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CITY COURT OF HOUMA

Financial Report,

Internal Control and Compliance Report

December 31, 1997

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 Jan. 2, 1998



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CITY COURT OF HOUMA

Financial Report,

Internal Control and Compliance Report

December 31, 1997

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

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

December 31, 1997

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**CITY COURT OF MONROE
MONROE, LOUISIANA**

*Financial Report,
Internal Control and Compliance Report*

December 31, 1997

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FINANCIAL SECTION





STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

To the Honorable Judge Theobald Pingry, 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 December 31, 1997, and for the year then ended, 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 the standards applicable to financial audits contained in 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. 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 Unaudited Fees Account, which should be included in order to conform to generally accepted accounting principles. The amounts that should be recorded as assets, liabilities, revenues, and expenditures in the Special Revenue Fund Type is not known.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of City Court of Houma, Louisiana as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Honorable Judge Thaddeus Fargay, Judge
City Court of Houma
Houma, Louisiana
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In accordance with Government Auditing Standards, we have also issued our report dated April 22, 2008 on our consideration of the City Court of Houma's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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.

Siegel & Company

Thibodaux, Louisiana
April 27, 1998



**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1997

	Governmental Fund Types General	Political Fund Types Agency Funds	Account Group General Fund Assets	Total Account Group Total
ASSETS				
Cash	\$ 20,878	\$ 59,294		\$ 80,172
Investments	114,383	504,898		619,281
Due from other AGOs	109	(344)		235
Comptroller refund due	2,847		\$ 271,082	\$ 273,929
Fund assets	\$ 138,117	\$ 459,747	\$ 271,082	\$ 869,946
Total assets	\$ 138,117	\$ 459,747	\$ 271,082	\$ 869,946
LIABILITIES				
Accounts payable and accrued expenses	\$ 554			\$ 554
Due to other governmental units				
Due to Transocean French Comptroller	40,547			40,547
Government	6,148			6,148
Due to Municipal	1,457			1,457
City	4,793			4,793
Due to others		\$ 109		109
Due to other AGOs		8,870		8,870
Bonds held for future disposition		81,310		81,310
Revenue funds held for future disposition		648,048		648,048
Due funds held for future disposition		487,737		487,737
Total liabilities	\$ 51,951	\$ 545,964	\$ 271,082	\$ 869,946
NET ASSETS				
Investment in general fund assets	\$ 11,428		\$ 271,082	\$ 282,510
Fund balances - committed, unassigned	11,428			22,848
Total fund equity	\$ 22,856	\$ 436,132	\$ 271,082	\$ 730,070
Total liabilities and fund equity	\$ 22,856	\$ 436,132	\$ 271,082	\$ 730,070

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, 1997

REVENUES

Charges for services	\$176,673
Court costs and fees	76,180
Juvenile costs and fees	80,834
Cust fees	20,867
Fines retained	34,800
State grants received	
Miscellaneous:	
Interest	30,288
Other	2,412
Total revenues	<u>\$308,082</u>

EXPENDITURES

Current:	
Reimbursement to Terrebonne Parish Consolidated Government	172,758
Salaries and employee benefits	76,087
Office supplies and expenditures	21,826
Office supplies and expenditures	7,883
Postage	2,768
Law books	5,395
Professional services	6,845
Telephone	5,878
Computer expenditures	5,907
Community work program	45,055
Counseling services	218
Contract labor	8,558
Education and seminars	4,082
Uniform and clothing allowance	1,580
Insurance	21,525
Miscellaneous	7,389
Equipment repairs and maintenance	<u>386,881</u>
Total current expenditures	77,782
Capital outlay	<u>484,812</u>
Total expenditures	

**EXCESS OF REVENUES OVER
EXPENDITURES**

(88,532)

FUND BALANCES

Beginning of year	<u>102,082</u>
End of year	<u>\$13,550</u>

(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, 1997

	Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Charges for services:			
Court costs and fees	\$195,540	\$175,873	(\$19,667)
Juror fee costs and fees	5,278	15,960	8,682
Civil fees	30,875	29,834	(1,041)
City fees retained	26,480	25,809	(671)
State grant received	53,078	54,300	(1,778)
Miscellaneous:			
Interest	10,740	38,200	27,460
Other	3,480	3,472	(8)
Total revenues	<u>375,201</u>	<u>389,952</u>	<u>14,751</u>
EXPENDITURES			
Current:			
Reimbursement to territories:			
Parish Consolidated Government	154,734	152,844	(1,890)
Repairs and employee benefits	60,540	79,897	(19,357)
Office supplies and expenditures	45,795	25,270	(20,525)
Postage	7,500	7,500	0
Law books	2,895	2,908	(13)
Professional fees	5,800	3,950	1,850
Telephones	5,100	8,648	(3,548)
Computer expenditures	10,440	3,578	6,862
Community work program	3,815	5,907	(2,092)
Counseling services	33,800	46,255	(12,455)
Contract labor	200	270	(70)
Education and training	11,800	8,800	3,000
Uniform and clothing allowance	4,950	4,602	348
Insurance	1,400	1,500	(100)
Miscellaneous	22,800	34,625	(11,825)
Equipment repairs and maintenance	3,600	3,300	300
Total current expenditures	<u>352,334</u>	<u>386,759</u>	<u>(34,425)</u>
Capital outlay	47,867	73,200	(25,333)
Total expenditures	<u>372,334</u>	<u>474,552</u>	<u>(102,205)</u>
EXCESS OF REVENUES OVER EXPENDITURES	00	(84,600)	(84,600)
FUND BALANCES			
Beginning of year	308,000	304,000	4,000
End of year	<u>308,000</u>	<u>219,400</u>	<u>88,600</u>

SEE NOTES TO FINANCIAL STATEMENTS.

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements

December 31, 1997

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

Under *Governmental Accounting and Financial Standards Section 2100*, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Terrebonne Parish Consolidated Government is considered to be the primary government for financial reporting purposes for the Parish of Terrebonne.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financial accountability. The criteria used in determining whether financial accountability exists include:

Appointing a voting majority of an organization's governing body, and

a. The ability of the council to impose its will on that organization and/or;

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.

b. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.

c. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The City Court is considered a component unit of the Terrebonne Parish Consolidated Government, applying the criteria above.

City Court judges and marshals are independently elected officials. City Court of Houma, Louisiana is fiscally dependent on the Terrebonne Parish Consolidated

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

Note 1 **Summary of Significant Accounting Policies (Continued)**

a. Reporting Entity (continued)

Government for office space and contractors. 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.

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

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

Note F **Summary of Significant Accounting Policies (Continued)**

c. **Basis of Accounting (Continued)**

statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement basis 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 to set 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.

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:

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1987

Note 1 **Summary of Significant Accounting Policies (Continued)**

d. Operating Budgetary Data (continued)

Budgetary basis	\$85,470
Adjustments to GAAP	(9,121)
GAAP basis	\$95,591

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.

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 first balance (net current assets) is considered a measure of "available

CITY COURT OF THOMAS
THOMAS, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

fund balance (net current assets) is considered a measure of "available

Note 7 Summary of Significant Accounting Policies (Continued)

1. Fixed Assets and Long-Term Debt (Continued)

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.

Long-term liabilities reported 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 unamortized 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.

2. 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, 1997 are not material in relation to the financial statements of the City Court of Thomas, Louisiana.

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

Note 1 **Summary of Significant Accounting Policies (Continued)**

a. Vacation and Sick Leave (Continued)

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.

b. Encumbrances

City Court of Houma, Louisiana does not utilize encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in the fund general ledgers.

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. Intended 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/PSA.LC 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 offered as security for deposits. Obligations furnished, as security must be held

CITY COURT OF MONROE
MONROE, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

Note 2 **Deposits and Investments (continued)**

by the political subdivision or with an affiliated 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.

At December 31, 1997 City Court of Monroe, Louisiana has cash bank balances (all deposits) of \$90,180 and bank balances totaling \$115,620. These deposits are stated at cost, which approximates market. Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or the resulting bank balances). The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

The City Court of Monroe, Louisiana's December 31, 1997 deposits are secured from risk by \$115,620 of federal deposit insurance.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 2, Louisiana Revised Statute 36:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

The City Court of Monroe, Louisiana 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

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

Note 2 Deposits and Investments (Continued)

Louisiana.

- (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 as 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, or Louisiana's name.

Balances at December 31, 1997 were as follows:

Securities Type	Credit Risk Category			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities	\$0	\$0	\$478,781	\$478,781	\$478,898

CITY COURT OF BOUMA
BOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

Note 3 **Due to Other Governmental Units**

Amounts due to other governmental units at December 31, 1997, consisted of the following:

Louisiana State Treasury Department	\$2,326
Intelligent Defender	4,481
District Attorney's Office	1,690
Total	\$8,497

Note 4 **Changes in General Fixed Assets**

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

	Balance 12/31/96	Additions	Deletions	Balance 12/31/97
Furniture, fixtures, and equipment	\$324,257	\$ 77,625		\$401,882

Note 5 **Interfund Receivables and Payables Balances**

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

	Due from	Due to
General Fund	\$159	
Excise Fund		\$38
Bond Fund		46
Civil Fund		55
Total	\$159	\$139

CITY COURT OF HOUMA
HOUMA, LOUISIANA

Notes to Financial Statements (Continued)

December 31, 1997

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.

Note 7 **Retributed 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 fees 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, 1997, these costs consisted of salaries and benefits, supplies and materials, other services and charges, and repairs and maintenance, which amounted to approximately \$264,313.

Note 8 **Risk Management**

City Court of Houma, Louisiana is exposed to various risks of loss related to test, theft, of, damage to, or destruction of assets; errors and omissions; and injuries to the public, and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

***SUPPLEMENTARY SCHEDULES
AND INFORMATION***



***COMBINING FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS***



AGENCY FUNDS

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 received by the plaintiff is refunded.

Encow Fund - The Encow 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.

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



**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Comparative Balance Sheet
All Agency Funds

December 31, 2007

	<u>Old Court Fund</u>	<u>Revenue Fund</u>	<u>Bond Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 32,846	\$ 7,000	\$ 4,735	\$ 44,581
Investments	297,333	33,566		330,899
Due from other governments	1,605			1,605
Total assets	<u>\$ 331,784</u>	<u>\$ 40,566</u>	<u>\$ 4,735</u>	<u>\$ 377,085</u>
LIABILITIES				
Due to General Fund	\$ 00	\$ 00	\$ 40	\$ 40
Bonds held for future disposition			8,870	8,870
Encore funds held for future disposition		81,710		81,710
Cash held for future disposition	249,008			249,008
Total liabilities	<u>\$ 249,008</u>	<u>\$ 81,710</u>	<u>\$ 8,910</u>	<u>\$ 339,628</u>

**CITY COURT OF HOUMA
HOUMA, LOUISIANA**

Comparing Statement of Changes in Assets and Liabilities
All Agency Funds

As of and for the Year Ended December 31, 1997

Balance:	12/31/96	CIVIL COST	ESCRROW	BOARD	TOTALS
		FUND	FUND	FUND	
		\$ 217,307	\$ 77,888	\$ 2,477	\$ 297,672
ADDITIONS					
		219,698	232,629		452,327
				25,171	25,171
		41,815			41,815
	Total additions	261,513	232,629	25,171	519,313
DISBURSEMENTS					
	Judge's and Marshals' fees	185,860	28,329		214,189
	Secretary of State	14,854			14,854
	Parish and City fees	44,325	68,553		112,878
	Refunds	36,830			36,830
	Secretary of State	1,826			1,826
	Clerk of Court	4,946			4,946
	Witnesses	287	1,452		1,739
	Assessing Interlocalities	2,220			2,220
	Court costs		27,300		27,300
	Indigent Defender		13,000		13,000
	Probation:		28,280		28,280
	Honor fees		242		242
	Probation fees		9,890		9,890
	Levy		1,462		1,462
	Act 657		6,475		6,475
	Traumatic Injury		480		480
	Crim. Victim Fund		4,768		4,768
	Administration fees		29,817		29,817
	Debtful Attorney		2,407		2,407
	Driver Improvement School		850		850
	Miscellaneous	2,021	5,264		7,285
	CMO		1,370		1,370
	Approvs	116			116
	Bonds forfeited			8,288	8,288
	Bonds refunded			91,673	91,673
	Total disbursements	237,706	228,216	100,612	566,534
Balance:	12/31/97	\$ 240,129	\$ 81,295	\$ 9,765	\$ 331,189

***INTERNAL CONTROL AND
COMPLIANCE SECTION***





STAGNI & COMPANY, LLC

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

To the Honorable Judge Thaddeus Farguy, 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 the Terrebonne Parish Consolidated Government for the year ended December 31, 1997 and have issued our report thereon dated April 27, 1998. That report was qualified because of a lack of disclosure relating to the Judge's Personal Fund Account. 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 City Court of Houma, Louisiana's 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item 93-1.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City Court of Houma, Louisiana's 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 structure elements does not reduce to a relatively low level the risk that errors and irregularities in accounts that would be material in relation to the general City Court of Houma, Louisiana.

Honorable Judge Theodor Fargay, Judge

Page 2

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. We noted no matters involving the internal control over financial reporting and its opinion that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of City Court of Houma, Louisiana in a separate letter dated April 27, 1998.

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

STAGN & COMPANY, LLC

Thibodaux, Louisiana

April 27, 1998



CITY COURT OF BOUMA, LOUISIANA

**Summary Schedule of Findings and Questioned Costs
For the Year Ended December 31, 1997**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the general-purpose financial statements of the City Court of Houma, Louisiana, a component unit of the Terrebonne Parish Consolidated Government. That report was qualified because of a lack of disclosure relating to the Judge's Earned Fees Account.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the City Court of Houma, Louisiana was disclosed during the audit.

97-1 BUDGET VARIANCE OVER 5%.

The Local Government Budget Act requires that the chief executive officer or equivalent notify in writing the governing authority during the year when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five per cent or more (LSA-RS 39:1510). At December 31, 1997 actual expenditures exceeded budgeted expenditures by 27%. We recommended regularly monitoring budget and actual expenditures for compliance with this law.

4. There was a management letter issued in connection with the audit of the financial statements.
- B. There were no findings relating to the financial statements that are required to be reported in accordance with GASB.**



STAGNI & COMPANY, LLC

April 8, 1998

The Honorable Jude Thaddeus Fungoy, 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, 1997 and have issued our reports thereon dated April 27, 1998. 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 deserve your attention. The items noted are outlined as follows:

Prior audit management recommendations:

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

1993-1

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 represents 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.

1993-1

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

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

1200 Canal Boulevard
Terrebonne, LA 70563
Phone: (504) 488-7528
Fax: (504) 488-9000

2895 Brasserie Dr., #112
Baton Rouge, LA 70807
Phone: (504) 830-3818
Fax: (504) 834-8821

11 James Park, Suite 218
St. Louis, LA 70087
Phone: (504) 408-0758
Fax: (504) 408-0175

McCormick, BCPA • LLP
E-MAIL: stagni@stagni.com
WWW: <http://www.stagni.com>

The Honorable Judge Theodore Fungay, Judge
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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,
Angelique T. Barker, CPA



STAGNI & COMPANY, LLC



**HOUMA CITY COURT
HOUMA, LOUISIANA**

**Management's Corrective Action Plan
For the Year Ended December 31, 1997**

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS		
1997-1	BUDGET VARIANCE - GENERAL FUND - COURT VS.	Maxwell policy is to report such variance out at the end of 1997 this was overlooked. In the future the Judge will be notified of any budget variance over 5%.
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS		
NOT APPLICABLE		
SECTION III - MANAGEMENT LETTER		
1993-1	SUBSIDIARY LEDGERS - CIVIL FUNDS	In November, 1997 our trial records were audited and as a result such subsidiary ledgers should be generated to satisfy the auditor's concerns.
1993-1	JUDGE'S EARNED FEES	The Earned Civil Fees Account was closed in March, 1998, all monies were transferred to the City Court of Houma General Fund.

**CITY COURT OF HOUMA,
HOUMA, LOUISIANA**

**Summary Schedule of Prior Year Findings
For the Year Ended December 31, 1997**

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
None	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NOT APPLICABLE	
SECTION III - MANAGEMENT LETTER	
1993-1 SUBSIDIARY LEDGERS - DPWL FUNDS	Unresolved - Management Letter
1993-1 JUDGE'S EARNED FEES	Unresolved - Management Letter