

**THIRTY-SECOND JUDICIAL
DISTRICT COURT
TERREBONNE PARISH, LA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2006**

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

8/8/07



STAGNI & COMPANY, LLC

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
ANNUAL FINANCIAL REPORT
December 31, 2006

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THIRTY-SECOND JUDICIAL DISTRICT COURT
Terrebonne Parish, Louisiana

As of and for the year ended December 31, 2006

JUDGES

Division A

George J. Larke, Jr.

Division B

John R. Walker

Division C

Timothy C. Ellender

Division D

David W. Arceneaux

Division E

Randall L. Bethancourt

OFFICIAL

Judicial Administrator

Jennie R. Callahan

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2006

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, 2006. 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 \$435,625, or a little over 9 percent. As a result of this year's operations assets exceeded liabilities by \$4,802,609 (net assets).
- During the year, expenses were \$248,303 less than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when revenues exceeded expenses by \$301,259.

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, 2006

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 \$4,366,984 to \$4,802,609 a little over 9%. 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, 2006

Table A
Condensed Statement of Net Assets

	FY 2005	FY 2006	Dollar Change	Percent Change
Current and Other Assets	\$4,276,047	\$4,459,537	\$ 183,490	4.1%
Capital Assets	106,207	362,072	255,865	70.7%
Total Assets	4,382,254	4,821,609	439,355	9.1%
Current Liabilities	15,270	19,000	3,730	19.6%
Total Liabilities	15,270	19,000	3,730	19.6%
Invested in Capital Assets	106,207	362,072	255,865	70.7%
Unrestricted	4,260,777	4,440,537	179,760	4.0%
Total Net Assets	\$4,366,984	\$4,802,609	\$ 435,625	9.1%

Table B
Condensed Statement of Activities

	FY 2005	FY 2006	Dollar Change	Total Percent Change
Total program expenses	\$(1,143,548)	\$(1,416,920)	\$ 273,372	19.3%
Total program revenues	1,444,807	1,665,223	220,416	13.2%
Net program income	301,259	248,303	(52,956)	-21.3%
General revenues	67,569	155,776	88,207	56.6%
Change in Net Assets	368,828	404,079	35,251	8.7%
Net Assets:				
Beginning of the year	3,998,156	4,398,530	400,374	9.1%
End of the year	\$ 4,366,984	\$ 4,802,609	\$ 435,625	9.1%

Revenues for the governmental activities increased by approximately 13 percent (\$220,416); while expenses increased approximately 19% percent (\$273,372).

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, 2006

The governmental funds reported a combined fund balance of \$4,440,537. This reflects an increase of \$148,214 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 \$1,820,999. Current expenditures for judicial activities were \$1,371,625, and for capital outlay equaled \$301,160 for a total of all expenditures of \$1,672,785. The result for the year was an excess of revenues over expenditures of \$148,214.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

**General Fund Budget
Amendments**

	Original Budget	Amended Budget	Increase (Decrease)
REVENUES			
Court Fines & Fees	\$ 269,680	\$ 344,600	\$ 74,920
Interest	-	85,500	85,500
Payments received on behalf	-	633,000	633,000
Miscellaneous - other	-	600	600
	<hr/>	<hr/>	<hr/>
Total Revenues	\$269,680	\$1,063,700	\$794,020
EXPENDITURES - JUDICIAL:			
Salaries and benefits	246,429	226,500	(19,929)
Salary and benefit payments on behalf	-	633,000	633,000
Accounting and auditing	-	2,500	2,500
Office operations	4,063	2,700	(1,363)
Court room operations	-	100,500	100,500
Insurance	25,941	42,000	16,059
	<hr/>	<hr/>	<hr/>
Total current expenditures	\$276,433	\$1,007,200	\$730,767

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2006

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$221,553, for governmental activities at year-end was \$362,072. This year there was \$301,160 of additions to capital assets. Assets over \$500 are capitalized in accordance with management's policies. Depreciation of \$45,295 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-Second Judicial District Court's General Fund balance is expected to increase accordingly by the close of 2006.

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	<u>FY 2007</u>
Anticipated revenues	\$ 1,095,800
Expenditures:	
Current	1,040,700
Capital outlay	<u>1,000</u>
Anticipated expenditures	<u>1,041,700</u>
Excess of revenues	54,100
Fund Balance:	
Beginning of the year	<u>2,625,017</u>
End of the year	<u>\$ 2,679,117</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2006

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, 2006 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, 2006, 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 May 11, 2007, 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.

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
May 11, 2007



THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA

Statement of Net Assets - Governmental Activities
December 31, 2006

ASSETS	
Cash	\$ 983,339
Investments	3,406,487
Interest receivable	54,145
Due from other governments	15,566
Capital Assets, net of depreciation	362,072
TOTAL ASSETS	<u>4,821,609</u>
 LIABILITIES	
Accounts payable	7,735
Due to other governments	11,265
TOTAL LIABILITIES	<u>19,000</u>
 NET ASSETS	
Invested in capital assets	362,072
Unrestricted	4,440,537
TOTAL NET ASSETS	<u>\$ 4,802,609</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, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenue		Net (Expense) Revenue
		Charges for services	Operating Grants	
Judicial activities:	\$1,416,920	\$ 1,038,238	\$ 626,985	\$ 248,303
Total governmental activities	<u>1,416,920</u>	<u>1,038,238</u>	<u>626,985</u>	<u>248,303</u>
 GENERAL REVENUES				
Interest earned				155,776
TOTAL GENERAL REVENUES				155,776
 CHANGE IN NET ASSETS				
 NET ASSETS:				
Beginning of year				4,366,984
Adjustment of beginning balance				31,546
End of year				\$ 4,802,609

See notes to financial statements.

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

Balance Sheet - Governmental Funds
December 31, 2006

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
ASSETS				
Cash	\$ 403,245	\$ 106,051	\$ 474,043	\$ 983,339
Investments	2,203,699	358,700	844,088	3,406,487
Interest receivable	37,457	10,082	6,606	54,145
Due from (to) other funds	100,000	(100,000)		-
Due from other governments	8,400	7,166		15,566
TOTAL ASSETS	<u>\$2,752,801</u>	<u>\$381,999</u>	<u>\$1,324,737</u>	<u>\$4,459,537</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable		\$ 2,585	\$ 5,150	\$ 7,735
Due to other governments	\$ 11,265			11,265
Total liabilities	<u>11,265</u>	<u>2,585</u>	<u>5,150</u>	<u>19,000</u>
Fund Balances:				
Unreserved - undesignated	2,741,536	379,414	1,319,587	4,440,537
Total fund balances	<u>2,741,536</u>	<u>379,414</u>	<u>1,319,587</u>	<u>4,440,537</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,752,801</u>	<u>\$ 381,999</u>	<u>\$ 1,324,737</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:

Net assets of governmental activities	<u>362,072</u>
	<u>\$ 4,802,609</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, 2006

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
REVENUES				
Court Fines & Fees	\$ 332,372	\$ 88,815		\$ 421,187
Child Support Fees			\$ 572,744	572,744
Interest	101,895	11,333	42,548	155,776
Miscellaneous	28,557	10,634	5,116	44,307
Payments received on behalf	628,985			626,985
Total Revenues	1,089,809	110,782	620,408	1,820,999
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	228,861		102,595	331,456
Salary and benefit payments on behalf	626,985			626,985
Accounting and auditing	5,085	1,849	14,270	21,204
IV-D Program			230,060	230,060
Office operations	1,440	8,088	31,533	41,061
Court room operations		31,123	2,500	33,623
Division A		2,513		2,513
Division B		3,912		3,912
Division C		3,665		3,665
Division D		1,863		1,863
Division E		4,305		4,305
Miscellaneous		287		287
Insurance	41,850		28,841	70,691
Total current expenditures	904,221	57,605	409,799	1,371,625
Capital outlay		278,788	22,372	301,160
Total Expenditures	904,221	336,393	432,171	1,672,785
Excess (Deficiency) of Revenues Over Expenditures	185,588	(225,611)	188,237	148,214
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	(11,820)		11,820	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	173,768	(225,611)	200,057	148,214
FUND BALANCES				
Beginning of year	2,567,768	605,025	1,119,530	4,292,323
End of year	\$2,741,536	\$379,414	\$1,319,587	\$4,440,537
RECONCILIATION:				
Net change in fund balances—total governmental funds from above				\$ 148,214
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.				
			301,160	
			(45,295)	
Change in net assets - governmental activities				\$ 255,865
				\$ 404,079

See notes to financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE, PARISH LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2006

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, 2006

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, 2006

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, 2006

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, 2006

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, 2006

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

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.

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$940,982	\$983,339
Certificates of Deposit	2,536,030	2,536,030
Totals	\$3,477,012	\$3,519,369

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

Notes to Financial Statements
For the Year Ended December 31, 2006

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, 2006, \$3,277,012 of the District Court's bank balance of \$3,477,012 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.

At year-end, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of depositors. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. 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	\$2,536,030	\$2,536,030
Louisiana Asset Management Pool (LAMP)	870,457	870,457
Total	\$3,406,487	\$3,406,487

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

Notes to Financial Statements
For the Year Ended December 31, 2006

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. 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, 2006

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	\$282,465	\$301,160		\$583,625
Less accumulated depreciation	(176,258)	(45,295)		(221,553)
Furniture & Equipment, net	\$106,207			\$362,072

Depreciation expense for the year recorded for governmental activities was \$45,295.

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 \$626,985 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, 2006

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, 2006

	Original Budget	Amended Budget	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 269,680	\$ 344,600	\$ 332,372	\$ (12,228)
Interest	-	85,500	101,895	16,395
Payments received on behalf	-	633,000	626,985	(6,015)
Miscellaneous - other	-	600	28,557	27,957
Total Revenues	<u>269,680</u>	<u>1,063,700</u>	<u>1,089,809</u>	<u>26,109</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	246,429	228,500	228,861	(2,361)
Salary and benefit payments on behalf	-	633,000	626,985	6,015
Accounting and auditing	-	2,500	5,085	(2,585)
Office operations	4,063	2,700	1,440	1,260
Court room operations	-	100,500	-	100,500
Insurance	25,941	42,000	41,850	150
Total current expenditures	<u>276,433</u>	<u>1,007,200</u>	<u>904,221</u>	<u>102,979</u>
Capital outlay	-	-	-	-
Total Expenditures	<u>276,433</u>	<u>1,007,200</u>	<u>904,221</u>	<u>102,979</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,753)	56,500	185,588	129,086
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	(11,820)	(11,820)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(6,753)	56,500	173,768	117,268
FUND BALANCES				
Beginning of year	44,467	2,587,768	2,567,768	-
End of year	<u>\$ 37,714</u>	<u>\$ 2,624,268</u>	<u>\$ 2,741,536</u>	<u>\$ 117,268</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
 Budgetary Comparison Schedule - Court Fund
 For the Year Ended December 31, 2006

	Original Budget	Amended Budget	Actual	Variance: Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 83,000	\$ 31,500	\$ 88,815	\$ 57,315
Interest	-	11,000	-	(11,000)
Miscellaneous	-	49,800	21,967	(27,833)
Total Revenues	<u>83,000</u>	<u>92,300</u>	<u>110,782</u>	<u>18,482</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits		(600)	-	(600)
Accounting and auditing	1,594	3,150	1,849	1,301
Office operations	2,500	15,500	8,088	7,412
Court room operations	36,160	28,000	31,123	(3,123)
Division A	4,500	2,610	2,513	97
Division B	5,000	3,650	3,912	(262)
Division C		3,550	3,665	(115)
Division D		2,050	1,863	187
Division E		4,250	4,305	(55)
Miscellaneous	2,100	1,300	287	1,013
Total current expenditures	<u>51,854</u>	<u>63,460</u>	<u>57,605</u>	<u>5,855</u>
Capital outlay	<u>173,800</u>	<u>271,900</u>	<u>278,788</u>	<u>(6,888)</u>
Total Expenditures	<u>225,654</u>	<u>335,360</u>	<u>336,393</u>	<u>(1,033)</u>
Excess (Deficiency) of Revenues Over Expenditures	(142,654)	(243,060)	(225,611)	17,449
FUND BALANCES				
Beginning of year	<u>252,067</u>	<u>605,025</u>	<u>605,025</u>	-
End of year	<u>\$ 109,413</u>	<u>\$ 361,965</u>	<u>\$ 379,414</u>	<u>\$ 17,449</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
 Budgetary Comparison Schedule - IV-D Program
 For the Year Ended December 31, 2006

	Original Budget	Amended Budget	Actual	Variance: Positive (Negative)
REVENUES				
Child Support Fees	\$ 195,000	\$ 617,000	\$ 572,744	\$ (44,256)
Interest		37,300	5,116	\$ (32,184)
Miscellaneous	-	2,060	42,548	40,488
Total Revenues	<u>195,000</u>	<u>656,360</u>	<u>620,408</u>	<u>(35,952)</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	136,212	105,450	102,595	2,855
Accounting and auditing	1,593	14,400	14,270	130
IV-D Program	30,406	228,000	230,060	(2,060)
Office operations	74,801	26,600	31,533	(4,933)
Court room operations		1,250	2,500	(1,250)
Insurance	15,150	28,000	28,841	(841)
Total current expenditures	<u>258,162</u>	<u>403,700</u>	<u>409,799</u>	<u>(6,099)</u>
Capital outlay		31,000	22,372	8,628
Total Expenditures	<u>258,162</u>	<u>434,700</u>	<u>432,171</u>	<u>2,529</u>
Excess (Deficiency) of Revenues Over Expenditures	(63,162)	221,660	188,237	(33,423)
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	11,820	11,820
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(63,162)	221,660	200,057	(21,603)
FUND BALANCES				
Beginning of year	107,605	1,087,984	1,119,530	31,546
End of year	<u>\$ 44,443</u>	<u>\$ 1,309,644</u>	<u>\$ 1,319,587</u>	<u>\$ 9,943</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 Thirty-Second Judicial District Court, a component unit of the Terrebonne Parish Consolidated Government for the year ended December 31, 2006 and have issued our report thereon dated May 11, 2007. 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 control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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
May 11, 2007



**THIRTY-SECOND JUDICIAL DISTRICT COURT
 TERREBONNE PARISH, LOUISIANA
 SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
 For the Year Ended December 31, 2006**

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, 2006, and have issued our report thereon dated May 11, 2007. 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, 2006 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

Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes 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)
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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

