

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

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2005

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 6-28-06



STAGNI & COMPANY, LLC

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

ANNUAL FINANCIAL REPORT
December 31, 2005

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
OTHER SUPPLEMENTAL INFORMATION	
Summary Schedule of Prior Audit Findings	29
Corrective Action Plan	30

THIRTY-SECOND JUDICIAL DISTRICT COURT
Terrebonne Parish, Louisiana
As of and for the year ended December 31, 2005

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>Judicial Administrator</i>	<i>Walton H. Dill</i>
-------------------------------	-----------------------

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005

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, 2005. 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 \$368,828, or a little over 8 percent. As a result of this year's operations assets exceeded liabilities by \$4,366,984 (net assets).
- During the year, expenses were \$301,259 less than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when revenues exceeded expenses by \$262,885.

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, 2005

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 \$3,998,156 to \$4,366,984, a little over 8%. In comparison, last year net assets increased by \$262,885 or about 7%. 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.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005

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

Table A
Condensed Statement of Net Assets

	FY 2004	FY 2005	Dollar Change	Percent Change
Current and Other Assets	\$3,935,415	\$4,276,047	\$ 340,632	8.0%
Capital Assets	<u>78,003</u>	<u>106,207</u>	<u>28,204</u>	<u>28.6%</u>
Total Assets	4,013,418	4,382,254	368,836	8.4%
Current Liabilities	<u>15,262</u>	<u>15,270</u>	<u>8</u>	<u>0.1%</u>
Total Liabilities	15,262	15,270	8	0.1%
Invested in Capital Assets	78,003	106,207	28,204	28.6%
Unrestricted	<u>3,920,153</u>	<u>4,260,777</u>	<u>340,624</u>	<u>8.0%</u>
Total Net Assets	<u>\$3,998,156</u>	<u>\$4,366,984</u>	<u>\$ 368,828</u>	8.4%

Table B
Condensed Statement of Activities

	FY 2004	FY 2005	Dollar Change	Total Percent Change
Total program expenses	\$ (850,377)	\$(1,143,548)	\$ (293,171)	-25.6%
Total program revenues	<u>1,078,133</u>	<u>1,444,807</u>	<u>366,674</u>	<u>25.4%</u>
Net program income	227,756	301,259	73,503	24.4%
General revenues	<u>35,129</u>	<u>67,569</u>	<u>32,440</u>	<u>48.0%</u>
Change in Net Assets	262,885	368,828	105,943	28.7%

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005

Net Assets:

Beginning of the year	<u>3,735,271</u>	<u>3,998,158</u>	<u>262,885</u>	<u>6.6%</u>
End of the year	<u>\$3,998,158</u>	<u>\$ 4,366,984</u>	<u>\$ 368,828</u>	<u>8.4%</u>

Revenues for the governmental activities increased by approximately 25 percent (366,674); while expenses increased just over 25 percent (\$293,171).

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.

The governmental funds reported a combined fund balance of \$4,260,777. This reflects an increase of \$340,624 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities. Total revenues for governmental funds were \$1,512,376. Current expenditures for judicial activities were \$1,109,360, and for capital outlay equaled \$62,392 for a total of all expenditures of \$1,171,752. The result for the year was an excess of revenues over expenditures of \$340,624.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was not revised during this fiscal year.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$176,258, for governmental activities at year-end was \$106,207. This year there was \$62,392 of additions to capital assets. Assets over \$500 are capitalized in accordance with management's policies. Depreciation of \$34,188 was recorded on capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005

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-Second Judicial District Court's General Fund balance is expected to increase accordingly by the close of 2005.

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	FY 2006
Anticipated revenues	\$ 289,680
Expenditures:	
Current	272,107
Capital outlay	-
Anticipated expenditures	272,107
Excess of revenues	(2,427)
Fund Balance:	
Beginning of the year	37,684
End of the year	\$ 35,257

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2005

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:

Mr. Walton H. Dill, 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, 2005 which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Thirty-Second Judicial District Court. Our responsibility is to express an opinion on these basic 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, 2005, 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 6, 2005, 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.

To the Judges of the Thirty-Second Judicial District Court
Independent Auditor's Report
Page 2

Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Thirty-Second Judicial District Court's basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Thirty-Second Judicial District Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Stagni & Company

Thibodaux, Louisiana
March 23, 2006



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

Statement of Net Assets - Governmental Activities

December 31, 2005

ASSETS

Cash	\$ 1,073,396
Investments	3,130,706
Interest receivable	21
Due from other governments	71,924
Capital Assets, net of depreciation	<u>106,207</u>
TOTAL ASSETS	<u>4,382,254</u>

LIABILITIES

Accounts payable	2,402
Due to other governments	<u>12,868</u>
TOTAL LIABILITIES	<u>15,270</u>

NET ASSETS

Invested in capital assets	106,207
Unrestricted	<u>4,260,777</u>
TOTAL NET ASSETS	<u>\$ 4,366,984</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, 2005

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net (Expense) Revenue
		Charges for service	Operating Grants	
Judicial activities:	\$1,143,548	\$ 786,920	\$ 657,887	\$ 301,259
Total governmental activities	<u>1,143,548</u>	<u>786,920</u>	<u>657,887</u>	<u>301,259</u>
GENERAL REVENUES				
Interest earned				<u>67,569</u>
TOTAL GENERAL REVENUES				<u>67,569</u>
CHANGE IN NET ASSETS				368,828
NET ASSETS:				
Beginning of year				<u>3,998,156</u>
End of year				<u>\$ 4,366,984</u>

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
 Balance Sheet - Governmental Funds
 December 31, 2005

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
ASSETS				
Cash	\$ 314,885	\$ 109,413	\$ 649,098	\$ 1,073,396
Investments	2,228,519	491,155	411,032	3,130,706
Interest receivable	21	21		21
Due from (to) other funds	12,420	(600)	(11,820)	-
Due from other governments	22,242	5,392	44,290	71,924
TOTAL ASSETS	<u>\$2,578,066</u>	<u>\$605,381</u>	<u>\$1,092,600</u>	<u>\$4,276,047</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,384	\$ 356	\$ 662	\$ 2,402
Due to other governments	8,934		3,934	12,868
Total liabilities	<u>10,298</u>	<u>356</u>	<u>4,616</u>	<u>15,270</u>
Fund Balances:				
Unreserved - undesignated	2,567,768	605,025	1,087,984	4,260,777
Total fund balances	<u>2,567,768</u>	<u>605,025</u>	<u>1,087,984</u>	<u>4,260,777</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$2,578,066</u>	<u>\$ 605,381</u>	<u>\$ 1,092,600</u>	<u>\$4,260,777</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds - net book value:

106,207

\$ 4,366,984

Net assets of governmental activities

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, 2005

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
REVENUES				
Court Fines & Fees	\$ 339,362	\$ 82,582		\$ 421,944
Child Support Fees			\$ 360,159	360,159
Interest	44,421	5,370	17,778	67,569
Reimbursements to TPCG	25,209			25,209
Miscellaneous	4,421	396		4,817
Payments received on behalf	632,678			632,678
Total Revenues	<u>1,046,091</u>	<u>88,348</u>	<u>377,937</u>	<u>1,512,376</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	251,981		86,786	338,767
Salary and benefit payments on behalf	632,678			632,678
Accounting and auditing	400	1,600	400	2,400
IV-D Program			13,498	13,498
Office operations	882	1,488	10,865	13,223
Court room operations		33,093	1,400	34,493
Division A		903		903
Division B		3,457		3,457
Division C		3,092		3,092
Division D		1,077		1,077
Division E		3,315		3,315
Seminars		395		395
Insurance	38,388		23,676	62,062
Total current expenditures	<u>924,307</u>	<u>48,428</u>	<u>136,825</u>	<u>1,109,560</u>
Capital outlay		57,131	5,281	62,392
Total Expenditures	<u>924,307</u>	<u>105,559</u>	<u>141,886</u>	<u>1,171,752</u>
Excess (Deficiency) of Revenues Over Expenditures	121,784	(17,211)	236,051	340,624
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	11,820		(11,820)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	133,604	(17,211)	224,231	340,624
FUND BALANCES				
Beginning of year	2,434,184	622,236	863,753	3,920,153
End of year	<u>\$2,567,788</u>	<u>\$605,025</u>	<u>\$1,087,984</u>	<u>\$4,260,777</u>
RECONCILIATION:				
Net change in fund balance--total governmental funds from above				\$ 340,624
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. This is the amount by which capital outlays exceeded depreciation in the current period.				
			62,392	
			<u>(34,188)</u>	
				28,204
Change in net assets - governmental activities				<u>\$ 368,828</u>

See notes to financial statements.

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

Notes to Financial Statements
For the Year Ended December 31, 2005

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. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

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, 2005

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 ten 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) worth of liability underwritten by the commercial surety. Twenty-five percent (25%) of the collected premium fee is distributed to the Judicial Court Fund.

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, 2005

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, 2005

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.

The on-behalf payments received and paid by the Terrebonne Parish Consolidated Government are not budgeted or reflected in the Budget Comparison Schedule for the General Fund in this report. The net effect of reflecting the receipt and payment of salaries and benefits on-behalf is zero. A reconciliation of total revenues and expenditures for the General Fund follows:

	Total Revenue	Total Expenditures
Statement of Revenues, Expenditures And Changes in Fund Balances - Actual	\$1,046,091	\$924,307
On-Behalf Payments	<u>632,678</u>	<u>632,678</u>
Budgetary Comparison Schedule	\$413,413	\$291,629

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

Notes to Financial Statements
For the Year Ended December 31, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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.

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

Notes to Financial Statements
For the Year Ended December 31, 2005

Note 1 Summary of Significant Accounting Policies (Continued)

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.

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

At year-end deposits (book balances) considered cash and cash equivalent totaling \$3,677,424 as follows:

Checking accounts	\$1,073,396
Time deposits	\$2,604,028

These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Acceptable collateralization includes the FDIC/FSLIC 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.

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

Notes to Financial Statements
For the Year Ended December 31, 2005

Note 2 Deposits (Continued)

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

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

- Category 1 includes deposits covered by federal depository insurance or by collateral held by the District or its agent, in the District's name.
- Category 2 includes deposits covered by collateral held by the pledging financial institution's trust department, or its agent in the District's name.
- Category 3 includes deposits covered by collateral held by the pledging financial institution, or its trust department or agent but not in the District's name.

At year-end Thirty-Second Judicial District Court has reported book balances (all deposits) of \$3,677,424 and the corresponding bank balances totaling \$3,678,666. All of these deposits are considered to be in the Category 1 risk category. These deposits are secured from risk by \$300,000 of federal deposit insurance and the market value of securities pledged of \$3,456,978.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 Investments

Investments are categorized into 3 categories of credit risk.

- Category 1 includes investments that are insured or registered or for which the securities are held by the Thirty-Second Judicial District Court or its agent in the Thirty-Second Judicial District Court'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 Thirty-Second Judicial District Court'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 Thirty-Second Judicial District Court's name.

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

Notes to Financial Statements
For the Year Ended December 31, 2005

Note 3 Investments (Continued)

At year-end the investment balances were as follows:

Fair value:	Category 1	Category 2	Category 3	Reported value
Money market and savings accounts	\$2,604,028			\$2,604,028
Louisiana Asset Management Pool (LAMP)				526,678
Total	\$2,604,028			\$3,130,706

Investments in Louisiana Asset Management Pool are not categorized as to credit risk because they are not evidenced by securities that exist in physical or book entry form. 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. 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.

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

Notes to Financial Statements
For the Year Ended December 31, 2005

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	\$220,072	\$62,392		\$282,464
Less accumulated depreciation	(142,069)	(34,188)		(176,257)
Furniture & Equipment, net	\$78,003	\$28,204		\$106,207

Depreciation expense for the year recorded for governmental activities was \$34,188.

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 \$308,406 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.

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

Notes to Financial Statements
For the Year Ended December 31, 2005

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.

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, 2005

	Original Budget	Actual	Variance: Positive (Negative)
REVENUES			
Court Fines & Fees	\$ 237,344	\$ 339,362	\$ 102,018
Interest	-	44,421	44,421
Miscellaneous - other	-	29,630	29,630
Total Revenues	<u>237,344</u>	<u>413,413</u>	<u>176,069</u>
EXPENDITURES - JUDICIAL:			
Current:			
Salaries & benefits	304,631	251,981	52,650
Office operations	6,030	39,648	(33,618)
Equipment repairs	2,500	-	2,500
Total current expenditures	<u>313,161</u>	<u>291,629</u>	<u>21,532</u>
Excess (Deficiency) of Revenues Over Expenditures	(75,817)	121,784	197,601
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	-	11,820	(11,820)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)			
	(75,817)	133,604	185,781
FUND BALANCES			
Beginning of year	2,324,444	2,434,164	109,720
End of year	<u>\$ 2,248,627</u>	<u>\$ 2,567,768</u>	<u>\$ 289,501</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
 Budgetary Comparison Schedule - Court Fund
 For the Year Ended December 31, 2005

	Budget	Actual	Variance: Positive (Negative)
REVENUES			
Court Fines & Fees	\$ 86,950	\$ 82,582	\$ (4,368)
Interest/Miscellaneous	-	5,766	5,766
Total Revenues	86,950	88,348	1,398
EXPENDITURES - JUDICIAL:			
Current:			
Accounting and auditing	600	1,600	(1,000)
Office operations	8,000	1,496	6,504
Court room operations	12,483	33,093	(20,610)
Training and seminars	-	12,239	(12,239)
Total current expenditures	21,083	48,428	(27,345)
Capital outlay	68,800	57,131	11,669
Total Expenditures	89,883	105,559	(15,676)
Excess (Deficiency) of Revenues Over Expenditures	(2,933)	(17,211)	(14,278)
FUND BALANCES:			
Beginning of year	132,445	622,236	489,791
End of year	\$ 129,512	\$ 605,025	\$ 475,513

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

Budgetary Comparison Schedule - IV-D Program
For the Year Ended December 31, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance: Positive (Negative)</u>
REVENUES			
Child Support Fees	\$ 195,000	\$ 360,159	\$ 165,159
Interest	-	17,778	17,778
Total Revenues	<u>195,000</u>	<u>377,937</u>	<u>182,937</u>
EXPENDITURES - JUDICIAL:			
Current:			
Salaries & benefits	147,465	86,786	60,679
Accounting and auditing	-	400	(400)
Rent	-	13,498	(13,498)
Office operations	9,000	10,865	(1,865)
Court processing/clerk fees	36,500	1,400	35,100
Equipment repairs and maintenance	5,088	-	5,088
Insurance	950	23,676	(22,726)
Total current expenditures	<u>199,003</u>	<u>136,625</u>	<u>62,378</u>
Capital outlay	12,000	5,261	6,739
Total Expenditures	<u>211,003</u>	<u>141,886</u>	<u>69,117</u>
Excess (Deficiency) of Revenues Over Expenditures	(16,003)	236,051	252,054
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	-	(11,820)	(11,820)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(16,003)	224,231	240,234
FUND BALANCES			
Beginning of year	23,953	863,753	839,800
End of year	<u>\$ 7,950</u>	<u>\$ 1,087,984</u>	<u>\$ 1,080,034</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

We have audited the 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 for the year ended December 31, 2005 and have issued our report thereon dated March 23, 2006. 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 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 operations 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 amounts that would be material in relation to the basic 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 operation that we consider to be material weaknesses.

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
March 23, 2006



**THIRTY-SECOND JUDICIAL DISTRICT COURT
 TERREBONNE PARISH, LOUISIANA
 SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2005**

We have audited the financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District Court, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2005, and have issued our report thereon dated March 23, 2006. 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, 2005 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 No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards N/A

Internal Control

Material Weaknesses Yes No Reportable Conditions 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) Cluster	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

Section II Financial Statement Findings

NONE



OTHER SUPPLEMENTAL INFORMATION

PRIOR AUDIT FINDINGS

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings.

CORRECTIVE ACTION PLAN

The corrective action plan for current year audit findings is presented in this schedule.

**THIRTY-SECOND JUDICIAL DISTRICT COURT
 TERREBONNE PARISH, LOUISIANA
 Summary Schedule of Prior Year Findings
 For the Year Ended December 31, 2005**

REFERENCE #	DESCRIPTION OF FINDING:	CORRECTIVE ACTION
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		
	NONE ISSUED	

NOTES TO SCHEDULE:

This summary schedule includes all prior audit findings and management letter findings.

In the reference number, the first 4 digits are the year that the audit finding related to.

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

Corrective Action Plan
For the Year Ended December 31, 2005

REFERENCE #	DESCRIPTION OF FINDING:	CORRECTIVE ACTION:	CONTACT:	COMPLETION DATE:
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			
	NONE ISSUED.			

NOTES TO SCHEDULE:

This schedule includes all current audit findings and management letter comments.

In the reference number, the first 4 digits are the year that the audit finding related to.