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Financial Report

Seventeenth Judicial District - District Court Fund

Thibodaux, Louisiana

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 7-27-96

TABLE OF CONTENTS

Seventeenth Judicial District - District Court Fund

December 31, 1995

	Page Number
INTRODUCTORY SECTION	
Title Page	i
Table of Contents	ii
FINANCIAL SECTION	
Independent Auditor's Report	1
Exhibits	
A - Combined Balance Sheet - Governmental Fund Type and Account Group	2
B - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund	3
C - Notes to Financial Statements	4
SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS	
Independent Auditor's Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	10
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	12



Bourgeois Bennett

INDEPENDENT AUDITOR'S REPORT

To the Honorable District Judges,
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, 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Seventeenth Judicial District. 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. These 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 statements 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, 1995, 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 February 28, 1996 on our consideration of the Seventeenth Judicial District - District Court Fund's internal control structure and a report dated February 28, 1996 on its compliance with laws and regulations.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, La.,
February 28, 1996.

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

**Seventeenth Judicial District -
District Court Fund**

December 31, 1995

	<u>Governmental Fund Type - General</u>	<u>General Fixed Assets Account Group</u>	<u>Total (Memorandum Only)</u>
ASSETS			
Cash	\$ 472,623	\$ -	\$ 472,623
Fixed assets:	<u>-</u>	<u>321,374</u>	<u>321,374</u>
Totals	<u>\$ 472,623</u>	<u>\$ 321,374</u>	<u>\$ 793,997</u>
LIABILITIES			
Accounts payable and accrued expenses	<u>\$ 2,388</u>		<u>\$ 2,388</u>
FUND EQUITY			
Investment in general fixed assets	-	\$ 321,374	321,374
Fund balance - unreserved	<u>470,255</u>	<u>-</u>	<u>470,255</u>
Total fund equity	<u>470,255</u>	<u>321,374</u>	<u>791,629</u>
Totals	<u>\$ 472,623</u>	<u>\$ 321,374</u>	<u>\$ 793,997</u>

See notes to financial statements.

**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, 1985

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Service fees:			
Sheriff's Office	\$ 52,007	\$ 44,148	\$ (8,859)
Clerk of Court	25,008	26,304	1,296
District Attorney	11,721	12,856	1,135
Miscellaneous:			
Interest earned	16,588	16,802	214
Other	5,738	6,517	779
Total revenues	<u>106,962</u>	<u>152,547</u>	<u>45,585</u>
Expenditures			
General government:			
Personal services:			
Salaries and related benefits	33,854	37,460	(3,606)
Supplies and materials:			
Office supplies	5,282	3,338	(1,944)
Books and subscriptions	7,479	7,277	202
Other services and charges:			
Travel	7,108	4,698	2,410
Equipment maintenance and repair	21,913	18,589	3,324
Professional fees	7,024	5,703	1,321
Insurance	2,509	3,108	(599)
Continuing legal education	2,766	3,703	(937)
Postage	1,408	1,234	174
Rentals	953	854	99
Telephones	3,130	3,825	(695)
Miscellaneous	1,274	1,382	(108)
Utilities	328	380	(52)
Capital expenditures:			
Machinery and equipment	28,963	35,174	(6,211)
Total expenditures	<u>126,246</u>	<u>127,898</u>	<u>1,652</u>
Excess of Revenues Over Expenditures	<u>24,855</u>	<u>24,651</u>	<u>204</u>
Other Financing Sources			
Operating transfers in:			
Criminal Court Fund	-	40,000	40,000
Excess of Revenues Over Expenditures	<u>\$ 24,855</u>	<u>\$ 64,651</u>	<u>\$ 39,796</u>
Fund Balance:			
Beginning of year		493,284	
End of year		<u>\$ 433,513</u>	

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Seventeenth Judicial District - District Court Fund**

December 31, 1995

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Seventeenth Judicial District - District Court Fund (the District) conform to generally accepted accounting principles as applicable to governments. The following is a summary of certain significant accounting policies.

a) Reporting Entity

The District is a component unit of the Lafourche Parish Council.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

b) Fund Accounting

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental Funds

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through Governmental Funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Governmental Fund of the District:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources and expenditures of the District except those that are required to be accounted for in another fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

Account Groups

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 all general fixed assets of the District.

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

The District adopted an integral budget for 1995 on a basis consistent with generally accepted accounting principles. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

e) 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) General Fixed Assets: (Continued)

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.

f) 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, proper functioning of the court, and the public interest.

g) Encumbrances

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

h) 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 - GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance January <u>1, 1995</u>	Additions	Balance December <u>31, 1995</u>
Building renovations	\$ 4,975	\$12,716	\$ 17691
Equipment	<u>281,225</u>	<u>22,458</u>	<u>303,683</u>
Totals	<u>\$286,200</u>	<u>\$35,174</u>	<u>\$321,374</u>

Note 4 - RETIREMENT PLAN

Substantially all full-time employees of the District are members of the Louisiana State Employee's Retirement System. The plan is a defined benefit, multiple-employer retirement plan. All employees of the District, are required to participate in the plan on the first day of employment. The plan requires that the employee contribute 7.5% of gross earnings. During 1995, the state contributed 11.50% of gross earnings.

Note 4 - RETIREMENT PLAN (Continued)

Members can retire at age 60 and above with 10 or more years of service or at ages 55 to 59 with 25 or more years of service or with 30 or more years of service at any age. The plan also provides death and disability benefits. A member is vested after 10 years, but he must leave his accumulated contribution in the plan. If a member withdraws his own money, he is not entitled to the state contributions, even if he was vested. The retirement benefits received are a percentage of the average of the highest 36 months of salary received during employment. This percentage starts at 25% after 10 years of service.

The District's contributions were based on a payroll of \$310,919. Both the state and the covered employees made the required contributions amounting to \$37,310 for the state and \$23,434 for the employees.

The "pension benefit obligation" is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employer retirement systems and employers.

Detailed information for the system is as follows:

	Valuation Date	Pension Benefit Obligation	Net Assets Available for Benefits	Unfunded Pension Benefit Obligation
State Retirement Plan	6/30/95	\$5,696,909,255	\$3,655,863,068	\$2,041,046,188

Note 5 - 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, 1995, these two funds paid \$312,243 in personal services for the District. 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 \$3,779 in reimbursements from the Louisiana State Judiciary Department for travel-related expenditures.

Note 5 - REIMBURSED EXPENDITURES (Continued)

During 1995, the District also received \$40,000 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.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



BOUQUAIS BARRETT

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

To the Honorable District Judge,
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, 1995, and have issued our report thereon dated February 28, 1996.

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.

The management of the District 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.

In planning and performing our audit of the general purpose financial statements of the District for the year ended December 31, 1995, we obtained an understanding on 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 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 - The District will comply with this recommendation.

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 Judge, 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.,
February 28, 1996.



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 First (the District), State of Louisiana, a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 1995, and have issued our report thereon dated February 28, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These 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, L.L.C.

Certified Public Accountants

Thibodaux, La.,
February 28, 1996.

MANAGEMENT LETTER



State of Louisiana

February 28, 1996

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

In connection with our audit of the general purpose financial statements of the Seventeenth Judicial District - District Court Fund (the District) for the year ended December 31, 1995, the following items were noted which we would like to bring to your attention.

BUDGET LAWS

We noted the following areas of the state's budget laws (R.S. 30:1304-1314) were not adhered to in the preparation of the 1996 budget:

- A budget message must accompany the adopted budget.
- The budget must include estimated fund balances at the beginning and end of the fiscal year.
- The proposed budget must be completed, submitted to the governing authority and made available for public inspection no later than fifteen days prior to the beginning of each fiscal year.
- All action necessary to adopt and finalize the budget for an ensuing fiscal year must be completed prior to the end of the fiscal year in progress.

We would like to commend the District for maintaining a complete set of minutes for 1995, reducing the payment of sales tax on purchases, amending their budget to comply with state law, and depositing Lafourche Parish Sheriff's funds for the secretaries salaries.

INVESTMENT POLICY

The District does not have a written investment policy as required by Louisiana Revised Statute 11:2955. As a result of House Bill No. 872 Act 1136 of the 1995 Legislative Session, all political subdivisions, shall develop and adopt an investment policy that details and clarifies investment objectives and the procedures and constraints necessary to reach those objectives.

To the Honorable District Judges,
Seventeenth Judicial District,
February 28, 1996
Page 3

We recommend the District develop and adopt an investment policy. The policy should:

- Reflect the mandate to manage public funds prudently.
- Place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third.
- Establish internal controls for any derivatives in use to ensure that the risks inherent in derivatives are adequately managed.

We would like to thank the District's staff for the help extended to us during our audit. We shall be glad to answer any questions you may have concerning the above recommendations and work with you towards their implementation.

Very truly yours,



For the firm

COMMUNICATIONS LETTER



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, 1995, 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 internal control 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, 1995.

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, L.L.C.

Certified Public Accountants

Thibodaux, La.,
February 28, 1996