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CITY COURT OF HOUMA
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.

Release Date 8-14-96



STAGNI & COMPANY, LLC, CPAs

ACCOUNTANTS & CONSULTANTS



STAGNI & COMPANY

REGISTERED PROFESSIONAL ACCOUNTANT

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

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:

Condition - 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.

Recommendation - 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.

Response - 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.

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

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

Response - 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

Angelique T. Barker, CPA



CITY COURT OF HOUMA
Financial Report,
Internal Control and Compliance Reports
December 31, 1995



**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

***Financial Report,
Internal Control and Compliance Reports***

December 31, 1995

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>PAGE</u>
Independent Auditor's Report	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	3
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Cash Basis) and Actual - General Fund	5
Notes to Financial Statements	6
Supplementary Schedules and Information:	
Combining Financial Statements of Individual Funds:	
Fiduciary Fund Type - Agency Funds -	
Combining Balance Sheet - All Agency Funds	17
Statement of Changes in Assets and Liabilities - All Agency Funds	18

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

***Financial Report,
Internal Control and Compliance Reports***

December 31, 1995

TABLE OF CONTENTS (CONTINUED)

<u><i>INTERNAL CONTROL AND COMPLIANCE SECTION</i></u>	<u><i>PAGE</i></u>
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	20
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	23

FINANCIAL SECTION





STAGNI & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

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.

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.

Thibodaux, Louisiana
March 22, 1996

Stagni & Company



CITY COURT OF HOUMA
HOUMA, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1995

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
	<u>General Fund</u>	<u>Agency Funds</u>	<u>General Fixed Assets</u>	
<u>ASSETS</u>				
Cash	\$47,469	\$27,924		\$75,393
Investments	135,221	308,497		443,718
Due from other funds	6,874			6,874
Fixed assets			\$227,785	227,785
Total assets	<u>\$189,564</u>	<u>\$336,421</u>	<u>\$227,785</u>	<u>\$753,770</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	\$567			\$567
Due to Terrebonne Parish Consolidated Government	29,785			29,785
Due to Marshall	5,730			5,730
Due to other governmental units	8,160	\$2,088		10,248
Due to others	5,892			5,892
Due to other funds		6,268		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	<u>50,134</u>	<u>336,421</u>		<u>386,555</u>
<u>FUND EQUITY</u>				
Investment in general fixed assets			\$227,785	227,785
Fund balance - unreserved, undesignated	139,430			139,430
Total fund equity	<u>139,430</u>		<u>227,785</u>	<u>367,215</u>
Total liabilities and fund equity	<u>\$189,564</u>	<u>\$336,421</u>	<u>\$227,785</u>	<u>\$753,770</u>

See notes to financial statements.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

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	59,775
City fines retained	25,926
Grant revenue	17,872
Miscellaneous:	
Interest	24,777
Other	3,454
Total revenues	331,229
EXPENDITURES	
Current:	
Salaries and employee benefits	157,091
Office supplies and expenditures	16,104
Postage	6,500
Law books	1,726
Professional fees	4,900
Telephone	6,221
Computer expenditures	4,116
Community work program	634
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:	
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

See notes to financial statements.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

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
REVENUES			
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.

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements

December 31, 1995

Note 1 Summary of Significant Accounting Policies

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

General Fund - 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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 Summary of Significant Accounting Policies (Continued)

b. Fund Accounting, Continued

Fiduciary Fund Types

Agency Funds - 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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 Summary of Significant Accounting Policies (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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 Summary of Significant Accounting Policies (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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 1

Summary of Significant Accounting Policies (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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 1 Summary of Significant Accounting Policies (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 Deposits 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 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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 2 Deposits and Investments (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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 2 Deposits and Investments (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:

- Category 1 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.
- Category 2 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.
- Category 3 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 Type	Credit Risk Category			Carrying Amount	Market Value
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government Securities	<u>\$0</u>	<u>\$0</u>	<u>\$443,719</u>	<u>\$443,719</u>	<u>\$439,462</u>

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 3 Due to Other Governmental Units

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	<u>653</u>
	<u>\$10,248</u>

Note 4 Changes in General Fixed Assets

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

	Balance	Adjustments	Additions	Retirement	Balance
	<u>12/31/94</u>				<u>12/31/95</u>
Furniture, fixtures and equipment	\$228,350	(\$18,797)	\$28,324	\$10,092	\$227,785

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

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

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 Employee Retirement Systems

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 Employee'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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Notes to Financial Statements, (Continued)

December 31, 1995

Note 7 Reimbursed Court Costs

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.

Civil Cost Fund - 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.

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Combining Balance Sheet
All Agency Funds

December 31, 1995

	Civil Cost Fund	Escrow Fund	Bond Fund	Total
<u>ASSETS</u>				
Cash	\$18,125	\$2,556	\$7,243	\$27,924
Investments	216,595	91,902		308,497
Total assets	<u>\$234,720</u>	<u>\$94,458</u>	<u>\$7,243</u>	<u>\$336,421</u>
<u>LIABILITIES</u>				
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	<u>\$234,720</u>	<u>\$94,458</u>	<u>\$7,243</u>	<u>\$336,421</u>

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Statement of Changes in Assets and Liabilities
All Agency Funds

December 31, 1995

	Balance 12/31/94	Additions	Deletions	Balance 12/31/95
<u>CIVIL COST FUND</u>				
<u>Assets</u>				
Cash	\$15,677	\$177,250	\$174,802	\$18,125
Investments	200,032	26,500	9,937	216,595
Total assets	\$215,709	\$203,750	\$184,739	\$234,720
 <u>Liabilities</u>				
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
<u>ESCROW FUND</u>				
<u>Assets</u>				
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
 <u>Liabilities</u>				
Due to General Fund	\$34	\$284	\$301	\$17
Escrow funds held for future disposition	93,182	259,006	257,747	94,441
Total liabilities	\$93,216	\$259,290	\$258,048	\$94,458

(Continued on next page)

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Statement of Changes in Assets and Liabilities
All Agency Funds

December 31, 1995

	<u>Balance 12/31/94</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/95</u>
 <u>BOND FUND</u>				
<u>Assets</u>				
Cash	\$6,454	\$18,387	\$17,598	\$7,243
Total assets	<u>\$6,454</u>	<u>\$18,387</u>	<u>\$17,598</u>	<u>\$7,243</u>
 <u>Liabilities</u>				
Due to General Fund Bonds held for future disposition	\$9	\$114	\$115	\$8
	<u>6,445</u>	<u>18,274</u>	<u>17,484</u>	<u>7,235</u>
Total liabilities	<u>\$6,454</u>	<u>\$18,388</u>	<u>\$17,599</u>	<u>\$7,243</u>

*INTERNAL CONTROL
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.

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.



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

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**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