

**THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
ANNUAL FINANCIAL REPORT
December 31, 2012**

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 JUL 03 2013

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
ANNUAL FINANCIAL REPORT
December 31, 2012

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 Position	10
Statement of Activities	11
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
<i>Notes to Financial Statements</i>	14
REQUIRED SUPPLEMENTAL INFORMATION SECTION	
Budget Comparison Schedule - General Fund	27
Budget Comparison Schedule – Court Fund	28
Budget Comparison Schedule – IV-D Program Fund	29
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>	30
Schedule of Current Year Findings and Questioned Costs	32

THIRTY-SECOND JUDICIAL DISTRICT COURT
Terrebonne Parish, Louisiana
As of and for the year ended December 31, 2012

JUDGES

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

OFFICIAL

<i>District Court Coordinator</i>	<i>Jennie R. Callahan</i>
-----------------------------------	---------------------------

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

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, 2012. 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:

- Net position decreased slightly as a result of this year's operations. The net position of our governmental activities decreased by \$72,590, approximately 1 percent. As a result of this year's operations assets exceeded liabilities by \$5,448,408 (net position).
- During the year, expenses were \$81,164 more than the revenue generated in program revenues and operating grants for governmental programs. This compares to last year when expenses exceeded revenues by \$75,622.
- As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$5,308,413, an increase of \$3,352 over the previous fiscal year. Of the total \$3,290,568 is unassigned and \$2,017,845 is assigned for the Court Fund and IV-D program – Special Revenue Funds.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position 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.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities. The governmental activities include judicial activities.

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 Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of the Thirty-second Judicial District Court, assets exceeded liabilities by \$5,454,423 at the close of the most recent fiscal year which is a slight decrease of \$66,575 during the fiscal year. Further, the District Court is able to report positive balances in all categories of net assets, for the government as a whole.

Our analysis below focuses on the net position and changes in net position of the governmental-type activities:

Condensed Statement of Net Position

	FY 2011	FY 2012	Dollar Change	Percent Change
Current and Other Assets	\$ 5,334,774	\$ 5,362,693	\$ 27,919	0 5%
Capital Assets	313,482	257,517	(55,965)	-17 9%
Total Assets	5,648,256	5,620,210	(28,046)	-0 5%
Current Liabilities	29,713	54,280	24,567	82 7%
Other Noncurrent Liabilities	97,545	117,522	19,977	20 0%
Total Liabilities	127,258	171,802	44,544	35 0%
Net Invested in Capital Assets	313,482	257,517	(55,965)	-0 2%
Unrestricted	5,207,516	5,190,891	(16,625)	-0 3%
Total Net Position	\$ 5,520,998	\$ 5,448,408	\$ (72,590)	-1 3%

A portion of net assets, \$257,517 or 5%, reflects its investment in capital assets (e.g , office furniture and equipment, and intangible assets - software). As the District Court uses these capital assets to provide services to citizens, these assets are not available for future spending. The remaining balance of unrestricted net assets, \$5,448,408 or 95%, may be used to meet the government's ongoing obligations.

Program expenses decreased by approximately 12% from the prior year

Program revenues decreased by \$252,445 due to decreased collections of court fines and child support fees. General revenues consisted of interest earned, which decreased significantly due to the economic situation of the economy.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

Condensed Statement of Activities

	FY 2011	FY 2012	Dollar Change	Percent Change
Total program expenses	\$ (2,063,036)	\$ (1,822,148)	\$ (240,888)	-12.0%
Total program revenues	1,987,414	1,734,969	(252,445)	-12.7%
Net program income	(75,622)	(87,179)	(11,557)	-15.3%
General revenues	18,587	14,589	(3,998)	-21.5%
Change in Net Assets	(57,035)	(72,590)	(15,555)	27.7%
Net Assets:				
Beginning of the year	5,578,033	5,520,998	(57,035)	-1.0%
End of the year	\$ 5,520,998	\$ 5,448,408	\$ (72,590)	-1.3%

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District Court are categorized as governmental. Fund financial reports provide detailed information about the major funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The major governmental funds are the General Fund, the District Court Fund and the IV-D Program Fund.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

The **General Fund** is the operating fund. The unassigned portion of \$3,290,568 represented 288% of total general fund expenditures, and is considered available to fund future programs and activities. Revenues of fines and fees, interest and miscellaneous totaled \$1,109,679 and decreased by almost 20%, while total expenditures of \$1,144,066 also decreased by approximately 14%

The **District Court Fund** fund balance increased by \$27,834 or 7% from the prior year. Revenues of court fines and fees and interest earned in this fund totaled \$81,636 - increased slightly by 1%, while total expenditures totaled \$53,802 and decreased slightly by over \$10,000 from the prior year.

The **IV-D Program Fund** ended the year with an assigned fund balance of \$1,606,838 a slight increase of \$7,985 from the prior year. Revenues collected for child support were \$556,323 - a slight increase of 1% while expenditures were \$548,338 and also increased by 5% to end the year with \$7,985 more of revenues than expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Final budgeted revenues for the General Fund when compared to the budget were within 3 percent. Final budgeted expenditures for the General Fund when compared to budget were within 2% The District Court was in compliance with the State Budget Law.

CAPITAL ASSETS

Capital assets recorded at a cost of \$813,829, net of accumulated depreciation and amortization of \$556,312 for governmental activities at year-end were \$257,517. This year there was \$17,936 of additions of computers, office furniture and courtroom improvements to capital assets, including \$3,000 of intangible assets of computer software. Assets over \$500 are capitalized in accordance with management's policies. Depreciation of \$73,197 and amortization of \$704 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.

THIRTY-SECOND JUDICIAL DISTRICT COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2012

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 2013.

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	<u>FY 2013</u>
Anticipated revenues	\$1,105,000
Expenditures:	
Current	<u>1,146,750</u>
Excess of expenditures	41,750
Fund Balance:	
Beginning of the year	<u>3,285,371</u>
End of the year	<u><u>\$3,243,621</u></u>

CONTACTING FINANCIAL MANAGEMENT

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

Jennie R. Callahan, District Court Coordinator
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

Report on the Financial Statements

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 Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2012, and the notes to the financial statements, which collectively comprise the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 the standards applicable to financial audits contained in *Government Auditing Statements*, 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

Thirty-Second Judicial District Court
Terrebonne Parish, Louisiana

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund as of December 31, 2012 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.

Required Supplementary Information

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



Thirty-Second Judicial District Court
Terrebonne Parish, Louisiana

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 1, 2013, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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 *Government Auditing Standards* in considering internal control over financial reporting and compliance.

Stagni & Company

Thibodaux, Louisiana
March 1, 2013



THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA

Statement of Net Position - Governmental Activities

December 31, 2012

ASSETS

Cash	\$ 1,501,655
Investments	3,777,382
Interest receivable	7,323
Due from other governments	76,333
Capital Assets, net of depreciation	<u>257,517</u>
TOTAL ASSETS	<u>5,620,210</u>

LIABILITIES

Accounts payable	7,927
Due to other governments	46,353
Other noncurrent liability - net other postemployment benefit liability	<u>117,522</u>
TOTAL LIABILITIES	<u>171,802</u>

NET POSITION

Net Invested in capital assets	257,517
Unrestricted	<u>5,190,891</u>
TOTAL NET POSITION	<u>\$ 5,448,408</u>

See Notes to Financial Statements.

THIRTY-SECOND JUDICIAL DISTRICT COURT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2012

EXPENSES - Judicial:

Salaries and benefits	\$ 1,569,211
Office operations	442,044
Court room operations	84,503
Depreciation	73,901
Total program expenses	<u>2,169,659</u>

PROGRAM REVENUES

Charges for services	984,969
Operating grants	1,097,511
Total program revenues	<u>2,082,480</u>

Net Program (Income) Expense (87,179)

GENERAL REVENUES

Interest earned	14,589
Total general revenues	<u>14,589</u>

Change in Net Position (72,590)

NET POSITION

Beginning of year	5,520,998
End of year	<u>\$ 5,448,408</u>

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

*Balance Sheet - Governmental Funds
December 31, 2012*

	General Fund	Court Fund	IV-D Program	Total Governmental Funds
ASSETS				
Cash	\$ 821,949	\$ 51,915	\$ 627,791	\$ 1,501,655
Investments	2,471,823	357,128	948,431	3,777,382
Interest receivable	5,197	1,302	824	7,323
Due from other governments	23,710	3,474	49,149	76,333
TOTAL ASSETS	<u>\$3,322,679</u>	<u>\$413,819</u>	<u>\$1,626,195</u>	<u>\$5,362,693</u>
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	\$ 2,328	\$ 2,812	\$ 2,787	\$ 7,927
Due to other governments	29,783	-	16,570	46,353
TOTAL LIABILITIES	<u>32,111</u>	<u>2,812</u>	<u>19,357</u>	<u>54,280</u>
FUND BALANCES:				
Assigned	-	411,007	1,606,838	2,017,845
Unassigned	3,290,568	-	-	3,290,568
TOTAL FUND BALANCES	<u>3,290,568</u>	<u>411,007</u>	<u>1,606,838</u>	<u>5,308,413</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,322,679</u>	<u>\$ 413,819</u>	<u>\$ 1,626,195</u>	

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO STATEMENT OF NET POSITION:**

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

Add - Capital Assets	813,829	
Deduct - Accumulated Depreciation & Amortization	<u>(556,312)</u>	<u>257,517</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

Deduct - OPEB liability	(117,522)
Net assets of governmental activities	<u>\$ 5,448,408</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, 2012

	General Fund	Court Fund	IV-D Program	Totals
REVENUES				
Court Fines & Fees	\$ 351,217	\$ 81,636	\$ -	\$ 432,853
Child Support Fees	-	-	552,116	552,116
Interest	8,462	1,920	4,207	14,589
Payments received on behalf	1,097,511	-	-	1,097,511
	<u>1,457,190</u>	<u>83,556</u>	<u>556,323</u>	<u>2,097,069</u>
EXPENDITURES - JUDICIAL:				
Current:				
Salaries and benefits	285,513	-	166,210	451,723
Salary and benefit payments on behalf	1,097,511	-	-	1,097,511
Accounting and auditing	1,750	1,750	1,750	5,250
IV-D Program	-	-	236,602	236,602
Office operations	3,169	2,380	95,786	101,335
Court room operations	54,619	9,140	2,257	66,016
Division A	-	3,035	-	3,035
Division B	-	5,953	-	5,953
Division C	-	2,943	-	2,943
Division D	-	1,594	-	1,594
Division E	-	4,962	-	4,962
Miscellaneous	-	17,681	-	17,681
Insurance	49,015	-	32,161	81,176
	<u>1,491,577</u>	<u>49,438</u>	<u>534,766</u>	<u>2,075,781</u>
Capital outlay	-	4,364	13,572	17,936
Total Expenditures	<u>1,491,577</u>	<u>53,802</u>	<u>548,338</u>	<u>2,093,717</u>
Net change in fund balance	(34,387)	29,754	7,985	3,352
FUND BALANCES				
Beginning of year	3,324,955	381,253	1,598,853	5,305,061
End of year	<u>\$ 3,290,568</u>	<u>\$ 411,007</u>	<u>\$ 1,606,838</u>	<u>\$ 5,308,413</u>

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

Net change in fund balances—total governmental funds from above \$ 3,352

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Add - Capital outlays	17,936	
Deduct - Depreciation expense	<u>(73,901)</u>	(55,965)

Some expenses reported in the government-wide statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds

Deduct - Increase in OPEB Liability	(19,977)	
Change in net assets - governmental activities	<u>\$ (72,590)</u>	

See notes to financial statements

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Introduction

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

Note 1 Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

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

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

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

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

Notes to Financial Statements
For the Year Ended December 31, 2012

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, 2012

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, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of Section N50.

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 principles 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, 2012

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, 2012

Note 1 Summary of Significant Accounting Policies (Continued)

K. Fund Equity

Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components – *net investment in capital assets, restricted, and unrestricted.*

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, or unassigned. Non-spendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Judges through approval in minutes. Assigned fund balances is a limitation imposed by a designee of the Judges. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

L. Estimates

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

Note 2 Deposits

The year-end balances of deposits are as follows

	Bank Balances	Reported Amount
Cash	\$1,499,913	\$1,501,655
Certificates of Deposits (reported as investments)	2,832,153	2,832,153
Totals	\$4,332,066	\$4,333,808

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Note 2 Deposits (Continued)

State law requires deposits (cash & certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes the FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits.

Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. At year-end deposits were collateralized by securities held by unaffiliated banks for the account of the depositors. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk.

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, 2012, \$3,332,066 of the bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the District Court's name. The bank has pledged securities in the District Court's name of \$4,505,853.

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)

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Note 3 Investments (Continued)

At year-end the investment balances were as follows:

Investment Type	Fair Value	Matures in less than 1 year
Certificates of Deposits	\$2,832,153	\$2,832,153
Louisiana Asset Management Pool (LAMP)	945,229	945,229
Total	\$3,777,382	\$3,777,382

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 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. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- **Credit risk:** LAMP is rated AAAM by Standard & Poor's
- **Custodial credit risk:** LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool, therefore, not disclosure is required.

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Note 3 Investments (Continued)

- **Concentration of credit risk:** Pooled investments are excluded from the 5 percent disclosure
- **Interest rate risk:** LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM of LAMP's total investments is 80 as of December 31, 2012.
- **Foreign currency risk:** Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

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	\$765,181	\$14,936	\$ -	\$780,117
Intangible assets	30,712	3,000	-	33,712
Total cost of assets	795,893	17,936	-	813,829
Less accumulated depreciation on Furniture & Equipment	(479,203)	(73,197)	-	(552,400)
Less amortization on Intangible assets	(3,208)	(704)	-	(3,912)
Total depreciation and amortization	(482,411)	(73,901)	-	(556,312)
Furniture & Equipment, net	\$313,482	(55,965)	-	\$257,517

Depreciation expense for the year recorded for governmental activities was \$73,197 and amortization of intangible assets (computer software) was \$704.

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

Notes to Financial Statements
For the Year Ended December 31, 2012

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 \$1,097,511 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.

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 Employees Retirement System of Louisiana and the Louisiana State Employees 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.

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Note 8 Other Postemployment Benefits

The Court has implemented Governmental Accounting Standards Board (GASB) Statement 45 which addresses the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," requires the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans

Plan Description. The District provides for the payment of hospitalization and life insurance premiums through the Terrebonne Parish Consolidated Government for retired employees. The Court will fund the entire premium for all employees retiring with at least ten years service or retiring from the formal retirement systems. A retired employee may be provided dependent hospitalization coverage at a cost depending on their retirement date. The cost of providing this benefit is recognized as expenditure as premiums are paid from both the IV-D and Law Clerk funds. For the current year the Court did not pay any amounts for retiree benefits.

Terrebonne Parish Consolidated Government contracts with an actuarial consultant to provide an actuarial valuation of the OPEB liability under GASB Statement 45. GASB 45 requires at least biennial valuations for plans with membership over 200, unless significant changes since the last valuation. The most recent OPEB liability actuarial valuation was completed for the plan year that ended December 31, 2012.

Funding Policy. GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The Court currently funds these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits.

Annual OPEB Cost. The annual required contribution (ARC), an actuarially determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed twenty-five (25) years.

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Note 8 Other Postemployment Benefits (continued)

The following table represents the OPEB costs for the year and the annual required contribution

Annual OPEB Cost and net OPEB Obligation	IV-D Program Fund	Law Clerk Fund	Total
Annual Required Contribution	\$ 6,826	\$ 12,899	\$ 19,725
ARC Adjustment	(1,245)	(2,055)	(3,300)
Interest Adjustment to Net OPEB Obligation	1,340	2,212	3,552
Annual OPEB Cost	6,921	13,056	19,977
Contributions Made	-	-	-
Increase in Net OPEB Obligation	6,921	13,056	19,977
Net OPEB Obligation - beginning of year	36,475	61,070	97,545
Net OPEB Obligation - end of year	\$ 43,396	\$ 74,126	\$ 117,522

Funding Status and Funding Progress

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress provides multiyear trend information (only one year available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Notes to Financial Statements
For the Year Ended December 31, 2012

Note 8 Other Postemployment Benefits (continued)

Actuarial Methods and Assumptions. The valuation of the plan is based on assumptions with regard to the survival of plan members, the average per-capita claim costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience, actuarial judgment and the Parish's pension annual financial report. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Significant methods and assumptions were as follows:

- For mortality, we have used the sex-distinct RP-2000 Combined Healthy Mortality Table.

Discount rate – 4.5%

Actuarial cost method - Entry age normal

Actuarial valuation date 1/1/2010

Remaining amortization period - 30 years

Projected salary increases - 3%

***REQUIRED SUPPLEMENTAL
INFORMATION SECTION***

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2012

	Original Budget	Final Budget (No Amendments)	Actual	Variance Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 385,000	\$ 385,000	\$ 351,217	\$ (33,783)
Interest	10,000	10,000	8,462	(1,538)
Payments received on behalf	750,000	750,000	1,097,511	347,511
	<u>1,145,000</u>	<u>1,145,000</u>	<u>1,457,190</u>	<u>312,190</u>
EXPENDITURES - JUDICIAL:				
Current.				
Salaries and benefits	250,000	250,000	285,513	(35,513)
Salary and benefit payments on behalf	750,000	750,000	1,097,511	(347,511)
Accounting and auditing	3,000	3,000	1,750	1,250
Office operations	10,000	10,000	3,169	6,831
Court room operations	55,000	55,000	54,619	381
Insurance	55,000	55,000	49,015	5,985
	<u>1,123,000</u>	<u>1,123,000</u>	<u>1,491,577</u>	<u>(368,577)</u>
Capital outlay	-	-	-	-
Total Expenditures	<u>1,123,000</u>	<u>1,123,000</u>	<u>1,491,577</u>	<u>(368,577)</u>
Revenue Over (Under) Expenditures	22,000	22,000	(34,387)	(56,387)
FUND BALANCES				
Beginning of year	3,316,393	3,316,393	3,324,955	8,562
End of year	<u>\$ 3,338,393</u>	<u>\$ 3,338,393</u>	<u>\$ 3,290,568</u>	<u>\$ (47,825)</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - Court Fund
For the Year Ended December 31, 2012

	Original Budget	Final Budget (No Amendments)	Actual	Variance Positive (Negative)
REVENUES				
Court Fines & Fees	\$ 76,000	\$ 76,000	\$ 81,636	\$ 5,636
Interest	2,500	2,500	-	(2,500)
Miscellaneous	1,000	1,000	-	(1,000)
	<u>79,500</u>	<u>79,500</u>	<u>81,636</u>	<u>2,136</u>
EXPENDITURES - JUDICIAL:				
Current				
Accounting and auditing	2,500	2,500	1,750	750
Office operations	8,000	8,000	2,380	5,620
Court room operations	25,000	25,000	9,140	15,860
Division A	3,000	3,000	3,035	(35)
Division B	4,500	4,500	5,953	(1,453)
Division C	3,000	3,000	2,943	57
Division D	2,000	2,000	1,594	406
Division E	6,000	6,000	4,962	1,038
Miscellaneous	-	-	17,681	(17,681)
	<u>54,000</u>	<u>54,000</u>	<u>49,438</u>	<u>4,562</u>
Capital outlay	15,000	15,000	4,364	10,636
Total Expenditures	<u>69,000</u>	<u>69,000</u>	<u>53,802</u>	<u>15,198</u>
Revenue Over (Under) Expenditures	10,500	10,500	27,834	17,334
FUND BALANCES				
Beginning of year	381,253	381,253	381,253	-
End of year	<u>\$ 391,753</u>	<u>\$ 391,753</u>	<u>\$ 409,087</u>	<u>\$ 17,334</u>

THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
Budgetary Comparison Schedule - IV-D Program
For the Year Ended December 31, 2012

	Original Budget	Final Budget (No Amendments)	Actual	Variance Positive (Negative)
REVENUES				
Child Support Fees	\$ 600,000	\$ 600,000	\$ 552,116	\$ (47,884)
Interest	6,000	6,000	4,207	(1,793)
	<u>606,000</u>	<u>606,000</u>	<u>556,323</u>	<u>(49,677)</u>
EXPENDITURES - JUDICIAL:				
Current				
Salaries and benefits	150,000	150,000	166,210	(16,210)
Accounting and auditing	3,000	3,000	1,750	1,250
IV-D Program	220,000	220,000	236,602	(16,602)
Office operations	85,000	85,000	95,786	(10,786)
Court room operations	20,000	20,000	2,257	17,743
Insurance	35,000	35,000	32,161	2,839
	<u>513,000</u>	<u>513,000</u>	<u>534,766</u>	<u>(21,766)</u>
Capital outlay	50,000	50,000	13,572	36,428
Total Expenditures	<u>563,000</u>	<u>563,000</u>	<u>548,338</u>	<u>14,662</u>
Revenue Over (Under) Expenditures	43,000	43,000	7,985	(35,015)
FUND BALANCES				
Beginning of year	1,608,133	1,608,133	1,598,853	(9,280)
End of year	<u>\$ 1,651,133</u>	<u>\$ 1,651,133</u>	<u>\$ 1,606,838</u>	<u>\$ (44,295)</u>

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



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the Thirty-Second Judicial District, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated March 14, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

March 1, 2013
Thibodaux, Louisiana



THIRTY-SECOND JUDICIAL DISTRICT COURT
TERREBONNE PARISH, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2012

Section I - Summary of Auditor's Reports

- The auditor's report expresses an unqualified opinion on the basic financial statements.
- No deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
- No instances of noncompliance or other matters under *Government Auditing Standards* were disclosed during the audit of the financial statements.
- No instances of noncompliance under the provisions of Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The District Court neither received nor expended any federal awards during the year.

Section II - Financial Statement Findings

- There were no financial statement findings during the audit of the basic financial statements

Section III - Federal Award Findings and Questioned Costs

- There were no federal awards received during the fiscal year.

