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Financial Report

Seventeenth Judicial District - District Court Fund

Thibodaux, Louisiana

December 31, 1998

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Release Date 7-14-99

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December 31, 1998

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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 Panel (the District), State of Louisiana, a component unit of the LaBourbe Parish Council, as of and for the year ended December 31, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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 Panel as of December 31, 1998, 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 our report dated February 2, 1999 on our consideration of the Seventeenth Judicial District - District Court Panel's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, La.,
February 2, 1999.

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

Seventeenth Judicial District - District Court Fund

December 31, 1998

	<u>Governmental Fund Type General</u>	<u>Account Group General Fixed Assets</u>	<u>Total (Memorandum Only)</u>
Assets			
Cash	\$ 96,057	\$ -	\$ 96,057
Investments	374,786	-	374,786
Due from other governmental units	13,648	-	13,648
Fixed assets	<u>-</u>	<u>325,054</u>	<u>325,054</u>
Total assets	<u>\$ 484,491</u>	<u>\$ 325,054</u>	<u>\$ 809,545</u>
Liabilities			
Bank overdraft	\$ 1,322		\$ 1,322
Accounts payable and accrued expenditures	5,055		5,055
Due to LaFayette Parish Council	<u>2,494</u>		<u>2,494</u>
Total liabilities	<u>9,451</u>		<u>9,451</u>
Equity and Other Credits			
Investment in general fixed assets	-	\$ 325,054	325,054
Fund balance - unreserved	<u>475,440</u>	<u>-</u>	<u>475,440</u>
Total equity and other credits	<u>475,440</u>	<u>325,054</u>	<u>800,494</u>
Total liabilities, equity and other credits	<u>\$ 484,491</u>	<u>\$ 325,054</u>	<u>\$ 809,545</u>

See notes to financial statements.

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

Seventeenth Judicial District - District Court Fund

For the year ended December 31, 1998

Revenues

Intergovernmental:	
Federal Government	\$ 4,417
State of Louisiana	450,645
Other Local Governments	471,636
Service fees:	
Sherriff's Office	77,568
Clerk of Court	26,576
District Attorney	21,340
Miscellaneous - interest	20,999
	<hr/>
Total revenues	1,033,517

Expenditures

Current:	
General Government:	
Personnel services:	
Salaries and related benefits	825,175
Supplies and materials	52,513
Office supplies	7,349
Books and subscriptions	
Other services and charges:	
Travel	8,903
Professional fees	4,795
Insurance	2,435
Continuing legal education	6,177
Postage	779
Rentals	11,960
Telephones	2,538
Miscellaneous	9,126
Equipment maintenance and repair	8,570
Capital expenditures:	
Machinery and equipment	76,602
	<hr/>
Total expenditures	1,612,369

Excess of Revenues Over Expenditures align="right">419,212

Fund Balance

Beginning of year	<hr/>
End of year	\$ 475,486

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, 1998

	<u>Budget</u>	<u>Budgetary Base</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental:			
Federal Government	\$ -	\$ 4,417	\$ 4,417
Other Local Governments	60,000	60,000	-
Service fees:			
Sheriff's Office	71,000	77,000	2,980
Clerk of Court	15,000	18,576	3,576
District Attorney	90,000	11,341	(11,541)
Miscellaneous - interest	15,000	16,000	5,000
Total revenues	<u>181,000</u>	<u>218,334</u>	<u>25,839</u>
Expenditures			
Current			
General Government			
Personnel services:			
Salaries and related benefits	58,000	52,497	(2,497)
Supplies and materials:			
Office supplies	9,200	12,511	(3,311)
Books and subscriptions	3,000	7,149	(2,149)
Other services and charges:			
Travel	8,000	6,800	1,200
Professional fees	1,200	4,795	(1,185)
Insurance	4,500	2,479	2,021
Contributing legal education	6,000	8,219	(1,219)
Postage	150	100	50
Rentals	700	11,980	(11,280)
Telephones	2,500	2,538	(38)
Miscellaneous	7,200	4,126	(1,500)
Equipment maintenance and repair	21,000	8,570	18,000
Capital expenditures:			
Machinery and equipment	81,000	76,002	4,998
Total expenditures	<u>199,500</u>	<u>196,627</u>	<u>2,873</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,500)	14,217	28,767
Fund Balance			
Beginning of year	<u>461,238</u>	<u>461,238</u>	<u>-</u>
End of year	<u>\$ 446,738</u>	<u>\$ 475,455</u>	<u>\$ 28,767</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Seventeenth Judicial District - District Court Fund

December 31, 1998

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Seventeenth Judicial District - District Court Fund (the District) conform to generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

a) Reporting Entity

The District is a component unit of the LaSalle 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 District uses funds and an account group 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:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Fund Accounting (Continued)

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.

Account Group

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

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

c) Basis of Accounting

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

The Governmental Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Fees, charges for services and intergovernmental revenues 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) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Operating Budgetary Data

As required by the Louisiana Revised Statutes 39:1303, the Honorable District Judges (the Judges) adopted a budget for the District's General Fund. The Judges, as allowed by state law, do not obtain public participation in the budget process. Any amendments involving the transfer of monies from one function to another or increases in expenditures must be approved by the Judges. The District amended its budget once during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year end.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund Type - General Fund is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis is the on-behalf payments (Note 6) are recorded for GAAP basis only and not for the budgetary basis.

The adjustments necessary to convert the results of operations for the year from the GAAP basis to the budgetary basis for the general fund are as follows:

	<u>Percent of Revenues Over Expenditures</u>
GAAP basis (as reported)	\$ 14,212
Adjustments:	
Revenues:	
Intergovernmental	(822,678)
Expenditures:	
Current:	
Personal services	822,678
Budgetary basis	<u>\$ 14,212</u>

f) Accounts Receivable

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due from other governmental units 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 fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Investments

Investments consist of certificates of deposit which are stated at cost and approximate market value.

h) Fixed Assets

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

It is not involved with the measurement or results of operations. Public domain ("infrastructure") 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 fixed assets.

All fixed assets are valued at historical costs.

i) 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.

j) Encumbrances

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3) Memorandum Only - Total Column

The total column on the general-purpose financial statement is captioned "Memorandum Only" because it does not represent consolidated financial information and is presented only to facilitate financial analysis. The column does not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Note 2 - DEPOSITS

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 requires deposits (cash and certificates of deposit) 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.

Cash and deposits are categorized into three categories of credit risk.

Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent in the District's name.

Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department or its agent in the District's name.

Category 3 includes deposits covered by collateral held by the pledging financial institution or its trust department or agents but not in the District's name and deposits which are uninsured or uncollateralized.

Note 2 - DEPOSITS (Continued)

The year-end bank balances of deposits and the carrying amounts as shown on the combined balance sheet are as follows:

	Bank Balances			Bank Balance
	Category			
	1	2	3	
Cash	\$96,657	\$ -	\$ 383	\$ 96,735
Investments:				
Certificates of deposit	<u>188,000</u>	<u>-</u>	<u>224,786</u>	<u>224,786</u>
Totals	\$284,657	\$ -	\$225,169	\$469,521

At December 31, 1998, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of the District. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities uncollateralized. 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits and investments as shown on the combined balance sheet is as follows:

Carrying amount of deposits	<u>\$469,521</u>
Cash	\$ 96,657
Investments	224,786
Bank overdraft	<u>(1,922)</u>
Total	\$469,521

Note 3 - BUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at December 31, 1998 consisted of the following:

U.S. Department of Justice: Office of Justice Programs	\$ 4,417
LaSalle Parish: Clerk of Court	2,000
Sheriff	<u>3,611</u>
Total	<u>\$10,448</u>

Note 4 - CHANGES IN FIXED ASSETS

A summary of changes in fixed assets follows:

	Balance January 1, 1998	Additions	Deletions	Balance December 31, 1998
Building renovations	\$ 17,691	\$ -	\$ -	\$ 17,691
Equipment	<u>278,341</u>	<u>26,092</u>	<u>47,180</u>	<u>307,363</u>
Totals	<u>\$296,032</u>	<u>\$26,092</u>	<u>\$47,180</u>	<u>\$325,054</u>

Note 5 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; fires and explosions; and natural disasters for which the District carries commercial insurance. No settlements were made during the year that exceeded the District's insurance coverage.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS



Bourgeois Bennett

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-
PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the general-purpose financial statements of the Seventeenth Judicial District - District Court Fund (the District), a component unit of the Lafourche Parish Council, as of and for the year ended December 31, 1998, and have issued our report thereon dated February 2, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one

on more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of the Judges, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.

Bourgeois Bennett, LLC

Certified Public Accountants

Thibodaux, La.,
February 3, 1999.

SCHEDULE OF FINDINGS

Seventeenth Judicial District - District Court Fund

For the year ended December 31, 1998

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weaknesses? yes none reported

Non-compliance material to financial statements noted? yes no

b) Federal Awards

Seventeenth Judicial District - District Court Fund did not receive federal awards in excess of \$500,000 during 1998 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section II Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 1998.

Section III Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

Seventeenth Judicial District - District Court Fund

For the year ended December 31, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1997.

No reportable conditions were reported during the audit for the year ended December 31, 1997.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1997.

Section II Internal Control and Compliance Material to Federal Awards

Seventeenth Judicial District - District Court Fund did not receive federal awards in excess of \$300,000 during the year ended December 31, 1997 and therefore was exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1997.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Seventeenth Judicial District - District Court Fund

For the year ended December 31, 1998

Section I Internal Control and Compliance Material to the General-Purpose Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 1998.

No reportable conditions were reported during the audit for the year ended December 31, 1998.

Compliance

No compliance findings material to the general-purpose financial statements were noted during the audit for the year ended December 31, 1998.

Section II Internal Control and Compliance Material to Federal Awards

Seventeenth Judicial District - District Court Fund did not receive federal awards in excess of \$300,000 during 1998 and therefore is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 1998.