

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 7/14/10

THIRTY-SECOND JUDICIAL DISTRICT COURT
Terrebonne Parish, Louisiana

As of and for the year ended December 31, 2009

JUDGES

<i>Division A</i>	<i>George J. Larke, Jr.</i>
<i>Division B</i>	<i>John R. Walker</i>
<i>Division C</i>	<i>Timothy C. Ellender</i>
<i>Division D</i>	<i>David W. Arceneaux</i>
<i>Division E</i>	<i>Randall L. Bethancourt</i>

OFFICIAL

<i>District Court Coordinator</i>	<i>Jennie R. Callahan</i>
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THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
ANNUAL FINANCIAL REPORT
December 31, 2009

TABLE OF CONTENTS

	PAGE
List of Judges and Officials	
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
FINANCIAL SECTION	
<i>Independent Auditor's Report</i>	7
<i>Basic Financial Statements:</i>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Notes to Financial Statements	13
REQUIRED SUPPLEMENTAL INFORMATION SECTION	
Budget Comparison Schedule - General Fund	23
Budget Comparison Schedule – Court Fund	24
Budget Comparison Schedule – IV-D Program Fund	25
REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26
Schedule of Current Year Findings and Questioned Costs	28

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

This discussion and analysis of the Thirty-Second Judicial District Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net assets increased as a result of this year's operations. Net assets of our governmental activities increased by \$310,302, approximately 6 percent. As a result of this year's operations assets exceeded liabilities by \$5,934,017 (net assets).
- During the year, expenses were \$219,164 less than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when revenues exceeded expenses by \$183,460.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Thirty-Second Judicial District Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Thirty-Second Judicial District Court.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Thirty-Second Judicial District Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net assets increased from \$5,623,715 to \$5,934,017 approximately 6%. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the net assets (Table A) and changes in net assets (Table B) of the governmental-type activities.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

Condensed Statement of Net Assets:

Condensed Statement of Net Assets				
	FY 2008	FY 2009	Dollar Change	Percent Change
Current and Other Assets	\$ 5,237,429	\$ 5,577,977	\$ 340,548	6.5%
Capital Assets	405,345	371,379	(33,966)	-8.4%
Total Assets	5,642,774	5,949,356	306,582	5.4%
Current Liabilities	19,059	15,339	(3,720)	-19.5%
Total Liabilities	19,059	15,339	(3,720)	-19.5%
Invested in Capital Assets	405,345	371,379	(33,966)	-8.4%
Unrestricted	5,218,370	5,562,638	344,268	6.6%
Total Net Assets	\$ 5,623,715	\$ 5,934,017	\$ 310,302	5.5%

Condensed Statement of Activities:

Condensed Statement of Activities				
	FY 2008	FY 2009	Dollar Change	Percent Change
Total program expenses	\$ (1,559,247)	\$ (1,628,581)	\$ 69,334	4.4%
Total program revenues	1,742,707	1,847,745	105,038	6.0%
Net program income	183,460	219,164	35,704	19.5%
General revenues	132,828	91,138	(41,690)	-31.4%
Change in Net Assets	316,288	310,302	(5,986)	-1.9%
Net Assets:				
Beginning of the year	5,307,427	5,623,715	316,288	6.0%
End of the year	\$ 5,623,715	\$ 5,934,017	\$ 310,302	5.5%

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Thirty-Second Judicial District Court uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

The governmental funds reported a combined fund balance of \$5,562,638, which is all considered unrestricted. This reflects an increase of \$344,268 from last year.

The General Fund's fund balance increased by 5% to \$3,334,339. The unreserved balance is considered available to fund future programs and activities. Revenues of fines and fees, interest and miscellaneous also increased slightly by approximately 1%, while current operating expenditures also increased by approximately 2%.

The District Court Fund's fund balance decreased by 4% from the prior year. The unreserved fund balance that began at \$283,729 absorbed the decrease for an ending fund balance of \$272,838. Revenues in this fund increased by approximately \$8,500 or 9% while current expenditures decreased by 7% from the prior year.

The IV-D Program Fund ended the year with an unreserved fund balance of \$1,955,461 up over 10% from the prior year. Revenues collected for child support increased by 8% while expenditures increased by 16% to end the year with \$184,509 more of revenues than expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year as summarized in the following table:

Original Budgeted Revenues	\$1,171,000
Amendments were made for:	
Decreased Court Fines & Fees	-7,000
Decreased Interest	-44,000
Increased payments made on behalf	40,000
Total revenue amendments	-11,000
Amended Budgeted Revenues	\$1,160,000

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

Original Budgeted Expenditures	\$1,044,600
Amendments were made for:	
Increase in Salaries & Benefits	7,900
Increase on behalf payments	40,000
Decrease in Accounting and Auditing	-100
Increase in Office Operations	3,700
Decrease in Court Room Operations	-70,000
Increase in Insurance	2,000
Total expenditure amendments	-16,500
Amended Budgeted Expenditures	\$1,028,100

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$425,615 for governmental activities at year-end were \$371,379. This year there was \$34,681 of additions of computers, office furniture and courtroom sound system improvements to capital assets. Assets over \$500 are capitalized in accordance with management's policies. Depreciation of \$68,647 was recorded on capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

DEBT

At year-end, the Thirty-Second Judicial District Court had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors were considered when budgeting for the current fiscal year. Possible new laws and regulations, increased rates and fees that would be charged were all considered.

Historically, the office staff and costs remain stable and should continue to do so. The Terrebonne Parish Council in their current operating budget absorbs some capital asset purchases and other operating expenses. If these estimates remain consistent, the Thirty-

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

Second Judicial District Court's General Fund balance is expected to increase accordingly by the close of 2009.

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	<u>FY 2010</u>
Anticipated revenues	\$ 1,160,000
Expenditures:	
Current	<u>1,028,100</u>
Excess of revenues	131,900
Fund Balance:	
Beginning of the year	<u>3,295,589</u>
End of the year	<u><u>\$ 3,427,489</u></u>

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Thirty-Second Judicial District Court's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Jennie R. Callahan, Judicial Administrator
P.O. Box 461,
Houma, LA 70361
Phone number 985-873-6589.

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Judges of the Thirty-Second Judicial District Court
Terrebonne Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District Court, a component unit of the Terrebonne Parish Consolidated Government; as of and for the year ended December 31, 2009 which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Thirty-Second Judicial District Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Thirty-Second Judicial District Court as of December 31, 2009, and the respective changes in financial position for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2010, on our consideration of the Thirty-Second Judicial District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Stagni & Company

Thibodaux, Louisiana
April 22, 2010



THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA

Statement of Net Assets - Governmental Activities
December 31, 2009

ASSETS

Cash	\$ 1,809,968
Investments	3,704,534
Interest receivable	24,547
Due from other governments	38,928
Capital Assets, net of depreciation	<u>371,379</u>
TOTAL ASSETS	<u>5,949,356</u>

LIABILITIES

Accounts payable	1,395
Due to other governments	<u>13,944</u>
TOTAL LIABILITIES	<u>15,339</u>

NET ASSETS

Invested in capital assets	371,379
Unrestricted	<u>5,562,638</u>
TOTAL NET ASSETS	<u><u>\$ 5,934,017</u></u>

See Notes to Financial Statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT

TERREBONNE PARISH, LOUISIANA

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2009

	Program Revenue			Net Revenue (Expense)
	Expenses	Charges for services	Operating Grants	
FUNCTIONS/PROGRAMS				
Judicial activities:	\$1,628,581	\$ 1,109,220	\$ 738,525	\$ 219,164
Total governmental activities	<u>1,628,581</u>	<u>1,109,220</u>	<u>738,525</u>	<u>219,164</u>
GENERAL REVENUES				
Interest earned				91,138
TOTAL GENERAL REVENUES				<u>91,138</u>
CHANGE IN NET ASSETS				310,302
NET ASSETS:				
Beginning of year				5,623,715
End of year				<u><u>\$ 5,934,017</u></u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT

TERREBONNE PARISH, LOUISIANA

Balance Sheet - Governmental Funds
December 31, 2009

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
ASSETS				
Cash	\$ 759,242	\$ 13,861	\$ 1,036,865	\$ 1,809,968
Investments	2,422,448	349,562	932,524	3,704,534
Interest receivable	17,368	5,353	1,826	24,547
Due from (to) other funds	112,420	(100,600)	(11,820)	-
Due from other governments	33,910	5,018	-	38,928
TOTAL ASSETS	\$3,345,388	\$273,194	\$1,959,395	\$5,577,977
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ 1,039	\$ 356	\$ -	\$ 1,395
Due to other governments	10,010	-	3,934	13,944
TOTAL LIABILITIES	11,049	356	3,934	15,339
FUND BALANCES:				
Unreserved - undesignated	3,334,339	272,838	1,955,461	5,562,638
TOTAL FUND BALANCES	3,334,339	272,838	1,955,461	5,562,638
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,345,388	\$ 273,194	\$ 1,959,395	

RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Net assets of governmental activities	Add - Capital Assets	796,994
	Deduct - Accumulated Depreciation	(425,615)
		<u>371,379</u>
		<u>\$ 5,934,017</u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2009

	General Fund	Court Fund	IV-D Program	Totals
REVENUES				
Court Fines & Fees	\$ 461,484	\$ 79,304		\$ 540,788
Child Support Fees	-	-	\$ 567,817	567,817
Interest	59,352	14,907	16,879	91,138
Miscellaneous	206	409	-	615
Payments received on behalf	738,525	-	-	738,525
	<u>1,259,567</u>	<u>94,620</u>	<u>584,696</u>	<u>1,938,883</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	238,832	-	120,840	359,672
Salary and benefit payments on behalf	738,525	-	-	738,525
Accounting and auditing	1,500	1,500	1,500	4,500
IV-D Program	-	-	175,067	175,067
Office operations	9,615	2,409	46,409	58,433
Court room operations	-	48,817	3,039	51,856
Division A	-	3,702	-	3,702
Division B	-	4,843	-	4,843
Division C	-	1,909	-	1,909
Division D	-	1,104	-	1,104
Division E	-	4,584	-	4,584
Miscellaneous	43,890	20,669	-	64,559
Insurance	53,156	-	38,024	91,180
	<u>1,085,518</u>	<u>89,537</u>	<u>384,879</u>	<u>1,559,934</u>
Capital outlay	3,399	15,974	15,308	34,681
Total Expenditures	<u>1,088,917</u>	<u>105,511</u>	<u>400,187</u>	<u>1,594,615</u>
Revenue Over (Under) Expenditures	170,650	(10,891)	184,509	344,268
FUND BALANCES				
Beginning of year	3,163,689	283,729	1,770,952	5,218,370
End of year	<u>\$ 3,334,339</u>	<u>\$ 272,838</u>	<u>\$ 1,955,461</u>	<u>\$ 5,562,638</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES:**

Net change in fund balances—total governmental funds from above	\$ 344,268
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Add - Capital outlays	34,681
Deduct - Depreciation expense	<u>(68,647)</u>
	(33,966)
Change in net assets - governmental activities	<u>\$ 310,302</u>

See notes to financial statements.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Introduction

The Thirty-Second Judicial District Court is a level of the judicial branch of government and is charged with trying all cases that involve the government and with the administration of justice within its jurisdiction, which encompasses all of Terrebonne Parish. The Thirty-Second Judicial District Court is comprised of five (5) independently elected judges with 6 year-terms.

Note 1 Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Thirty-Second Judicial District Court judges are independently elected officials. However, the Thirty-Second Judicial District Court is fiscally dependent on the Terrebonne Parish Consolidated Government for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the Thirty-Second Judicial District Court and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. 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:

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

C. Fund Accounting (Continued)

Governmental Fund Types

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the Thirty-Second Judicial District Court's governmental funds:

The General Fund – The Law Clerk Fund was established under the provisions of Title 13 of the Louisiana Revised Statutes of 1950, and provides for the collection of a sum, not to exceed twenty dollars (\$20) from the persons filing any type of civil suit and in criminal cases from defendants who are convicted or plead guilty. These monies may be used for the salaries of law clerks, clerical, research and administrative personnel. The funds may also be used to pay for the cost of establishing and maintaining a law library and for the purchase of equipment or supplies for the efficient operation of the court. No monies may be used for the salaries of any judges.

The Court Fund - The Court Fund was established under the provisions of Title 22 of the Louisiana Revised Statutes of 1950, and provides for the collection of a fee on the premiums for all commercial surety underwriters who write criminal bail bonds in the state of Louisiana. The fee currently is two hundred dollars (\$200) for each ten thousand dollars (\$10,000) or 2% worth of liability underwritten by the commercial surety.

The IV-D Program Fund – The IV-D Program Fund was established under the provisions of Title 46 of the Louisiana Revised Statutes of 1950, and provides for the collection of a fee of not more than five percent of all existing and future support obligations to fund the administrative costs. The fee may be assessed and collected against existing and future arrearages as well as ongoing support payments, whether or not an arrearage exists. The court may also assess a one-time fee in each case payable by the obligor not to exceed twenty-five dollars (\$25) to fund the expenses incurred by the district indigent defender board in the representation of individuals ordered to pay support.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Court fines and fees, child support fees, and interest are recorded when earned and measurable.

Expenditures – The major expenditures of salaries and benefits, and court processing and clerk fees are recorded when the salary is earned and payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

D. Measurement Focus / Basis of Accounting (Continued)

Government-Wide Financial Statements (GWFS) (Continued)

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Budgets

The Thirty-Second Judicial District Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The adopted budget is prepared on a modified accrual basis of accounting, which is a basis consistent with accounting principals generally accepted in the United States of America for all governmental funds, as required by State Statute.
2. Unused appropriations budgeted lapse at the end of the year.
3. The budget amounts shown in the budgetary comparison schedules are the final authorized amounts. There were no amendments during the year.

F. Cash and Cash Equivalents

Cash includes amounts in regular and money market accounts. Cash equivalents include amounts in certificates of deposit and securities with original maturities of 90 days or less when purchased.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

G. Investments

Investments are reported at fair value except for: (1) short-term and money market investments, consisting primarily of U.S. Treasury obligations with a maturity of one year or less at time of purchase, which are reported at cost, which approximates fair value, and (2) the Louisiana Asset Management Pool (LAMP) investment which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost. Investments policies are governed by state statutes.

H. Capital Assets

Capital assets are capitalized at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The court maintains a threshold level of \$500 or more for capitalizing capital assets. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 years
Furniture	10 years

I. Compensated Absences

All individuals who work at the Thirty-Second Judicial District Court are primarily employees of the Terrebonne Parish Consolidated Government; therefore, no liability for compensated absences is recorded in these financial statements. Vacation and sick leave do not accumulate.

J. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Deposits

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$1,743,580	\$1,809,968
Certificates of Deposits (reported as investments)	2,763,210	2,763,210
Totals	\$4,506,790	\$4,573,178

State law requires deposits (cash & certificates of deposit) of all political subdivisions to 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. At year-end deposits were collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 2 Deposits (Continued)

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of December 31, 2009, \$4,006,761 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District Court's name. The bank has pledged securities in the District Court's name of \$6,726,739.

Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, 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 district that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 Investments

State statutes authorize investing in obligations of the US Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

At year-end the investment balances were as follows:

Investment Type	Fair Value	Matures in less than 1 year
Certificates of Deposits	\$2,763,210	\$2,763,210
Louisiana Asset Management Pool (LAMP)	941,324	941,324
Total	\$3,704,534	\$3,704,534

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 3 Investments (Continued)

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

LAMP is rated AAAM by Standard & Poor's. LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, not disclosure is required for custodial credit risk. Pooled investments are excluded from the 5 percent disclosure requirement regarding the concentration of credit risk. 2a-7 like investments pools are excluded from the interest rate disclosure requirement, nor is foreign currency risk disclosure applicable.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 4 Capital Assets

Capital assets and depreciation activity for the year is as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and Equipment	\$762,313	\$34,681	\$ -	\$796,994
Less accumulated depreciation	(356,968)	(68,647)	-	(425,615)
Furniture & Equipment, net	\$405,345			\$371,379

Depreciation expense for the year recorded for governmental activities was \$68,647.

Note 5 On-behalf Payments & Other Costs

GASB Statement 24 requires that on-behalf payments for fringe benefits and salaries be recognized as revenue and expenditures or expenses and that the notes to the financial statements disclose the amounts recognized. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. Employees of the Thirty-Second Judicial District Court received on-behalf payments from Terrebonne Parish Consolidated Government of \$738,525 for salaries and benefits. Revenue and expenditure for on-behalf salaries and benefits has been recognized in general fund for these payments.

The Terrebonne Parish Consolidated Government also pays certain operating costs of the Thirty-Second Judicial District Court, such as utilities for the office space and courtrooms and capital type items. Except for on-behalf payments for salaries and benefits, these costs are not recognized as expenditures by the Thirty-Second Judicial District Court and accordingly, are not included in the basic financial statements.

Note 6 Risk Management

The Thirty-Second Judicial District Court is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, commercial or other insurance has been purchased for the losses to which it is exposed.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA**

Notes to Financial Statements
For the Year Ended December 31, 2009

Note 7 Pension Plans

All individuals who work at Thirty-Second Judicial District Court 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. Others who disclose the required retirement plan information in their separately issued financial statements primarily compensate all individuals employed at the Thirty-Second Judicial District Court. The retirement plan mentioned above is administered and controlled by a separate board of trustees.

***REQUIRED SUPPLEMENTAL
INFORMATION SECTION***

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 416,000	\$ 409,000	\$ 461,484	\$ 52,484
Interest	84,000	40,000	59,352	19,352
Payments received on behalf	671,000	711,000	738,525	27,525
Miscellaneous - other	-	-	206	206
	<u>1,171,000</u>	<u>1,160,000</u>	<u>1,259,567</u>	<u>99,567</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	238,600	246,500	238,832	7,668
Salary and benefit payments on behalf	671,000	711,000	738,525	(27,525)
Accounting and auditing	1,600	1,500	1,500	-
Office operations	2,400	6,100	53,505	(47,405)
Court room operations	77,000	7,000	-	7,000
Insurance	54,000	56,000	53,156	2,844
	<u>1,044,600</u>	<u>1,028,100</u>	<u>1,085,518</u>	<u>(57,418)</u>
Capital outlay	-	-	3,399.00	(3,399)
Total Expenditures	<u>1,044,600</u>	<u>1,028,100</u>	<u>1,088,917</u>	<u>(60,817)</u>
Revenue Over (Under) Expenditures	126,400	131,900	170,650	38,750
FUND BALANCES				
Beginning of year	3,230,731	3,163,689	3,163,689	-
End of year	<u>\$ 3,357,131</u>	<u>\$ 3,295,589</u>	<u>\$ 3,334,339</u>	<u>\$ 38,750</u>

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

Budgetary Comparison Schedule - Court Fund
For the Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 73,000	\$ 72,500	\$ 79,304	\$ 6,804
Interest	17,000	9,000	-	(9,000)
Miscellaneous	-	-	15,316	15,316
	<u>90,000</u>	<u>81,500</u>	<u>94,620</u>	<u>13,120</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	-	-	-	-
Accounting and auditing	1,600	1,600	1,500	100
Office operations	7,500	3,700	2,409	1,291
Court room operations	70,000	58,000	48,817	7,183
Division A	4,400	4,450	3,702	748
Division B	1,500	5,200	4,843	357
Division C	4,200	3,700	1,909	1,791
Division D	4,200	4,450	1,104	3,346
Division E	5,900	9,900	4,584	5,316
Miscellaneous	37,500	24,500	20,669	3,831
	<u>136,800</u>	<u>113,500</u>	<u>89,537</u>	<u>23,963</u>
Capital outlay	-	-	15,974	(15,974)
Total Expenditures	<u>136,800</u>	<u>113,500</u>	<u>105,511</u>	<u>7,989</u>
Revenue Over (Under) Expenditures	(46,800)	(32,000)	(10,891)	21,109
FUND BALANCES				
Beginning of year	329,083	283,729	283,729	-
End of year	<u>\$ 282,283</u>	<u>\$ 251,729</u>	<u>\$ 272,838</u>	<u>\$ 21,109</u>

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA**

Budgetary Comparison Schedule - IV-D Program
For the Year Ended December 31, 2009

	Original Budget	Amended Budget	Actual	Variance: Positive (Negative)
REVENUES				
Child Support Fees	\$ 500,000	\$ 510,000	\$ 567,817	\$ 57,817
Interest	38,000	14,000	16,879	2,879
Miscellaneous	(900)	-	-	-
	<u>537,100</u>	<u>524,000</u>	<u>584,696</u>	<u>60,696</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	128,800	127,800	120,840	6,960
Accounting and auditing	1,600	1,600	1,500	100
IV-D Program	130,000	180,000	175,067	4,933
Office operations	53,600	55,100	46,409	8,691
Court room operations	57,500	12,000	3,039	8,961
Insurance	-	40,000	38,024	1,976
	<u>371,500</u>	<u>416,500</u>	<u>384,879</u>	<u>31,621</u>
Capital outlay	-	-	15,308	(15,308)
Total Expenditures	<u>371,500</u>	<u>416,500</u>	<u>400,187</u>	<u>16,313</u>
Revenue Over (Under) Expenditures	165,600	107,500	184,509	77,009
FUND BALANCES				
Beginning of year	<u>1,770,952</u>	<u>1,770,952</u>	<u>1,770,952</u>	-
End of year	<u>\$ 1,936,552</u>	<u>\$ 1,878,452</u>	<u>\$ 1,955,461</u>	<u>\$ 77,009</u>

***REPORTS REQUIRED BY
GOVERNMENT AUDITING
STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

To the Judges of the Thirty-Second Judicial District
Terrebonne Parish, Louisiana
Houma, LA

We have audited the financial statements of the Thirty-Second Judicial District Court; a component unit of the Terrebonne Parish Consolidated Government for the year ended December 31, 2009 and has issued our report thereon dated April 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Thirty-Second Judicial District Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a remote possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Thirty-Second Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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*.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
April 22, 2010



**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009**

We have audited the financial statements of the Thirty-Second Judicial District Court, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2009, and have issued our report thereon dated April 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes **X** No

Significant Deficiencies ☐ Yes **X** No

Compliance

Compliance Material to Financial Statements ☐ Yes **X** No

b. Federal Awards N/A

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs: N/A

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

No

Section II Financial Statement Findings

NONE

