

**JUDICIAL CLERK'S FUND OF THE
THIRTY-FOURTH JUDICIAL DISTRICT COURT
CHALMETTE, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

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 9-6-06

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Annual Financial Statements

December 31, 2005

Table of Contents

	<u>Exhibit</u>	<u>Schedule</u>	<u>Page</u>
Independent Auditor's Report	-	-	1
Governmental Activities Financial Statements:			
Governmental Funds Balance Sheet / Statement of Net Assets	A	-	3
Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances / Statement of Activities	B	-	4
Notes to the Financial Statements	-	-	6 - 13
Required Supplemental Information (Part II):			
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	-	1 - 3	15 - 17
Other Independent Auditor's Reports and Findings and Recommendations			
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	-	-	20 - 21
Current Year Audit Findings and Recommendations	-	-	23 - 24
Corrective Action Plan for Current Year Audit Findings	-	-	26
Summary Schedule of Prior Audit Findings	-	-	28

Durnin & James

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
HAMMOND, LA

John N. Durmin, CPA
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Member
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June 6, 2006
Independent Auditor's Report

The Honorable Kirk Vaughn
and Honorable Judges
Thirty-Fourth Judicial District Court
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court, Chalmette, Louisiana, a component unit of the St. Bernard Parish Council, as of and for the year ended December 31, 2005 which collectively comprises the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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-Fourth Judicial District Court as of December 31, 2005, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2006, on our consideration of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The budgetary comparison schedules on pages 15 through 17 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



Durnin & James, CPAs
(A Professional Corporation)

Basic Financial Statements

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Exhibit A

Governmental Funds Balance Sheet / Statement of Net Assets

December 31, 2005

	General Fund	Juvenile Probation	FINS Fund	Adjustments (Note 1)	Statement of Net Assets
Assets					
Cash and Cash Equivalents	\$ 75,332	\$ 9,033	\$ 43,234	\$ -	\$ 127,599
Receivables	-	-	-	-	-
Due from Other Governments (Net of Allowances for Uncollectibles)	2,940	-	-	-	2,940
Due from Other Funds	-	-	-	-	-
Capital Assets, Net of Accumulated Depreciation (Note 6)	-	-	-	1,022	1,022
Total Assets	\$ 78,272	\$ 9,033	\$ 43,234	\$ 1,022	\$ 131,561
Liabilities					
Accounts Payable	\$ 1,213	\$ -	\$ 634	\$ -	\$ 1,847
Due to Other Funds	-	-	-	-	-
Total Liabilities	\$ 1,213	\$ -	\$ 634	\$ -	\$ 1,847
Net Assets					
Investment in Capital Assets, Net of Related Debt	\$ -	\$ -	\$ -	\$ 1,022	\$ 1,022
Unreserved, Undesignated	77,059	9,033	42,600	-	128,692
Total Net Assets	\$ 77,059	\$ 9,033	\$ 42,600	\$ 1,022	\$ 129,714

The accompanying notes are an integral part of this statement.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Exhibit B

Statement of Governmental Fund Revenues, Expenditures, and Changes in
Fund Balances / Statement of Activities

For the Year Ended December 31, 2005

	General Fund	Juvenile Probation	FINS Fund	Adjustments (Note 1)	Statement of Activities
Expenditures / Expenses:					
General Government	\$ (1,341)	\$ (9,646)	\$ (4,853)	\$ -	\$ (15,840)
Salaries & Related Benefits	(132,915)	-	(11,717)	-	(144,632)
Legal & Professional	(7,630)	-	(17,915)	-	(25,545)
Transfers to Drug Court Corporations	(48,553)	-	-	-	(48,553)
Capital Outlay	-	(817)	-	817	-
Depreciation	-	-	-	(655)	(655)
Total Expenditures / Expenses	\$ (190,439)	\$ (10,463)	\$ (34,485)	\$ 162	\$ (235,225)
Program Revenues:					
Court Cost	\$ 120,111	\$ -	\$ -	\$ -	\$ 120,111
Probation Supervision Fees	-	5,868	-	-	5,868
Total Program Revenues	\$ 120,111	\$ 5,868	\$ -	\$ -	\$ 125,979
Net Program Expense	\$ (70,328)	\$ (4,595)	\$ (34,485)	\$ 162	\$ (361,204)
General Revenues:					
Intergovernmental Grant	\$ -	\$ -	\$ 33,318	\$ -	\$ 33,318
State Drug Court Grants	48,553	-	-	-	48,553
Interest	291	46	-	-	337
Total General Revenues	\$ 48,844	\$ 46	\$ 33,318	\$ -	\$ 82,208
Excess (Deficiency) of Revenues over Expenditures	\$ (21,484)	\$ (4,549)	\$ (1,167)	\$ 162	\$ (27,038)
Fund Balance / Net Assets - Beginning of the Year	\$ 98,543	\$ 13,582	\$ 43,767	\$ 860	\$ 156,752
Fund Balance / Net Assets - End of the Year	\$ 77,059	\$ 9,033	\$ 42,600	\$ 1,022	\$ 129,714

The accompanying notes are an integral part of this statement.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements

December 31, 2005

Introduction	6
1. Summary of Significant Accounting Policies	
A. Basis of Presentation	6
B. Reporting Entity	6 - 7
C. Fund Accounting	7 - 8
D. Measurement Focus/Basis of Accounting	8
E. Government-Wide Financial Statements	8 - 9
F. Budgets and Budgetary Accounting	9 - 10
G. Cash and Cash Equivalents	10
H. Inventories	10
I. Capital Assets	10 - 11
J. Compensated Absences	11
K. Estimates	11
2. Cash	11 - 12
3. Due From Other Governmental Units	12
4. Accounts Payable	12
5. Litigation	12
6. Capital Assets	13

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements

December 31, 2005

Introduction

The Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court (the "District Court") was established June 1986 by Act No. 47, Subsection A of Section 996.48 of Title 13 of the Louisiana Revised Statutes of 1950 by the Legislature of Louisiana.

The Act provides for the collection of fees or costs in addition to all other fees or costs now or hereafter provided by law. The Clerk of Court of the Thirty-Fourth Judicial District Court shall collect from every person filing any type of civil suit or proceeding and who is not otherwise exempted by law from the payment of court costs, a sum to be determined by Judges of said district, sitting en banc, which sum shall not exceed thirty dollars, subject; however, to the provisions of Louisiana Code of Civil Procedure, Article 5181, et seq.; and, in all criminal cases in St. Bernard Parish, there shall be taxed as costs against every defendant who is convicted after trial or after he pleads guilty or who forfeits his bond, a sum likewise determined, but which shall not exceed twenty-five dollars, which shall be in addition to all other fines, costs or forfeitures lawfully imposed, and which shall be transmitted to the said court for further disposition in accordance herewith.

The judges, en banc, may appoint such law clerks, secretarial, clerical, research, administrative, or other personnel as they deem necessary to expedite the business and function of the court and fix and pay all or any part of the salaries or reasonable expenses of such personnel out of the moneys in the District Court. In like manner, the judges, en banc, may utilize the moneys in the District Court to pay all or any part of the cost of establishing or maintaining a law library for the court or for buying, leasing, or maintaining any type of equipment, supplies, or other items consistent with or germane to the efficient operation of the court, or to pay for actual expenses incurred, including travel, lodging, tuition, and fees, by any judge or clerk in attending any seminar or conference germane to the proper operation of the court.

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

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements of the District Court 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: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2001.

B. Reporting Entity

As the governing authority of the parish, for reporting purposes, the St. Bernard Parish Council is the financial reporting entity for St. Bernard Parish. The financial reporting entity consists of (1) the primary government (council), (2) organizations for which the primary government is financially accountable, and

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

(3) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Bernard Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Parish Council to impose its will on that organization and / or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Parish Council.
2. Organizations for which the Parish Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Council provides for office space, courtrooms, and approval authority over its capital budget and therefore is fiscally dependent on the council, the District Court was determined to be a component unit of the St. Bernard Parish Council, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District Court and do not present information on the Parish Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The accounts of the District Court are organized on the basis of funds. The operations of the funds are accounted for with separate sets of self-balancing accounts that comprise their assets, liabilities, fund balances, revenues, and expenditures. The funds presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Judicial Clerk's Fund. It is used to account for all financial resources.

Special Revenue Fund

The Juvenile Probation Supervision Fee Special Revenue Fund is used to account for the receipt and disbursement of funds collected for juvenile probation supervision fees.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

The Families in Need of Services (FINS) Special Revenue Fund is used to account for the receipt and disbursement of funds collected for reducing the number of children who enter the juvenile justice system or the foster care system.

D. Basis of Accounting

The amounts reflected in the governmental funds of Exhibits A and B, 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 the District Court's office-wide operations.

The amounts reflected in the governmental funds of Exhibits A and B 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 with the current period or soon enough thereafter to pay liabilities of the current period. The District 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 – Revenues are generally recognized when they become measurable and available as net current assets. Court costs, intergovernmental grants and interest revenue are recorded when due. Substantially all other revenues are recorded when received.

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. Governmental-Wide Financial Statements

The column labeled Statement of Net Assets (Exhibit A) and the column labeled Statement of Activities (Exhibit B) display information about the District Court as a whole. These statements include all the financial activities of the District Court. Information contained in these columns 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). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

Reconciliation:

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Exhibit B) and Statement of Net Assets (Exhibit A) are as follows:

<u>Exhibit B</u>	
Recording of Depreciation Expense	\$ (655)
Adjustment for Capital Outlay	817
Adjustment to Beginning Fund Balance for Prior Years:	
Capital Assets	<u>860</u>
Net Effect of Changes	<u>\$ 1,022</u>
 <u>Exhibit A</u>	
Recording Net Capital Assets	<u>\$ 1,022</u>
Net Effect of Changes	<u>\$ 1,022</u>

F. Budgets and Budgetary Accounting

The District Court adopted operating budgets for the General Fund, the Juvenile Probation Supervision Fee Special Revenue Fund, and the Families In Need of Services Special Revenue Fund for the fiscal year ended December 31, 2005. The budgets for all of the funds are adopted on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

The District Court follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Chief Judge prepares a proposed budget and submits same to the Judges of the District Court for their review.
2. A meeting is then held to review the proposed budget and formal adoption is made by majority vote of the Judges of the District Court.
3. Copies of the adopted budget are kept on file for public inspection.
4. Budgetary amendments due to increase or decrease in revenues or expenditures over amounts estimated require the approval of the Judges of the District Court. The general fund budget for the year ended December 31, 2005 was amended.
5. All budgetary appropriations lapse at the end of each year.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

6. Formal budgetary integration is not employed. Budgeted amounts included in the accompanying financial statements include the originally adopted budget amounts. The amounts are reconciled to the amounts reflected on the budget comparison statements as follows:

	General Fund	Juvenile Probation	FINS Fund
Excess (Deficiency) of Revenues			
Over Expenditures (Exhibit B)	\$ (21,484)	\$ (4,549)	\$ (1,167)
Add:			
Prior Year Receivables	13,754	-	-
Current Year Payables	-	-	-
Less:			
Current Year Receivables	2,940	-	-
Prior Year Payables	910	-	-
Excess (Deficiency) of Revenues			
Over Expenditures - Cash Basis	\$ (11,580)	\$ (4,549)	\$ (1,167)

The District Court did not comply with certain provisions of state law which require a budget amendment when budgeted revenues excel actual revenues by five percent or more and when actual expenditures exceed amounts budgeted by five percent or more.

G. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, money market accounts, and time deposits. Under state law, the District Court may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities are 90 days or less; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

H. Inventories

The District Court utilizes the "purchase method" of accounting for supplies whereby expendable operating supplies are recognized as expenditures when purchased. The District Court did not record any inventory at December 31, 2005.

I. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District Court maintains a threshold level of \$100 or more for capitalizing capital assets.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the useful life of the asset. Capital assets in this report are comprised of equipment which has an estimated useful life of 5 years.

J. Compensated Absences

There is no written policy for compensated absences. All full-time employees earn one week of annual leave. This leave is taken when the judges take their leave. Sick leave and annual leave is non-cumulative. In governmental funds, the cost of sick leave and annual leave is recognized when payments are made to employees.

K. 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.

2. Cash

For reporting purposes, cash includes demand deposits and time certificates of deposits. Under Louisiana law, the District Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the Union, or under the laws of the United States. Further, the District Court may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

As reflected in the accompanying combined balance sheet, the District Court had cash totaling \$127,598 at December 31, 2005. These deposits must be secured under state law by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The following summary of cash as confirmed by financial institutions at December 31, 2005, with the related federal deposit insurance and pledged securities. The cash at December 31, 2005, was secured as follows:

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

	Confirmed Bank Balances	FDIC Insurance	Balance Uninsured
Interest Bearing Demand Deposits	\$ 129,389	\$ 129,389	\$ -
Time Deposits	-	-	-
Total	\$ 129,389	\$ 129,389	\$ -

Uncollateralized-

Securities held in the name of the Fiscal Agent pledged to the Court	\$ -
--	------

Deficiency of FDIC Insurance and Pledged Securities over Cash Balances	\$ -
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Even though the pledged securities are considered uncollateralized (Category 3) 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 Court that the fiscal agent has failed to pay deposited funds upon demand.

3. Due From Other Governmental Units

Due from other governmental units represent amounts collected in 2005 and received in 2006.

St. Bernard Parish Clerk of Court	\$ 2,940
St. Bernard Parish Sheriff	-
Total	\$ 2,940

No allowance for uncollectible receivables is required at December 31, 2005.

4. Accounts Payable

Accounts payable at December 31, 2005, including payroll withholding taxes and accrued payroll taxes, total \$1,213.

5. Litigation

There is no litigation pending against the District Court at December 31, 2005.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Notes to Financial Statements (Continued)

December 31, 2005

6. Capital Assets

The general fixed assets of the District Court include only those assets purchased by funds provided for in the Judicial Clerk's Fund.

	<u>Balance</u> <u>12/31/04</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/05</u>
Capital Assets:				
Equipment	\$ 8,327	\$ 817	\$ -	\$ 9,144
Total Capital Assets	\$ 8,327	\$ 817	\$ -	\$ 9,144
Less Accumulated Depreciation:				
Equipment	\$ 7,467	\$ 655	\$ -	\$ 8,122
Total Accumulated Depreciation	\$ 7,467	\$ 655	\$ -	\$ 8,122
Totals	<u>\$ 860</u>	<u>\$ 162</u>	<u>\$ -</u>	<u>\$ 1,022</u>

Required Supplemental Information

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Schedule 1

General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances --
Budget (Non-GAAP Basis) and Actual

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Court Cost	\$ 171,583	\$ 128,852	\$ 130,925	\$ 2,073
State Drug Court Grants	-	24,269	48,553	24,284
Interest Earned	275	271	291	20
Total Revenues	\$ 171,858	\$ 153,392	\$ 179,769	\$ 26,377
Expenditures:				
General Office Expenditures	\$ 2,100	\$ 2,000	\$ 1,341	\$ 659
Insurance	7,000	-	-	-
Legal & Professional	11,690	9,000	8,540	460
Transfers to Drug Court Corporations	-	24,269	48,553	24,284
Salaries & Related Benefits	183,619	135,000	132,915	2,085
Total Expenditures	\$ 204,409	\$ 170,269	\$ 191,349	\$ (21,080)
Excess (Deficiency) of Revenues Over Expenditures	\$ (32,551)	\$ (16,877)	\$ (11,580)	\$ 5,297
Fund Balance - Beginning of the Year	\$ 98,543	\$ 98,543	\$ 98,543	\$ -
Fund Balance - End of the Year	\$ 65,992	\$ 81,666	\$ 86,963	\$ 5,297

See auditor's report.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
 Chalmette, Louisiana

Schedule 2

Juvenile Probation Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances –
 Budget (Non-GAAP Basis) and Actual

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Probation Supervision Fees	\$ 9,700	\$ 9,700	\$ 5,868	\$ (3,832)
Interest Earned	35	35	46	11
Total Revenues	\$ 9,735	\$ 9,735	\$ 5,914	\$ (3,821)
Expenditures:				
General Office Expenditures	\$ 9,000	\$ 9,000	\$ 8,228	\$ 772
Utilities & Telephone	1,700	1,700	1,418	282
Capital Outlay	-	-	817	(817)
Total Expenditures	\$ 10,700	\$ 10,700	\$ 10,463	\$ 237
Excess (Deficiency) of Revenues Over Expenditures	\$ (965)	\$ (965)	\$ (4,549)	\$ (3,584)
Fund Balance - Beginning of the Year	\$ 13,582	\$ 13,582	\$ 13,582	\$ -
Fund Balance - End of the Year	\$ 12,617	\$ 12,617	\$ 9,033	\$ (3,584)

See auditor's report.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
 Chalmette, Louisiana

Schedule 3

FINS Fund - Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (Non-GAAP Basis) and Actual

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget Favorable / (Unfavorable)
Revenues:				
Intergovernmental Grant	\$ 31,400	\$ 31,400	\$ 33,318	\$ 1,918
Total Revenues	\$ 31,400	\$ 31,400	\$ 33,318	\$ 1,918
Expenditures:				
General Office Expenditures	\$ 6,000	\$ 6,000	\$ 3,653	\$ 2,347
Salaries & Related Benefits	12,000	12,000	11,717	283
Legal & Professional	27,000	27,000	17,915	9,085
Telephone	-	-	1,200	(1,200)
Total Expenditures	\$ 45,000	\$ 45,000	\$ 34,485	\$ 10,515
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,600)	\$ (13,600)	\$ (1,167)	\$ 12,433
Fund Balance - Beginning of the Year	\$ 43,767	\$ 43,767	\$ 43,767	\$ -
Fund Balance - End of the Year	\$ 30,167	\$ 30,167	\$ 42,600	\$ 12,433

See auditor's report.

**Other Independent Auditor's Reports
And Findings and Recommendations**

**Independent Auditor's 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***

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Thirty-Fourth Judicial District Court
Chalmette, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court, Chalmette, Louisiana, a component unit of the St. Bernard Parish Council, as of and for the year ended December 31, 2005, which collectively comprise the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's basic financial statements and have issued our report thereon dated June 6, 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 Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item 05-01.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Judicial Clerk's Fund of the Thirty-Fourth 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

The Honorable Kirk Vaughn
and Honorable Judges
Thirty-Fourth Judicial District Court
Chalmette, Louisiana

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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 05-02.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in cursive script that reads "Durnin & James, CPAs".

Durnin & James, CPAs
(A Professional Corporation)

Findings and Recommendations

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Current Year Audit Findings

For the Year Ended December 31, 2005

Internal Control

05-01 – No Established Travel Policy

During our audit of Juvenile Probation expenditures, we noted an employee's hotel bill for a conference in Orlando, Florida that did not contain proper documentation. This bill had two pages of itemized charges, but no corresponding invoices were found substantiating the business purpose of each of the charges. In addition, several of the charges were for items that appeared to be for non-business related purposes, such as room service, long-distance phone calls, in-room movies, and golf fees.

Recommendation:

We recommend that the District Court revise its travel policy to require employees to provide individual receipts for each charge shown on hotel bills during their travels. We also recommend that the travel policy be revised to not allow any non-business related charges such as room service, in-room movies, golf fees, etc. to be charged to or paid for by the District Court.

Management's Response:

In Management's Corrective Action Plan dated August 15, 2006, Management stated that it will revise its travel policy to require employees to provide individual receipts for each charge shown on hotel bills during conventions. The travel policy will also be revised to not allow any non-business related charges such as room service, in-room movies, golf fees, etc. to be charged to or paid by the District Court.

Compliance

05-02 – Failure to Comply with Local Government Budget Act

During our audit and testing of compliance with state budget requirements, we noted that the District Court failed to comply with certain provisions of the Local Government Budget Act (LSA-RS 39:1301-1315). The requirements of the Local Government Budget Act and the manner in which the District Court failed to comply are as follows:

Finding:

Louisiana Revised Statute 39:1311(A)(1) and 39:1311(A)(2) state that an adopted budget must be amended when "Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more" and when "total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more." For the year ended December 31, 2005, actual revenues of the Juvenile Probation Fund totaled \$5,914 while budgeted revenues totaled \$9,735. This difference of \$3,821 is less than the budgeted total by 39.25%. Also for the year ended December 31, 2005, actual expenditures of the Judicial Clerk's Fund totaled \$191,348 while budgeted expenditures totaled \$170,269. This difference of \$21,079 is more than the budgeted total by 12.38%. Improvement is needed in this area to ensure that the District Court complies with all applicable state laws regarding the budget adoption and amendment process.

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Current Year Audit Findings

For the Year Ended December 31, 2005

Recommendation:

We recommend that the District Court continue to closely monitor its budget and adopt budget amendments when required.

Management's Response:

In Management's Corrective Action Plan dated August 15, 2006, Management stated that it will continue to closely monitor its budget and adopt budget amendments when required.

Corrective Action Plan for Current Year Audit Findings

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
Chalmette, Louisiana

Corrective Action Plan for Current Year Audit Findings

For the Year Ended December 31, 2005

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>Compliance</u>				
05-01	No established travel policy	Revise travel policy to require receipts for travel expenses	Judge Kirk Vaughn	December 31, 2006
<u>Internal Control</u>				
05-02	Failure to comply with Local Government Budget Act	Amend budgets as needed	Judge Kirk Vaughn	December 31, 2006

Note: This schedule has been prepared by the management of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court.

Summary Schedule of Prior Audit Findings

Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court
 Chalmette, Louisiana

Summary Schedule of Prior Year Audit Findings

For the Year Ended December 31, 2005

<u>Ref.#</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action</u>	<u>Plan Corrective Action - Partial Corrective Action Taken</u>	<u>Additional Explanation</u>
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Internal Control

None

Compliance

None

Note: This schedule has been prepared by the management of the Judicial Clerk's Fund of the Thirty-Fourth Judicial District Court.