

***CITY COURT OF THIBODAUX,  
LOUISIANA***

***Annual Financial Report***

***For the Year Ended December 31, 2003***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6.9.04



**STAGNI & COMPANY, LLC**

**CITY COURT OF THIBODAUX, LOUISIANA**  
**Annual Financial Report**  
**TABLE OF CONTENTS**  
For the Year Ended December 31, 2003

	<b>Page</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	1
<b>FINANCIAL SECTION:</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	5
<b>BASIC FINANCIAL STATEMENTS:</b>	
<i>Government Wide Financial Statements:</i>	
Statement of Net Assets	7
Statement of Activities	8
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds to the Statement of Activities	11
Statement of Fiduciary Net Assets	12
Statement of Changes in Fiduciary Net Assets	13
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	14
 <b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budget Comparison Schedule-General Fund	21
 <b>REPORTS REQUIRED BY GAO</b>	
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>	22
Summary Schedule of Findings and Questioned Costs	24
 <b>OTHER SUPPLEMENTAL INFORMATION</b>	
Status of Prior Audit Finding	25
Current Year Findings, Recommendations & Corrective Action Plan	26

***MANAGEMENT'S DISCUSSION AND  
ANALYSIS***

**CITY COURT OF THIBODAUX, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003**

This discussion and analysis of City Court of Thibodaux, Louisiana's (City Court) financial performance provides an overview of the City Court's financial activities for the fiscal year ended December 31, 2003.

**FINANCIAL HIGHLIGHTS**

- City Court of Thibodaux's assets exceeded its liabilities by \$358,798. This compares to the previous year when assets exceeded liabilities by \$333,105.
- Total net assets are comprised of the following:
  - Invested in capital assets of \$44,347 consisting of equipment, furniture, leasehold improvements and law books, net of accumulated depreciation.
  - Unrestricted net assets of \$314,451 representing the portion available to maintain the City Court's continuing obligations to citizens and creditors.
- The City Court's governmental funds reported total ending fund balance – all considered unreserved of \$314,451 this year. This compares to the prior year ending fund balance – also all unreserved, of \$308,251, showing a moderate increase of \$6,200 during the current year.
- At the end of the current year, unreserved fund balance for the General Fund was \$127,789, or 41% of total General Fund expenditures, not including transfers.
- Total spending for all judicial activities was \$331,580 for the year, which was \$20,260 less than the fines and costs charged for these activities and operating grants and contributions totaling \$351,840. This was not as good as last year, when spending was only \$46,511 less than the fines and costs charged for the judicial expenses.
- The total cost of the City Court's programs was virtually unchanged (increasing by only 17%) and no new programs were added this year.
- The interest earned on checking accounts and investments in certificates of deposits was \$5,433 for the year. This reflects a decrease of \$2,634 or 48% from last year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City Court as a whole and present a longer-term view of the City Court's finances. Fund financial statements for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City Court's operations in more detail than the government-wide statements by providing information about the City Court's most significant funds. The remaining statements provide financial information about activities for which the City Court acts solely as a trustee or agent for the benefit of those outside of the government.

**CITY COURT OF THIBODAUX, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003**

Our auditor has provided assurance in his independent auditor's report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor, regarding the Required 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 Financial Report.

***Government-Wide Financial Statements***

One of the most important questions asked about the City Court's finances is, "Is the City Court as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City Court as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the City Court reports only one type of activity - governmental activities. Most of the City Court's basic judicial services are reported as this type. Fines and fees charged to the public and operating contributions finance most of these activities.

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds—not the City Court as a whole. Some funds are required to be established by State laws. However, the City Court establishes other funds to help it control and manage money for particular purposes (like the Marshal's Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like the Civil Court Fund).

The City Court uses only the governmental type of fund with the following accounting approach. Most of the City Court's 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

**CITY COURT OF THIBODAUX, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003**

governmental fund statements provide a detailed short-term view of the City Court's 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 the City Court's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

***FINANCIAL ANALYSIS OF THE CITY COURT AS A WHOLE***

The City Court's net assets increased by \$25,693 as a result of this year's operations. The City Court's overall financial position improved during fiscal year 2003. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most (\$6,200) of the increase this year; however, there were capital asset purchases which contributed to a \$19,494 increase in the net assets invested in capital assets. The balance in net assets represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today, including all of our non-capital liabilities, we would have \$358,798 left.

The City Court's total revenues for the year in governmental activities were \$357,273. The total cost of all judicial programs and services was \$331,580 with no new programs added this year.

***FINANCIAL ANALYSIS OF THE CITY COURT'S FUNDS***

As we noted earlier, the City Court uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the City Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

As the City Court completed the year, its governmental funds reported a combined fund balance of \$314,451. This reflects an increase of \$6,200 from last year. This increase is primarily the result of the events and programs described within the analysis of the City Court's governmental activities.

***GENERAL FUND BUDGETARY HIGHLIGHTS***

There were no amendments to the General Fund budget during the year.

**CITY COURT OF THIBODAUX, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2003**

**CAPITAL ASSETS**

The City Court's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2003 and 2002 was \$44,347 and \$24,854, respectively.

This year there was \$25,879 of additions to fixed assets for the purchase of office furniture, equipment and leasehold improvements. More detailed information about the City Court's capital assets is presented in Note 3 to the financial statements.

**DEBT**

At year-end, the City Court had no debt outstanding.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City Court's elected officials considered many factors when setting the fiscal year rates and fees that would be charged. One of those factors is new laws and regulations.

Historically, the office staff and costs remain stable and should continue to do so. Most capital asset purchases are absorbed by the City of Thibodaux in their current operating budget. If these estimates remain consistent, the City Court's General Fund balance is expected to increase modestly by the close of 2003.

Highlights of next year's adopted budget for the general fund include:

Projected Beginning Balance	\$127,815
Anticipated Income for 2004	88,913
Anticipated Expenditures for 2004	(77,474)
<b>Excess Revenues over Expenditures</b>	<b>11,439</b>
Projected Ending Balance	\$139,254

**CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT**

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

The Honorable Judge David Richard,  
City Court of Thibodaux, Louisiana,  
1309 Canal Blvd., Thibodaux, LA 70301  
Phone (985)446-7238.

***BASIC FINANCIAL STATEMENTS***





# STAGNI & COMPANY, LLC

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable David M. Richard, Judge  
City Court of Thibodaux, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Thibodaux, Louisiana, a component unit of the City of Thibodaux, Louisiana, as of and for the year ended December 31, 2003, which collectively comprise the City Court of Thibodaux, Louisiana's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City Court of Thibodaux, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the City Court of Thibodaux, Louisiana as of December 31, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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To the Honorable David M. Richard, Judge  
City Court of Thibodaux, Louisiana  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2004 on our consideration of the City Court of Thibodaux's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*Stagni & Company*

January 28, 2004  
Thibodaux, Louisiana



**CITY COURT OF THIBODAUX, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**GOVERNMENTAL FUNDS**  
December 31, 2003

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 566,276
Capital assets, net of depreciation	44,347
Total assets	\$ 610,623
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 37,414
Due to others	13,176
Bond and other deposits	201,235
Total liabilities	251,825
<b>NET ASSETS</b>	
Invested in capital assets	44,347
Unrestricted	314,451
Total net assets	358,798
Total liabilities and net assets	\$ 610,623

See notes to the financial statements.

**CITY COURT OF THIBODAUX, LOUISIANA**  
**STATEMENT OF ACTIVITIES**

As of and for the year ended December 31, 2003

FUNCTIONS / PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Totals
Governmental activities:				
General government - Judicial	\$ 331,580	\$ 101,955	\$ 249,885	\$ 20,260
Total governmental activities:				20,260
General revenues:				
Unrestricted investment earnings				5,433
Total general revenues				5,433
Change in net assets				25,693
Net assets - beginning				333,105
Net assets - ending				\$ 358,798

See notes to the financial statements.

**CITY COURT OF THIBODAUX, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2003

	General Fund	Civil Court Fund	Marshal's Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 144,464	\$ 288,157	\$ 133,655	\$ 566,276
Due to/from other funds	(2,300)		2,300	-
<b>Total assets</b>	<b>\$ 142,164</b>	<b>\$ 288,157</b>	<b>\$ 135,955</b>	<b>\$ 566,276</b>
<b>LIABILITIES &amp; FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses		\$ 37,414		\$ 37,414
Due to others	\$ 13,176			13,176
Bond and other deposits	1,199	200,036		201,235
<b>Total liabilities</b>	<b>14,375</b>	<b>237,450</b>		<b>251,825</b>
Fund balance - unreserved, undesignated	127,789	50,707	\$ 135,955	314,451
<b>Total equity and other credits</b>	<b>127,789</b>	<b>50,707</b>	<b>135,955</b>	<b>314,451</b>
<b>Total liabilities &amp; equity</b>	<b>\$ 142,164</b>	<b>\$ 288,157</b>	<b>\$ 135,955</b>	

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

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

	44,347
<b>Net assets of governmental activities</b>	<b>\$ 358,798</b>

See notes to financial statements.

**CITY COURT OF THIBODAUX, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
As of and for the year ended December 31, 2003

	General Fund	Civil Cost Fund	Marshal's Fund	Total Governmental Funds
<b>REVENUES</b>				
Court fees, fines and costs	\$ 69,624	\$ 187	\$ 32,144	\$ 101,955
On-behalf salaries and benefits received	249,885			249,885
Interest earned	1,256	2,661	1,516	5,433
<b>Total revenues</b>	<b>320,765</b>	<b>2,848</b>	<b>33,660</b>	<b>357,273</b>
<b>EXPENDITURES</b>				
Current:				
General government - judicial:				
Personnel	25,296		850	26,146
On-behalf salaries and benefits paid	249,885			249,885
Grant to FINS	10,000			10,000
Juvenile Case Manager	2,675			2,675
Uniforms	1,443		74	1,517
Supplies	3,689		4,177	7,866
Dues	825		230	1,055
Meetings and conventions	1,888			1,888
Court reporter fees	16,438			16,438
Computer Services	4,635			4,635
Storage	831			831
Other services and charges	1,125	467	666	2,258
<b>Total current expenditures</b>	<b>318,730</b>	<b>467</b>	<b>5,997</b>	<b>325,194</b>
Capital outlay	8,039		17,840	25,879
<b>Total expenditures</b>	<b>326,769</b>	<b>467</b>	<b>23,837</b>	<b>351,073</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,004)</b>	<b>2,381</b>	<b>9,823</b>	<b>6,200</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	12,000		(12,000)	-
<b>Total other financing sources and uses</b>	<b>12,000</b>	<b>-</b>	<b>(12,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>5,996</b>	<b>2,381</b>	<b>(2,177)</b>	<b>6,200</b>
<b>FUND BALANCES</b>				
Beginning of year	121,793	48,326	138,132	308,251
End of year	<u>\$ 127,789</u>	<u>\$ 50,707</u>	<u>\$ 135,955</u>	<u>\$ 314,451</u>

See notes to financial statements.

**CITY COURT OF THIBODAUX, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**As of and for the year ended December 31, 2003**

Net change in fund balances - total governmental funds \$ 6,200

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. In the current period, these amounts are:

Capital outlay	\$	25,879	
Depreciation Expense		<u>(6,386)</u>	
Excess of capital outlay over depreciation expense			<u>19,493</u>

Change in net assets of governmental activities \$ 25,693

**CITY COURT OF THIBODAUX, LOUISIANA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**  
**December 31, 2003**

	<u>Bond Fund</u>	<u>Restitution Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 23,185</u>	<u>\$ 193</u>	<u>\$ 23,378</u>
<b>Total assets</b>	<u><u>\$ 23,185</u></u>	<u><u>\$ 193</u></u>	<u><u>\$ 23,378</u></u>
<b>LIABILITIES</b>			
Bonds payable	<u>\$ 23,185</u>		<u>\$ 23,185</u>
Restitution payable		<u>\$ 193</u>	<u>193</u>
<b>Total liabilities</b>	<u><u>\$ 23,185</u></u>	<u><u>\$ 193</u></u>	<u><u>\$ 23,378</u></u>

See notes to the financial statements



**CITY COURT OF THIBODAUX, LOUISIANA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**AGENCY FUNDS**

As of and for the year ended December 31, 2003

	<u>Bond Fund</u>	<u>Restitution Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Bond fees collected	\$ 34,135		\$ 34,135
Restitutions collected		\$ 10,968	10,968
<b>TOTAL ADDITIONS</b>	<u>34,135</u>	<u>10,968</u>	<u>45,103</u>
<b>DEDUCTIONS</b>			
Bond fees paid	33,460		33,460
Restitutions paid		10,968	10,968
<b>TOTAL DEDUCTIONS</b>	<u>33,460</u>	<u>10,968</u>	<u>44,428</u>
Net assets- beginning of year	<u>22,510</u>	<u>193</u>	<u>22,703</u>
Net assets- end of year	<u><u>\$ 23,185</u></u>	<u><u>\$ 193</u></u>	<u><u>\$ 23,378</u></u>

See notes to financial statements

***City Court of Thibodaux, Louisiana***  
**Notes to the Financial Statements**

Article 7, Section 51, of the Louisiana Constitution of 1921, created the City Court of Thibodaux, Louisiana in 1953 under General Legislative authority provided. In 1960, Louisiana Revised Statutes 13:1951 was passed recognizing and continuing the existence of city courts created and established pursuant to this authority. The City Court of Thibodaux serves the people of the City of Thibodaux, Louisiana and all of Ward 2 of the Parish of Lafourche, Louisiana.

The component unit financial statements of the City Court of Thibodaux have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City Court of Thibodaux are described below.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

City Court of Thibodaux is a component unit of the City of Thibodaux, Louisiana as defined by GASB 14. City Court of Thibodaux's judges and marshals are independently elected officials. City Court of Thibodaux is fiscally dependent on the City of Thibodaux, Louisiana for office space and courtrooms. The substance of the relationship between City Court of Thibodaux and the City of Thibodaux, Louisiana is that the City of Thibodaux, Louisiana has approval authority over its capital budget.

**B. Fund Accounting**

The accounts of the City Court of Thibodaux are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". City Court of Thibodaux uses governmental and fiduciary funds in its operations. Governmental funds are used to account for government's general activities, where the focus of attention is on the providing of services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others.

**City Court of Thibodaux, Louisiana**  
Notes to the Financial Statements

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**B. Fund Accounting, (Continued)**

*Governmental funds:*

- *General fund* – The general fund is the general operating fund of the City Court of Thibodaux. It accounts for all activities except those accounted for in other funds.
- *Special revenue funds* – are used to account for fees, fines and costs charged for court cases and expenditures for these court cases.

*Fiduciary funds:*

- *Agency funds* - are used to account for assets that the government holds on behalf of others as their agent.

**C. Measurement Focus and Basis of Accounting**

*Government-Wide Financial Statements*

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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."

Program revenues included in the Statement of Activities derive directly from the program itself and reduce the cost of the function to be financed from the general revenues.

*Fund Financial Statements*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resource measurement focus and 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).

**City Court of Thibodaux, Louisiana**  
Notes to the Financial Statements

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Court fees, fines, and other revenues are recorded when collected and are considered susceptible to accrual.

**D. Budgets**

City Courts, as political subdivisions, are required according to LRS 39:1302 to adopt a budget. The City Court of Thibodaux did not prepare an annual budget.

Encumbrances represent commitments related to unperformed contracts for goods or services. The City Court of Thibodaux does not use an encumbrance system.

**E. Cash and Cash Equivalents**

Cash includes amounts in demand deposits as well as short-term investments (certificates of deposit) with a maturity date within a year of the date acquired. Under state law, the City Court of Thibodaux may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**F. Short-Term Interfund Receivables/Payables and Interfund Transfers**

During the course of operations transactions occur between individual funds. These receivables and payables are classified as "due to or due from other funds" on the balance sheet. All interfund transactions, except quasi-external transactions, are reported as operating transfers.

**City Court of Thibodaux, Louisiana**  
Notes to the Financial Statements

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**F. Short-Term Interfund Receivables/Payables and Interfund Transfers  
(Continued)**

In the process of aggregating data for the statement of net assets and the statement of activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**G. Capital Assets**

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

- Equipment                      5 - 10 years
- Furniture                        10 years
- Law books                        20 years

**H. Compensated Absences**

The City of Thibodaux, Louisiana primarily employs individuals who work at the City Court of Thibodaux office. No liability for compensated absences is reflected on the City Court of Thibodaux's financial statements. Vacation and sick leave do not accumulate.

**I. On-behalf Payments and Expenses Paid by the City of Thibodaux,  
Louisiana**

Certain expenses of City Court of Thibodaux are budgeted and paid for by the City of Thibodaux, Louisiana. These expenses consist of operating supplies, automobile expenses, equipment rental, telephone expenses, audit fees, insurance costs, publishing and other miscellaneous expenses. These expenses from the City of Thibodaux, not recognized on City Court's books, for 2003 were approximately \$34,465.

## ***City Court of Thibodaux, Louisiana***

### **Notes to the Financial Statements**

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

##### **I. On-behalf Payments and Expenses Paid by the City of Thibodaux, Louisiana (Continued)**

The Judge and City Court Employees received on-behalf payments from the State of Louisiana of \$32,716 Lafourche Parish of \$18,000 and the City of Thibodaux of \$199,169 for salaries and benefits. As required by GASB Statement 24, revenue and an expenditure of \$249,886 has been recognized in general fund for these on-behalf payments.

##### **J. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **NOTE 2 - CASH AND CASH EQUIVALENTS**

At year-end, the reported amount of the City Court of Thibodaux's deposits was \$589,654 (\$566,276 in governmental funds and \$23,378 in fiduciary funds) and the resulting bank balances were \$592,629. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits of City Court of Thibodaux are secured from risk by \$252,170 of federal deposit insurance and the balance by pledged securities at market value of \$613,375 and are considered adequately secured from risk.

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 City Court of Thibodaux that the fiscal agent has failed to pay deposited funds upon demand.

**City Court of Thibodaux, Louisiana**  
Notes to the Financial Statements

**NOTE 3 - CAPITAL ASSETS**

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/02	Additions/ (Deletions)	Balance 12/31/03
Equipment	\$7,438	\$ 4,248	\$11,686
Furniture	12,002	7,410	19,412
Law Books	5,844	-	5,844
Leasehold Improvements	11,410	-	11,410
Police Special Equip	-	14,221	14,221
Totals	\$36,694	\$25,879	\$62,573

Less accumulated depreciation:

Equipment	\$2,188	\$1,122	\$3,310
Furniture	3,733	2,229	5,962
Law Books	5,259	292	5,552
Leasehold Improvements	660	1,320	1,980
Police Special Equip	-	1,422	1,422
Totals	\$11,840	\$6,385	\$18,226

Capital assets, net	\$24,854	\$19,493	\$44,347
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Depreciation expense for the year was \$6,385 recorded as governmental activities.

**NOTE 4 - DUE TO OTHER GOVERNMENTS**

Consist of amounts due to other governments for fines collected to be remitted:

Entity	Amount Due
City of Thibodaux	\$4,716
Indigent Defender	3,120
Lafourche Parish	3,375
Other miscellaneous	1,965
Totals	\$13,176

***City Court of Thibodaux, Louisiana***  
Notes to the Financial Statements

**NOTE 5 - EMPLOYEE RETIREMENT SYSTEMS**

All individuals who work at City Court of Thibodaux are paid by the City of Thibodaux, Louisiana and are consequently members of the Municipal 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 compensate all individuals employed at the City Court of Thibodaux. The retirement plan mentioned above is administered and controlled by a separate board of trustees.



***REQUIRED SUPPLEMENTARY  
INFORMATION***

**CITY COURT OF THIBODAUX, LOUISIANA****BUDGET COMPARISON SCHEDULE****GENERAL FUND**

For the year ended December 31, 2003

	<u>Budgeted Amount Final</u>	<u>General Fund</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Court fees, fines and costs	\$ 70,000	\$ 69,624	\$ (376)
Interest earned	1,700	1,256	(444)
<b>Total revenues</b>	<u>71,700</u>	<u>70,880</u>	<u>(820)</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
<b>General government - judicial:</b>			
Personnel	25,300	25,296	4
Grant to FINS	12,000	10,000	2,000
Juvenile Case Manager	3,000	2,675	325
Uniforms	3,000	1,443	1,557
Supplies	3,000	3,689	(689)
Dues	650	825	(175)
Meetings and conventions	2,000	1,888	112
Court reporter fees	15,000	16,438	(1,438)
Computer Services	5,000	4,635	365
Storage	831	831	-
Other services and charges	1,000	1,125	(125)
<b>Total current expenditures</b>	<u>70,781</u>	<u>68,845</u>	<u>1,936</u>
Capital outlay	12,000	8,039	3,961
<b>Total expenditures</b>	<u>82,781</u>	<u>76,884</u>	<u>5,897</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(11,081)</u>	<u>(6,004)</u>	<u>5,077</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	12,000	12,000	-
<b>Total other financing sources and uses</b>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<b>Net change in fund balances</b>	919	5,996	5,077
<b>FUND BALANCES</b>			
Beginning of year	121,793	121,793	-
End of year	<u>\$ 122,712</u>	<u>\$ 127,789</u>	<u>\$ 5,077</u>

***REPORTS REQUIRED BY GAO***



# STAGNI & COMPANY, LLC

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

Honorable David M. Richard, Judge  
City Court of Thibodaux, Louisiana

We have audited the financial statements of the governmental activities and major funds of the City Court of Thibodaux, Louisiana a component unit of the City of Thibodaux, Louisiana as of and for the year ended December 31, 2003, which collectively comprise the basic financial statements and have issued our report thereon dated January 28, 2004. 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.

### Compliance

As part of obtaining reasonable assurance about whether the City Court of Thibodaux's basic 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 is required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Thibodaux's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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To the Honorable David M. Richard, Judge  
City Court of Thibodaux, Louisiana  
Page 2

A material weakness is a 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management and the Louisiana Legislative Auditor 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.

*Stagni & Company*

January 28, 2004  
Thibodaux, Louisiana



**CITY COURT OF THIBODAUX, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended December 31, 2003*

We have audited the basic financial statements of the City Court of Thibodaux, Louisiana as of and for the year ended December 31, 2003, and have issued our report thereon dated January 28, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2003 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

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

**Internal Control**

Material Weaknesses  Yes  No      Other Conditions     Yes  No

**Compliance**

Compliance Material to Financial Statements     Yes     No

b. *Federal Awards - NOT APPLICABLE*

**Internal Control**

Material Weaknesses  Yes  No      Reportable Conditions     Yes  No

**Type of Opinion On Compliance**                      Unqualified                       Qualified

For Major Programs                      Disclaimer                       Adverse

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

c. *Identification of Major Programs:*                      **NOT APPLICABLE**

**Section II Financial Statement Findings**

NONE

**Section III Federal Award Findings and Questioned Costs**

NOT APPLICABLE – NO FEDERAL AWARDS RECEIVED.



***OTHER SUPPLEMENTAL INFORMATION  
SECTION***

**CITY COURT OF THIBODAUX, LOUISIANA**

Status of Prior Audit Findings  
For the Year Ended December 31, 2003

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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**Section I - Internal Control and Compliance Material to the Financial Statements:**

2002-1      2002      No Budget Adopted      Yes

**Section II - Internal Control and Compliance Material to Federal Awards:4  
NOT APPLICABLE**

**Section III - Management Letter:  
NONE**



**CITY COURT OF THIBODAUX, LOUISIANA**

Current Year Findings, Recommendations and Corrective Action Plan  
For the Year Ended December 31, 2003

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

NONE

Section II - Internal Control and Compliance Material to Federal Awards:

NOT APPLICABLE

Section III - Management Letter:

NO FINDINGS TO REPORT