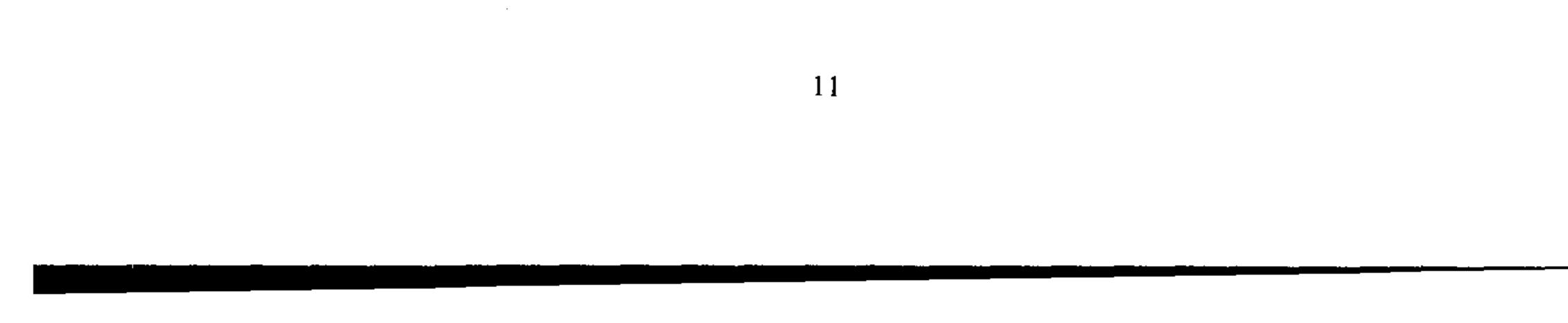
The total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present the financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 <u>Deposits and Investments</u>

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 these deposits be fully collateralized at all times. Acceptable collateralization includes the FDIC/FSLIC 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.

Under the provision of the GASB, pledged securities which are not in the name of the governmental unit are considered uncollateralized.



Notes to Financial Statements, (Continued)

December 31, 1995

Note 2 <u>Deposits and Investments</u> (Continued)

Deposits at December 31, 1995 were as follows:

Credit Risk Category:	Bank Balances	Carrying Balances
(1) Insured or collateralized by securities held by the City Court of Houma or its agent in the City Court's name	\$78,991	\$75,393
(2) Collateralized with securities held by held by the pledging institutions trust departments in the City Court of Houma's name		
(3) Uncollateralized or collateralized with securities held by the pledging institution, but not in the City Court of Houma's name		
Totals	\$78,991	\$75,393

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, 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 City Court of Houma that the fiscal agent has failed to pay deposited funds upon demand.

The City Court of Houma may invest idle funds as authorized by Louisiana Statutes, as follows:

- (a) United States bonds, treasury notes, certificates, or any other federally insured investments.
- (b) Time certificates of deposit of state banks organized under the laws of

Louisiana and national banks having their principal office in the state of Louisiana.

Notes to Financial Statements, (Continued)

December 31, 1995

Note 2 <u>Deposits and Investments</u> (Continued)

(c) Mutual or trust funds, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

The City Court of Houma, Louisiana's investments are categorized below to an indication of the level of risk assumed at year-end:

• <u>Category 1</u> includes investments that are insured or registered or for which

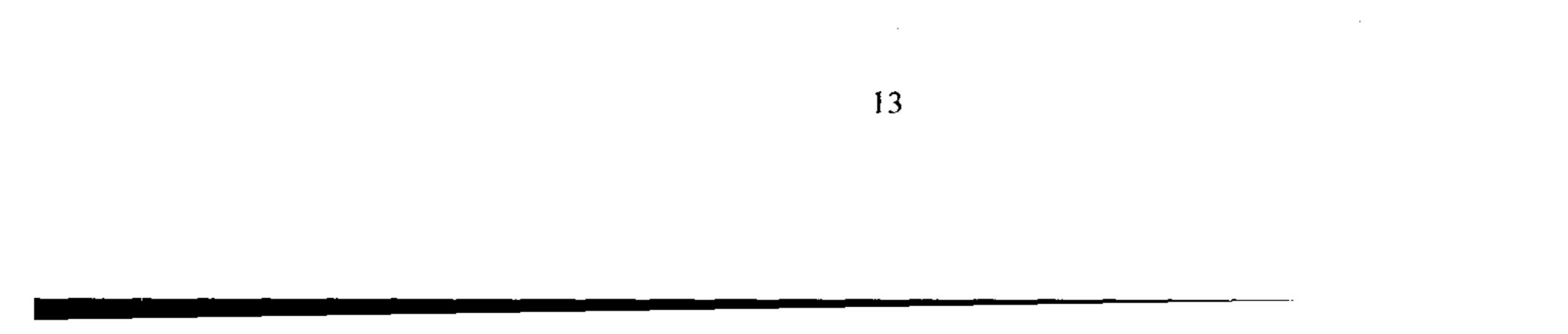
the securities are held by the City Court of Houma, Louisiana or its agent in the City Court of Houma, Louisiana's name.

- <u>Category 2</u> includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City Court of Houma, Louisiana's name.
- <u>Category 3</u> includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City Court of Houma, of Louisiana's name.

During the year, the City Court of Houma, Louisiana's investments consisted of U.S. Government Securities:

Balances at December 31, 1995 were as follows:

Securities	Cre	dit Risk Cate	gory	Carrying	Market
<u>Type</u>	1	<u>2</u>	3	Amount	<u>Value</u>
U.S. Government Securities	<u>\$0</u>	<u>\$0</u>	<u>\$443,719</u>	<u>\$443,719</u>	<u>\$439,462</u>



Notes to Financial Statements, (Continued)

December 31, 1995

Note 3 <u>Due to Other Governmental Units</u>

Amounts due to other governmental units at December 31, 1995, consisted of the following:

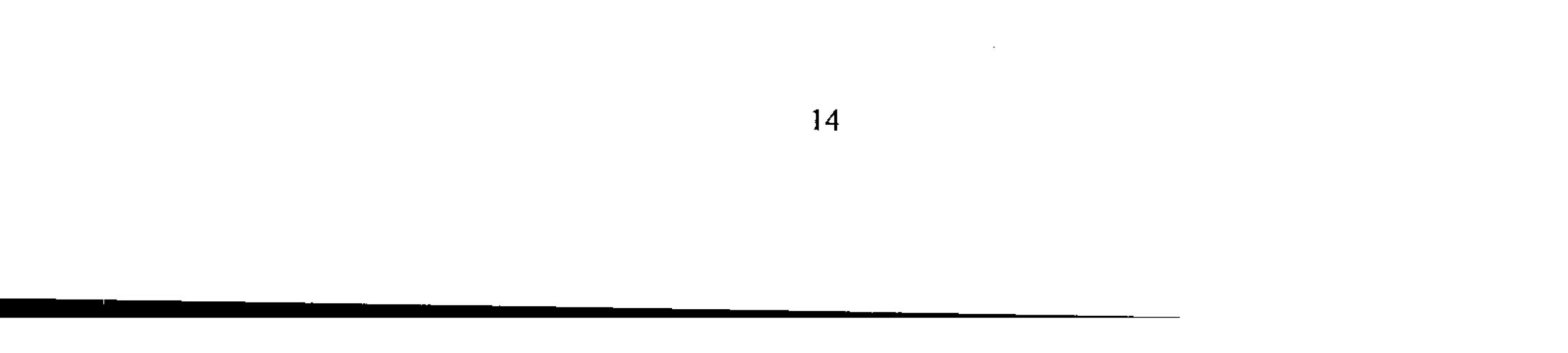
Louisiana State Treasury Department	\$ 2,265
District Attorney's Office	7,330
Enforcement Crime Victim Fund	653
	M10 0 /0

Note 4 <u>Changes in General Fixed Assets</u>

A summary of changes in general fixed assets are as follows:

				Retirement	e sousiere
	<u>12/31/94</u>				12/31/95
				·	
Furniture, fixtures and					
equipment	\$228,350	(\$18 707)	\$28,324	\$10,000	\$227,785

An adjustment was necessary to correct the beginning asset balance to the physical inventory of assets taken at year end.



Notes to Financial Statements, (Continued)

December 31, 1995

Note 5 Interfund Receivables and Payables Balances

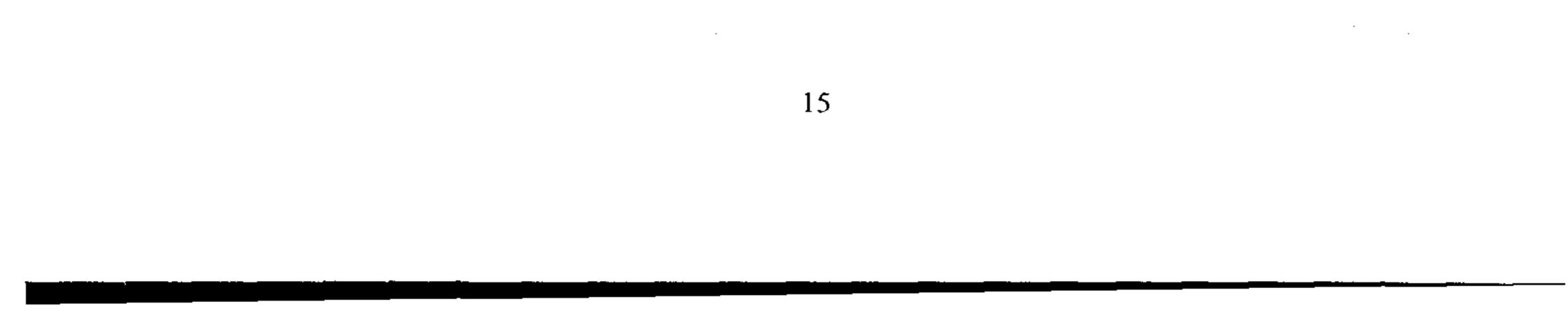
Amounts due from and due to other funds are summarized below:

	Due from	Due to
General Fund	\$6,874	
Escrow Fund		\$17
Bond Fund		8
Civil Fund		6,243
Totals	\$6,874	\$6,268

The interfund balances are out of balance due to the Earned Civil Fees Fund not being included (\$606) in the audited financial statements.

Note 6 <u>Employee Retirement Systems</u>

All individuals who work at City Court of Houma, Louisiana are primarily paid by the Terrebonne Parish Consolidated Government and are consequently members of the State Parochial Employce's Retirement System of Louisiana and the Louisiana State Employee's Retirement System. GASB requires certain disclosures for employers who maintain retirement plans for their employees. All individuals employed at the City Court of Houma, Louisiana are primarily compensated by others who disclose the required retirement plan information in their separately issued financial statements. The retirement plan mentioned above is administered and controlled by a separate board of trustees.



Notes to Financial Statements, (Continued)

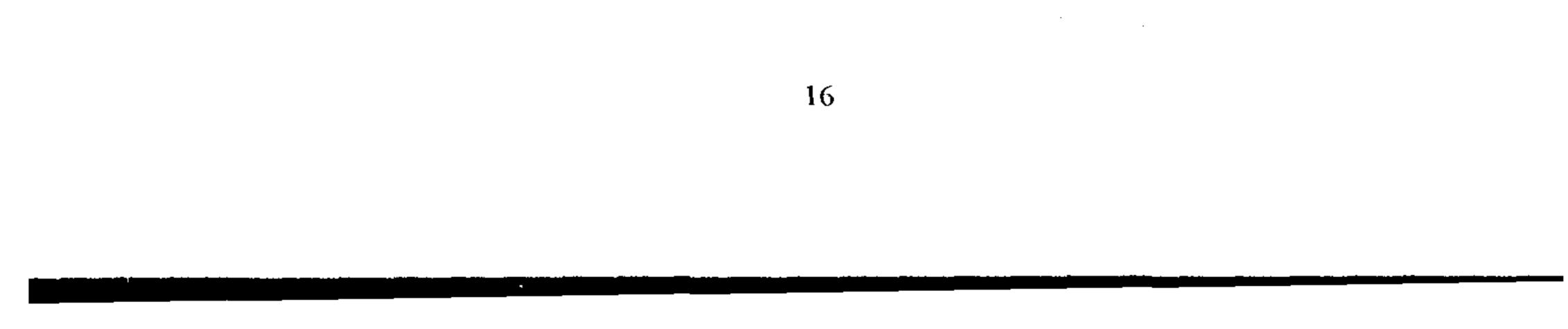
December 31, 1995

Note 7 <u>Reimbursed Court Costs</u>

An agreement has been entered into with the Terrebonne Parish Consolidated Government whereby required court costs such as work-release program expenses and district attorney fees will be reimbursed when paid by the General Fund. These expenditures are deducted from the fines collected for the Terrebonne Parish Consolidated Government when paid.

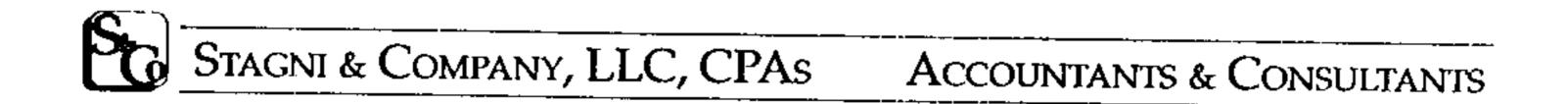
The Terrebonne Parish Consolidated Government pays certain operating costs of the City Court of Houma, Louisiana. These costs are not recognized as expenditures by

the City Court of Houma, Louisiana and accordingly, are not included in the general purpose financial statements. For the year ended December 31, 1995, these costs consisted of salaries and benefits, supplies and materials, other services and charges, and repairs and maintenance which amounted to approximately \$310,224.



SUPPLEMENTARY SCHEDULES

AND INFORMATION



AGENCY FUNDS

Bond Fund - The Bond Fund is maintained to account for bonds deposited with the Court.

Escrow Fund - The Escrow Fund is maintained to allow defendants to pay fines and costs on an installment basis. When the entire amount sentenced has been collected, the cash is disbursed to the appropriate recipients.

<u>Civil Cost Fund</u> - The Civil Cost Fund is maintained for the purpose of collecting advanced costs on civil, small claims, and eviction cases. When the fees are earned by the Judge, Marshall, Sheriffs, etc., they are disbursed and any excess of advanced costs remitted by the plaintiff is refunded.

Combining Balance Sheet All Agency Funds

December 31, 1995

	Civil Cost Fund	Escrow Fund	Bond Fund	Total
ASSETS				
Cash Investments	\$18,125 216,595	\$2,556 91,902	\$7,243	\$27,924 308,497

Total assets	\$234,720	\$94,458	\$7,243	\$336,421
LIABILITIES				
Due to other governmental units	\$2,088			\$2,088
Due to general fund	6,243	\$17	\$8	6,268
Bonds held for future disposition			7,235	7,235
Escrow funds held for				
future disposition		94,441		94,441
Civil funds held for				
future disposition	226,389			226,389
Total liabilities	\$234,720	\$94,458	\$7,243	\$336,421

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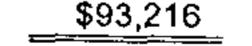
Statement of Changes in Assets and Liabilities All Agency Funds

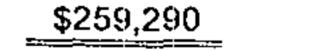
December 31, 1995

	Balance 12/31/94	Additions	Deletions	Balance 12/31/95
CIVIL COST FUND				
Assets				
Cash	\$15,677	\$177,250	\$174,802	\$18,125
Investments	200,032	26,500	9,937	216,595
			<u></u>	
Total assets	\$215,709	\$203,750	\$184,739	\$234,720
Liabilities				
Due to other governmental				
units	\$1,190	\$22,655	\$21,757	\$2,088
Due to general fund	5,558	6,447	5,762	6,243
Civil funds held for future				
disposition	208,961	176,691	159,263	226,389
Total liabilities	\$215,709	\$205,793	\$186,782	\$234,720
ESCROW FUND				
Assets				
Cash	\$10,605	\$259,236	\$267,285	\$2,556
Investments	82,611	28,300	19,009	91,902
Total assets	\$93,216	\$287,536	\$286,294	\$94,458
Liabilities				
Due to General Fund Escrow funds held for	\$34	\$284	\$301	\$17
future disposition	93,182	259,006	257,747	94,441
Total liabilities	\$93,216	\$259.290	\$258.048	\$04 458

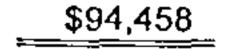
Total liabilities

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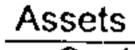
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Statement of Changes in Assets and Liabilities All Agency Funds

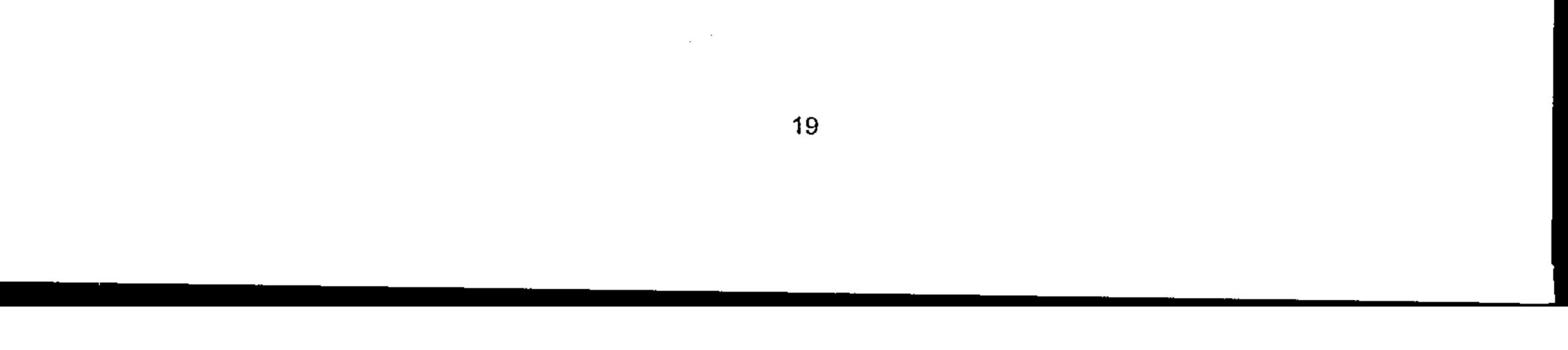
December 31, 1995

Balance			Balance
12/31/94	Additions	Deletions	12/31/95
			12/3//95





Cash	\$6,454	\$18,387	\$17,598	\$7,243
Total assets	\$6,454	\$18,387	\$17,598	\$7,243
Liabilities				
Due to General Fund Bonds held for future	\$9	\$114	\$115	\$8
disposition	6,445	18,274	17,484	7,235
Total liabilities	\$6,454	\$18,388	\$17,599	\$7,243



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INTERNAL CONTROL

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AND

COMPLIANCE SECTION



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

Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana

We have audited the general purpose financial statements of the City Court of Houma, Louisiana, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996. In our report,

our opinion was qualified because of a lack of disclosure relating to the Judge's Earned Fees Account.

We have 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.

The management of the City Court of Houma, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.



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LIMITED LIABILITY COMPANY MEMBERS: AICPA • LCPA Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana Page 2

In planning and performing our audit of the general purpose financial statements of City Court of Houma, Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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.

A material weakness is a reportable condition in which the design or operation of one or more of the 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 noted the following reportable condition that we believe to be material weaknesses.

The Court does not maintain a subsidiary listing of funds held for future disposition in the Civil Cost Fund or Escrow Fund. The above fund consists of fines, costs, and other advanced costs collected from civil cases and represent a liability to the City Court of Houma, Louisiana.

STAGNI & COMPANY, LLC, CPAS ACCOUNTANTS & CONSULTANTS

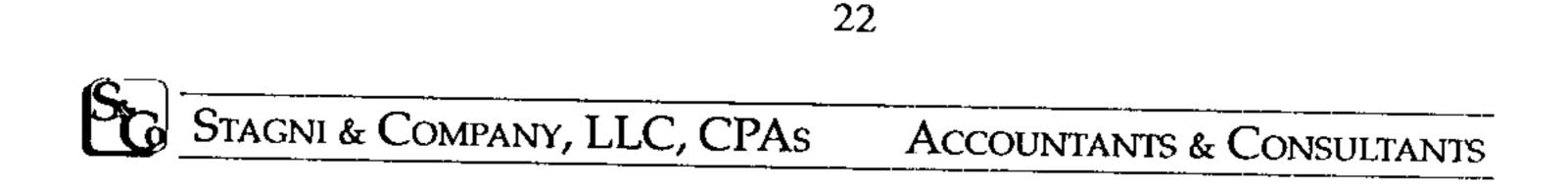
Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana Page 3

We also noted other matters involving the internal control structure and its operation that we have reported to the management of City Court of Houma, Louisiana in a separate letter dated March 22, 1996.

This report is intended for the information of management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Thibodaux, Louisiana March 22, 1996

Stagni & Company





STAGNI & COMPANY

Certified Public Accountants

CONSULTANTS ____

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

Honorable Jude Thaddeus Fanguy, Judge City Court of Houma Houma, Louisiana

We have audited the general purpose financial statements of the City Court of Houma, Louisiana, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 1995, and have issued our report thereon dated March 22, 1996. That report was qualified because of a lack of disclosure relating to the Judge's Earned Fees Account.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City Court of Houma, Louisiana, is the responsibility of the City Court of Houma, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City Court of Houma, Louisiana'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 instance of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management, and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

Thibodaux, Louisiana March 22, 1996

Stagni & Company

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