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THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

FINANCIAL STATEMENTS
(Audited)

June 30, 1967

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 June 1, 1968

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The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
Jeanerette City Court
Jeanerette, Louisiana

We have audited the accompanying general purpose financial statements of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) and the combining financial statements of the Jeanerette City Court as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the City Court's elected official. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those 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 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 Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) as of June 30, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court), as of June 30, 1997, in conformity with generally accepted accounting principles.



TEMPLETON & BLANCHARD
CERTIFIED PUBLIC ACCOUNTANTS

New Iberia, Louisiana
January 20, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)
 Combined Balance Sheet - All Fund Types and Account Group
 June 30, 1997

	Governmental Fund Type —General—	Fiduciary Fund Type —Agency—	Account Group General Fixed Assets	Totals (Memorandum Only)
ASSET				
Cash	\$ 2,000	\$30,634	\$ -	\$32,637
Due from Other Funds	216	-	-	216
Building Improvements	-	-	8,838	8,838
Furniture and Fixtures	-	-	7,781	7,781
Office Machines	—	—	11,093	11,093
Total Assets	\$ 2,216	\$30,634	\$27,712	\$90,585
LIABILITIES AND FUND EQUITY				
Liabilities:				
Deposits Payable	\$ -	\$30,418	\$ -	\$30,418
Due to Other Funds	—	216	—	216
Total Liabilities	—	30,634	—	30,634
Fund Equity:				
Investment in General Fixed Assets	-	-	27,712	27,712
Fund Balance				
Unreserved, Undesignated	2,216	—	—	2,216
Total Fund Equity	2,216	—	27,712	29,928
Total Liabilities and Fund Equity	\$ 2,216	\$30,634	\$27,712	\$90,585

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund Type - General Fund
For the Year Ended June 30, 1997

	<u>Actual</u>
Revenues:	
Court Costs and Fines	\$94,455
Payments from City Marshal	<u>2,425</u>
Total Revenues	\$96,880
Expenditures:	
Current	
Payments to City of Jeanerette	\$ 5,040
Court Costs	20,694
Accounting	2,400
Contract Labor	3,352
Dues and Subscriptions & Library	1,941
Utilities & Telephone	6,000
Insurance	50
Legal and Audit	1,800
Office Supplies and Printing	2,465
Payroll Taxes	701
Repairs and Maintenance	1,563
Salaries	\$1,877
Miscellaneous	32
Travel - Seminars	<u>524</u>
Total Expenditures	\$ 68,419
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,508)</u>
Fund Balance (Deficit), Beginning	<u>3,725</u>
Fund Balance (Deficit), Ending	<u>\$ 2,217</u>

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected official serving a term of six years.

The accounting and reporting policies of the Jeanerette City Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, in conformance with Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification), the Court includes all funds, account groups, activities, et cetera, that are controlled by the Court's Executive and Legislative Branches. As an independently elected official, the Judge is solely responsible for the operations of his office, which includes the hiring or retention of employees, responsibility for deficits, and the receipt and disbursements of funds.

Statement No. 14 of the GASB established the following criteria for determining if a governmental entity is a primary government or a component unit of a primary government:

- a. It has a separately elected governing body.
- b. It is legally separate.
- c. It is fiscally independent of other governments.

While certain operating expenditures of the Court, namely a portion of the Judge's salary, are paid or provided by the City of Jeanerette and/or the Iberia Parish, this Court does not meet the criteria of Statement No. 14 defining a component unit. Accordingly, it is not included as such in any other financial statements.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENT (CONTINUED)

B. Fund Accounting

The accounts of the City Court are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the Jeanerette City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

FIDUCIARY FUNDS

Trust and Agency funds

Trust and agency funds are used to account for assets held by the Jeanerette City Court in a trustee capacity or 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 measurements of results of operations.

C. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund is determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group.

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENT (CONTINUED)

rather than in governmental funds, and are recorded as expenditures in the governmental fund types when purchased.

No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. As of June 30, 1997, the City Court has not recorded any donated fixed assets on its books since there have been no donations made to it.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expense 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.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income (in the form of court costs on criminal and traffic violation fines) is considered "measurable" when in the hands of the collecting government and is recognized as revenue at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued. Purchases of various operating supplies are regarded as expenditures at the time purchased.

E. Budgetary Practices

City Courts are included among the few state and local governments not required to adopt a budget. Accordingly, no budget has been adopted and no budgetary information is included in these financial statements.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENT (CONTINUED)

reserve that portion of the applicable appropriation, is not employed by the City Court as an extension of formal budgetary integration in the funds.

3. Vacation and Sick Leave

Vacation is recorded as an expenditure of the period in which paid. It must be taken in the year accrued and cannot be carried over. There is no provision for sick leave at this time. Any liability the City Court might have in this regard is considered immaterial; therefore, no liability has been recorded in the accounts.

4. Total Columns on Combined Statements - Overview

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 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.

(2) Interfund Receivables/Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	216	
Agency:		
Appearance Bond		216

(3) Changes in Fixed Assets

	1,397
General Fixed Assets, Beginning	\$27,712
Additions:	-
Dispositions	_____
General Fixed Assets, Ending	<u>\$27,712</u>

THIRD WARD COURT
IBERIA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENT (CONTINUED)

(4) Pension Plan

Plan Description

Louisiana State Employees' Retirement System: The Jeanerette City Court Judge is a member of the Louisiana State Employees' Retirement System, a cost-sharing, single-employer defined benefit pension plan administered by a separate board of trustees.

Eligibility Requirements

All state employees except certain classes of employees specifically excluded by Statute become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS.

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service, to age sixty upon completing ten years of creditable service. Effective January 1, 1996, members may choose to retire with 20 years of service at any age, with an actuarial reduced benefit.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$500. Participants who became members of LASERS on or after July 1, 1996, are not eligible for the \$500 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options

THIRD WARD COURT
BEREA PARISH, LOUISIANA
(JEANETTE CITY COURT)

NOTES TO FINANCIAL STATEMENT (CONTINUED)

providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw his accumulated contributions. The minimum service requirements for benefits vary depending upon the member's employer and service classification.

Member Contributions

Member contribution rates for the System are established by Louisiana Revised Statute 11:62. Employee member contributions are deducted from their salary and remitted to the System by participating employers. For the year ended June 30, 1997, the Judge's contribution rate was 11.5%.

Employer Contributions

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established under Louisiana Revised Statutes 11:101-11:104 and annually by the Actuarial Forecasting Committee. For the year ending June 30, 1997, the City Court's contribution rate was 12.4% and the City of Jeanette will be responsible for disbursing these amounts to the retirement system.

All other City Court employees are members of the Municipal Employees Retirement System.

Municipal Employees' Retirement System. All permanent City employees who work at least 35 hours a week, not participating in another public funded retirement system and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with 10 years of service at age 60. The retirement allowance is equal to 3% of the member's final compensation multiplied by his years of creditable service, with certain provisions made for those employees who were members of the supplemental plan only prior to its revision date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The system also provides disability and survivor benefits. Benefits are established by the State statute.

State statute requires covered employees to contribute 0.25% of their earnings to the plan. For the year ending June 30, 1997, the City Court's portion was

THIRD WARD COURT
BEREA PARISH, LOUISIANA
(JEANERETTE CITY COURT)

NOTES TO FINANCIAL STATEMENT (CONTINUED)

6.25% and the City of Jeanerette was responsible for disbursing these amounts to the retirement system.

Although contributions are determined by State statute rather than actuarial calculations, actuarially required contributions are determined for the System, but not separately for the Jeanerette City Court.

The "pension benefit obligation" is a standardized disclosure measure 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 System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERB and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employees.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1997 comprehensive annual financial report. The Jeanerette City Court does not guarantee the benefits granted by the System.

(5) Pending Litigation

The City Court was not involved in any material lawsuits at June 30, 1997.

(6) Cash and Cash Equivalents

At June 30, 1997, the carrying amount of the City Court's deposits is \$38,097 and the bank balance is \$38,628 of which the entire amount is secured from risk by federal depository insurance.

(7) Other Postretirement Benefits

The Jeanerette City Court provides no postretirement benefits.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

AGENCY FUNDS

Appearance Bond Fund

To account for the collection of cash deposits posted upon the service of a warrant. Normally property bonds are posted; hence, little activity occurs in this fund.

Civil Suit Bond Fund

To account for collection of advance court costs deposits in civil suits filed. Funds are posted by the plaintiff filing the suit and are held until the cases are processed. After the cases are processed, funds are disbursed.

THIRD WARD COURT
BEREA PARISH, LOUISIANA
(JEANERETTE CITY COURT)
AGENCY FUNDS

Combining Balance Sheets
June 30, 1997

	Appearance <u> Bond </u>	Civil Suit <u> Bond </u>	Totals
ASSETS			
Cash	\$ <u>997</u>	\$20,637	\$21,634
LIABILITIES			
Deposits Payable	\$ 216	\$20,637	\$20,853
Due to General Fund	<u> -</u>	<u> -</u>	<u> -</u>
Total Liabilities	<u> -</u>	<u>20,637</u>	<u>20,634</u>
FUND BALANCE			
Total Liabilities and Fund Balance	\$ <u>997</u>	\$20,637	\$21,634

INTERNAL CONTROL AND COMPLIANCE

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SECTION OF LA STATE

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

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
(Jeanerette City Court)
Jeanerette, Louisiana

We have audited the general purpose financial statements of the Third Ward Court, Iberia Parish, Louisiana (Jeanerette City Court) as of and for the year ended June 30, 1997, and have issued our report thereon dated January 30, 1998. 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 Third Ward Court, Iberia Parish, Louisiana's (Jeanerette City Court) 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 Third Ward Court, Iberia Parish, Louisiana's (Jeanerette City Court) internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 or 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

The Honorable Cameron Simmons, Judge

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at 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 operation that we consider to be material weaknesses.

This report is intended for the information of the Judge of the Third Ward Court, Iberia Parish, Louisiana (Joinerette City Court). This restriction is not intended to limit the distribution of this report, which is a matter of public record.



TEMPLETON & BLANCHARD
CERTIFIED PUBLIC ACCOUNTANTS

New Iberia, Louisiana
January 20, 1998

TEMPLETON & BLANCHARD

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OFFICIAL REVIEWER OF
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SOCIETY OF LA. STATE

February 25, 1998

The Honorable Cameron Simmons, Judge
Third Ward Court, Iberia Parish, Louisiana
(Jeanerette City Court)
Jeanerette, Louisiana

As part of our audit of the Third Ward Court, Iberia Parish, Louisiana, Jeanerette City Court's financial statements for the year ended June 30, 1997, we conducted certain procedures. Our procedures included (1) a review of the court's internal controls; (2) tests of financial transactions; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities.

Our procedures included interviews with management personnel and other selected personnel. We also evaluated selected documents, files, reports, systems, procedures, and policies as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

Based on the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

Lack of Compliance with Timeliness of Report Issuance

Louisiana Revised Statute 24:513 requires that we complete your audit no later than six months subsequent to your fiscal year end. Although our Firm had completed the majority of our field work by the due date, we were unable to perform by the due date compliance testing that we considered necessary. This was due to the temporary unavailability of certain records in the format we require.

This was caused, in part by, personnel turnover in your office, and the fact that your new clerk was unable to retrieve the information from your computerized accounting system and had to eventually prepare the information manually. This process was time-consuming and ultimately delayed the completion of our field work and issuance of your report until past its due date.

It is our understanding that the Jeanette City Court has already implemented procedures and changes to ensure that there will not be any delays in the future.

The recommendation in this report, in our judgment, will bring about beneficial improvements to the operations of the office. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the office should be considered in reaching decisions on courses of action. The finding relating to the court's compliance with applicable laws and regulations should be addressed immediately by management.

Very Truly Yours,

TEMPLETON & BLANCHARD
CERTIFIED PUBLIC ACCOUNTANTS



Noel G. Blanchard, CPA

NGB/arg