

**CITY COURT OF THIBODAUX,
LOUISIANA**

Annual Financial Report

For the Year Ended December 31, 2008

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

6/19/09

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Annual Financial Report
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**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

This discussion and analysis of City Court of Thibodaux's financial performance provides an overview of the financial activities for the year.

FINANCIAL HIGHLIGHTS

- Assets exceeded its liabilities by \$564,141. This compares to the previous year when assets exceeded liabilities by \$517,505.
- Total net assets are comprised of the following:
 - Invested in capital assets of \$35,479 consisting of equipment, furniture, leasehold improvements and law books, net of accumulated depreciation.
 - Unrestricted net assets of \$528,662 representing the portion available to maintain continuing obligations to citizens and creditors.
- Total spending for all judicial activities was \$445,827 for the year, which was \$32,456 less than the fines and costs charged for these activities and operating grants and contributions totaling \$478,283. This was better than last year, when spending was \$6,617 less than the program revenues generated for judicial programs.
- The governmental funds reported total ending fund balance – all considered unreserved of \$528,662. This compares to the prior year ending fund balance – also all unreserved, of \$465,537, showing an increase of \$63,125 during the current year.
- At the end of the current year, unreserved fund balance for the General Fund was \$242,931, or 58% of total General Fund expenditures, not including transfers.

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.

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

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

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 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 entity 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 net assets and changes in them. You can think of the net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in the net assets are one indicators of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the entity.

In the Statement of Net Assets and the Statement of Activities, only one type of activity - governmental activities is reported. Most of the 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, 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).

City 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.

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

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 the judicial 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 \$46,636 as a result of this year's operations. The overall financial position improved during fiscal year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations. Following is a condensed statement of Net Assets:

Condensed Statement of Net Assets

	2007	2008	Dollar Change	Percent Change
Current and Other Assets	\$ 769,455	\$ 893,406	\$ 123,951	13.9%
Capital Assets	51,968	35,479	(16,489)	-46.5%
Total Assets	<u>821,423</u>	<u>928,885</u>	<u>107,462</u>	<u>11.6%</u>
Current Liabilities	<u>303,918</u>	<u>364,744</u>	<u>60,826</u>	<u>16.7%</u>
Invested in Capital Assets	51,968	35,479	(16,489)	-46.5%
Unrestricted	<u>465,537</u>	<u>528,662</u>	<u>63,125</u>	<u>11.9%</u>
Total Net Assets	<u>\$ 517,505</u>	<u>\$ 564,141</u>	<u>\$ 46,636</u>	<u>8.3%</u>

The total revenues for the year in governmental activities were \$492,463 (\$478,283 in program revenues and \$14,180 in general revenues). The total cost of all judicial programs and services was \$445,827 with no new programs added this year.

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Following is a condensed Statement of Activities:

**Table B
Condensed Statement of Activities**

	FY 2007	FY 2008	Dollar Change	Total Percent Change
Total program expenses	\$ (435,961)	\$ (445,827)	\$ (9,866)	-2.2%
Total program revenues	442,578	472,869	30,291	6.4%
Net program income	<u>6,617</u>	<u>27,042</u>	<u>20,425</u>	<u>75.5%</u>
General revenues	28,074	14,180	(13,894)	-98.0%
Change in Net Assets	<u>34,691</u>	<u>41,222</u>	<u>6,531</u>	<u>15.8%</u>
Net Assets:				
Beginning of the year	<u>482,814</u>	<u>517,505</u>	<u>34,691</u>	<u>8.7%</u>
End of the year	<u>\$ 517,505</u>	<u>\$ 558,727</u>	<u>\$ 41,222</u>	<u>7.4%</u>

FINANCIAL ANALYSIS OF THE CITY COURT'S FUNDS

As we noted earlier, 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. The following is information about City Court's major funds.

At the end of the year, the General Fund reported an ending fund balance of \$242,931. This reflects an increase of \$38,830 or 19% from last year. This increase is primarily the result of an increase in court fees and fines and on-behalf payments recorded in the general fund. Expenditures increased slightly by 4% also related mostly to the increase (\$13,883) in on-behalf payments recorded.

The Civil Cost Fund experienced a significant decrease in interest earned of almost 50% or \$6,158. There were no expenditures and \$84,418 in beginning fund balance that resulted in the ending fund balance of \$90,788.

The Marshal's Fund had an ending fund balance of \$17,924. Revenues remained basically the same but expenditures decrease significantly by over 50% or \$6,819 resulting in a net change in fund balance of \$6,675 for the year.

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was not amended during the year.

CAPITAL ASSETS

The investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2008 and 2007 was \$35,479 and \$51,968, respectively.

This year there was \$1,424 of additions and \$530 disposals to fixed assets for the purchase of office equipment. More detailed information about the City Court's capital assets is presented in Note 3 to the financial statements.

DEBT

At year-end, there was no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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 General Fund balance is expected to increase modestly by the close of 2008. Highlights of next year's adopted budget for the general fund include:

Condensed Summary of Budgeted Finances

	2009
Anticipated revenues	\$ 92,413
Expenditures:	
Current	81,913
Capital outlay	10,000
Anticipated expenditures	91,913
Excess of revenues	500
Fund Balance:	
Beginning of the year	208,151
End of the year	\$ 208,651

**CITY COURT OF THIBODAUX, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

CONTACTING THE CITY COURT'S FINANCIAL MANAGEMENT

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

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

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mark Chiasson, 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, 2008, 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, 2008, 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.

To the Honorable Mark Chiasson, Judge
City Court of Thibodaux, Louisiana
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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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2009 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

April 3, 2009
Thibodaux, Louisiana



CITY COURT OF THIBODAUX, LOUISIANA
STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2008

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 893,406
Capital assets, net of depreciation	35,479
Total assets	928,885
 LIABILITIES	
Accounts payable and accrued expenses	45,580
Due to other governments	23,856
Bond and other deposits	295,308
Total liabilities	364,744
 NET ASSETS	
Invested in capital assets	35,479
Unrestricted	528,662
Total net assets	\$ 564,141

See notes to the financial statements.

CITY COURT OF THIBODAUX, LOUISIANA

STATEMENT OF ACTIVITIES

As of and for the year ended December 31, 2008

<u>FUNCTIONS / PROGRAMS</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
General government - Judicial	\$ 445,827	\$ 118,525	\$ 359,758	\$ 32,456
Total governmental activities:				<u>32,456</u>
General revenues:				
Unrestricted investment earnings				14,180
Total general revenues				<u>14,180</u>
Change in net assets				46,636
Net assets - beginning				517,505
Net assets - ending				<u>\$ 564,141</u>

See notes to the financial statements.

CITY COURT OF THIBODAUX, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	General Fund	Civil Court Fund	Marshall's Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 271,283	\$ 430,250	\$ 191,873	\$ 893,406
Due to/from other funds	(3,070)	-	3,070	-
Total assets	\$ 268,213	\$ 430,250	\$ 194,943	\$ 893,406
LIABILITIES & EQUITY				
Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ 45,580	\$ -	\$ 45,580
Due to other governments	23,856	-	-	23,856
Bond and other deposits	1,428	293,882	-	295,308
Total liabilities	25,282	339,462	-	364,744
Fund balance - unreserved, undesignated	242,931	90,788	194,943	528,662
Total equity	242,931	90,788	194,943	528,662
Total liabilities & equity	\$ 268,213	\$ 430,250	\$ 194,943	
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.			129,396	
Cost of Capital Assets			(93,917)	35,479
Accumulated Depreciation				\$ 564,141
Net assets of governmental activities				

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, 2008

	General Fund	Civil Cost Fund	Marshal's Fund	Total Governmenta Funds
REVENUES				
Court fees, fines and costs	\$ 87,207	\$ -	\$ 31,318	\$ 118,525
Grant Parish	5,413	-	-	5,413
On-behalf salaries and benefits received	354,345	-	-	354,345
Interest earned	3,751	6,370	4,059	14,180
Total revenues	<u>450,716</u>	<u>6,370</u>	<u>35,377</u>	<u>492,463</u>
EXPENDITURES				
General government - judicial:				
Current:				
Salaries & benefits	17,413	-	-	17,413
On-behalf salaries & benefits paid	354,345	-	-	354,345
Grant to FINS	12,000	-	-	12,000
Juvenile Case Manager	3,250	-	-	3,250
Uniforms	1,113	-	-	1,113
Supplies	2,211	-	3,047	5,258
Dues	415	-	467	882
Meetings and conventions	5,812	-	-	5,812
Contract labor	16,891	-	300	17,191
Computer Services	6,285	-	-	6,285
Storage	1,548	-	-	1,548
Other services and charges	1,881	-	936	2,817
Total current expenditures	<u>423,184</u>	<u>-</u>	<u>4,750</u>	<u>427,914</u>
Capital outlay	722	-	702	1,424
Total expenditures	<u>423,886</u>	<u>-</u>	<u>5,452</u>	<u>429,338</u>
Excess (deficiency) of revenues over expenditures	<u>26,830</u>	<u>6,370</u>	<u>29,925</u>	<u>63,125</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	12,000	-	(12,000)	-
Total other financing sources and uses	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>	<u>-</u>
Net change in fund balances	38,830	6,370	17,925	63,125
FUND BALANCES				
Beginning of year	204,101	84,418	177,018	465,537
End of year	<u>\$ 242,931</u>	<u>\$ 90,788</u>	<u>\$ 194,943</u>	<u>\$ 528,662</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, 2008

Net change in fund balances - total governmental funds \$ 63,125

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	\$	1,424	
Loss on Disposal		(238)	
Depreciation Expense		<u>(17,675)</u>	
Excess of capital outlay over depreciation expense			<u>(16,489)</u>

Change in net assets of governmental activities \$ 46,636

See notes to financial statements.

CITY COURT OF THIBODAUX, LOUISIANA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2008

	<u>Bond Fund</u>	<u>Restitution Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 37,369	\$ 193	\$ 37,562
Total assets	<u>\$ 37,369</u>	<u>\$ 193</u>	<u>\$ 37,562</u>
LIABILITIES			
Bonds payable	\$ 37,369		\$ 37,369
Restitution payable		\$ 193	193
Total liabilities	<u>\$ 37,369</u>	<u>\$ 193</u>	<u>\$ 37,562</u>

See notes to the financial statements

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2008

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 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

December 31, 2008

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 non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

Program revenues 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).

"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.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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 presents, adopts and amends an operating budget for the general fund as required by the Louisiana Local Government Budget Act. The budget is prepared on a modified accrual basis of accounting. The budget presented in the Budget Comparison Schedule shows the original and final amended budgets for the year.

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.

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.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2008

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

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. City Court maintains a threshold level of \$100 or more for capitalizing capital assets. 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:

- | | |
|-------------|--------------|
| o Equipment | 3 - 10 years |
| o Furniture | 10 years |
| o 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 2008 were approximately \$49,047.

The Judge and City Court Employees received on-behalf payments from the State of Louisiana of \$38,395; Lafourche Parish of \$18,006; and the City of Thibodaux of \$297,943 for salaries and benefits. As required by GASB Statement 24, revenue and an expenditure of \$354,345 have been recognized in general fund for these on-behalf payments. Of the \$354,345, \$5,874 was paid for retirement benefits on behalf of the Judge to the Louisiana Employees State Retirement System.

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.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2008

NOTE 2 - CASH AND CASH EQUIVALENTS

A summary of deposits are listed as follows:

	Bank Balance	Reported Amount
Cash – governmental funds	\$894,614	\$893,406
Cash – fiduciary funds	37,462	37,562
TOTAL DEPOSITS	\$932,076	\$930,968

State law requires that deposits (cash and certificates of deposit) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the 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. Under the provision of GASB, pledged securities, which are not in the name of the governmental unit, are considered uncollateralized.

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. At year end \$389,083 of the bank balance of deposits was exposed to custodial credit risk. These deposits were collateralized by securities purchased and pledged to City Court. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in City Court's name.

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. 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 depositor that the fiscal agent has failed to pay deposited funds upon demand.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2008

NOTE 3 - CAPITAL ASSETS

A schedule of changes in capital assets follows:

Governmental activities	Balance 12/31/07	Additions/ (Deletions)	Balance 12/31/08
Equipment	\$47,070	\$ 894	\$47,964
Furniture	21,868	-	21,868
Law Books	5,844	-	5,844
Leasehold Improvements	11,410	-	11,410
Police Special Equip	23,590	-	23,590
Vehicles	18,720	-	18,720
Totals	\$128,502	\$894	\$129,396

Less accumulated depreciation:

Equipment	\$26,207	\$7,791	\$33,998
Furniture	16,402	1,232	17,634
Law Books	5,844		5,844
Leasehold Improvements	7,261	1,320	8,581
Police Special Equip	15,204	3,296	18,500
Vehicles	5,616	3,744	9,360
Totals	\$76,534	\$17,383	\$93,917

Capital assets, net	\$51,968		\$35,479
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Depreciation expense for the year was \$17,675 recorded in governmental activities. Capital additions for the year were \$1,424 and disposals were \$530.

City Court of Thibodaux, Louisiana

Notes to the Financial Statements

December 31, 2008

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	\$8,667
Indigent Defender	8,765
Lafourche Parish	3,145
Other miscellaneous	3,279
Totals	\$23,856

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.

All individuals employed at the City Court of Thibodaux are primarily compensated by others who disclose the required retirement plan information in separately issued financial statements administered and controlled by a separate board of trustees.

Payments made on behalf of the City Court of Thibodaux employees for pension benefits to the Municipal Employees Retirement System by the City of Thibodaux for the year ending December 31, 2008 is \$28,420.

***REQUIRED SUPPLEMENTARY
INFORMATION***

CITY COURT OF THIBODAUX, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the year ended December 31, 2008

	Budgeted		Actual	Variance - Favorable (Unfavorable)
	Original	Final <small>(no amendments)</small>		
REVENUES				
Court fees, fines and costs	\$ 70,000	\$ 70,000	\$ 87,207	\$ 17,207
Grant from Parish	5,413	5,413	5,413	-
Interest earned	7,000	7,000	3,751	(3,249)
Total revenues	<u>82,413</u>	<u>82,413</u>	<u>96,371</u>	<u>13,958</u>
EXPENDITURES				
General government - judicial:				
Current:				
Personnel	17,413	17,413	17,413	-
FINS Grant	12,000	12,000	12,000	-
Juvenile Case Manager	5,000	5,000	3,250	1,750
Uniforms	2,000	2,000	1,113	887
Supplies	3,250	3,250	2,211	1,039
Dues	1,000	1,000	415	585
Meetings and conventions	5,000	5,000	5,812	(812)
Court reporter fees	19,000	19,000	16,891	2,109
Computer Services	10,000	10,000	6,285	3,715
Storage	2,500	2,500	1,548	952
Other services and charges	3,000	3,000	1,881	1,119
Total current expenditures	<u>80,163</u>	<u>80,163</u>	<u>68,819</u>	<u>11,344</u>
Capital outlay	10,000	10,000	722	9,278
Total expenditures	<u>90,163</u>	<u>90,163</u>	<u>69,541</u>	<u>20,622</u>
Excess (deficiency) of revenues over expenditures	<u>(7,750)</u>	<u>(7,750)</u>	<u>26,830</u>	<u>34,580</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	12,000	12,000	12,000	-
Total other financing sources and uses	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net change in fund balances	4,250	4,250	38,830	34,580
FUND BALANCES				
Beginning of year	181,986	181,986	204,101	22,115
End of year	<u>\$ 186,236</u>	<u>\$ 186,236</u>	<u>\$ 242,931</u>	<u>\$ 56,695</u>

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Honorable Mark Chiasson, 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, 2008, which collectively comprise the basic financial statements and have issued our report thereon dated April 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Thibodaux's internal control as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

To the Honorable Mark Chiasson, Judge
City Court of Thibodaux, Louisiana
Page 2

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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

April 3, 2009
Thibodaux, Louisiana



CITY COURT OF THIBODAUX, LOUISIANA
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2008

We have audited the basic financial statements of the City Court of Thibodaux, Louisiana as of and for the year ended December 31, 2008, and have issued our report thereon dated April 3, 2009. 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 opinion on the financial statements as of December 31, 2008 was unqualified.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses No
 Significant Deficiencies No

Compliance

Compliance Material to Financial Statements No

b. Federal Awards - NOT APPLICABLE

Internal Control

Material Weaknesses Yes No

Significant Deficiencies Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

Yes No

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

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

NOT APPLICABLE – NO FEDERAL AWARDS RECEIVED.

