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ST. MARTIN PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2004

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 11-10-04

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Allen Blanchard
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court (Clerk of Court), as of and for the year ended June 30, 2004, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clerk of Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. Martin Parish Clerk of Court, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the Clerk of Court has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This results in a change in the format and content of the basic financial statements.

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In accordance with Government Auditing Standards, we have also issued a report dated September 24, 2004 on our consideration of the Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the other required supplementary information on pages 4 through 6 and 31 through 35, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the financial statements of the St. Martin Parish Clerk of Court.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
September 24, 2004

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. MARTIN PARISH CLERK OF COURT

St. Martinville, Louisiana

Management's Discussion and Analysis

June 30, 2004

As management of the St. Martin Parish Clerk of Court, I offer readers of the St. Martin Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the St. Martin Parish Clerk of Court for the fiscal year ended June 30, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund (Fund Financial Statements) tell how these 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 Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data for the prior year is only available on a limited basis. However, all applicable tables will present comparative data in fiscal year 2005.

Our auditor has provided assurance in their independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the 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 Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the St. Martin Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the St. Martin Parish Clerk of Court's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the St. Martin Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 (for example, earned, but unused, sick leave).

Fund financial statements. 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 St. Martin Parish Clerk of 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 St. Martin Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

ST. MARTIN PARISH CLERK OF COURT

St. Martinville, Louisiana

Management's Discussion and Analysis (continued)

June 30, 2004

Governmental 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 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, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and 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 St. Martin Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the St. Martin Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the St. Martin Parish Clerk of Court's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the St. Martin Parish Clerk of Court exceeded liabilities by \$387,648. Approximately 13.99% of the St. Martin Parish Clerk of Court's net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending. Additionally, total net assets of the St. Martin Parish Clerk of Court declined by \$47,220 for the fiscal year ended June 30, 2004. This was primarily attributable to

ST. MARTIN PARISH CLERK OF COURT

St. Martinville, Louisiana

Management's Discussion and Analysis (continued)

June 30, 2004

expanding employee benefit costs, which negated other cost reduction measures instituted by management to remedy projected revenue shortfalls for the current fiscal year.

An additional portion of the St. Martin Parish Clerk of Court's net assets represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the St. Martin Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on net assets being included in the statement of net assets for the first time.

Since this is the first year of implementing the new reporting model, comparative information is not available for further government-wide financial analysis. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Financial Analysis of the Government's Funds

As noted earlier, the St. Martin Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2004, the General Fund's (governmental fund) fund balance of \$333,434 showed a decrease of \$43,622 from June 30, 2003. The unreserved, undesignated fund balance of \$312,576 shows a decrease (of approximately \$64,480) from the prior year amount.

General Fund Budgetary Highlights

Differences between expenditures of the original budget and the final budget were due primarily to increases in operating services for employee benefits and upgrades to telecommunication systems.

Capital Asset and Debt Administration

Capital assets. The St. Martin Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2004, amounts to \$56,269 (net of accumulated depreciation). This investment includes furniture and equipment. The decrease in capital assets for the year was \$7,078.

Long-term debt. The St. Martin Parish Clerk of Court has no debt outstanding.

Requests for Information

This financial report is designed to provide a general overview of the St. Martin Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the St. Martin Parish Clerk of Court, P. O. Box 308, St. Martinville, LA 70582.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 272,940
Receivables, net	52,194
Due from other governmental units	2,225
Accrued interest	42
Other receivables	525
Prepaid expenditures	<u>20,858</u>
Total current assets	348,784
Noncurrent assets:	
Capital assets, net	<u>56,269</u>
Total assets	<u>405,053</u>
LIABILITIES	
Current liabilities:	
Accounts payable	15,350
Capital lease payable	<u>2,055</u>
Total current liabilities	<u>17,405</u>
NET ASSETS	
Invested in capital assets, net of related debt	54,214
Unrestricted	<u>333,434</u>
Total net assets	<u>\$ 387,648</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2004

Activities	Program Revenues		Net (Expense) Revenues and Changes in Net Assets
Governmental activities:	Charges for Services	Operating Grants and Contributions	
General government	<u>\$1,519,382</u>	<u>\$ 1,440,629</u>	<u>\$ (60,753)</u>
General revenues:			
Interest and investment earnings			10,513
Miscellaneous			<u>3,020</u>
Total general revenues			<u>13,533</u>
Change in net assets			(47,220)
Net assets - July 1, 2003			<u>434,868</u>
Net assets - June 30, 2004			<u>\$ 387,648</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTION - MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Comparative Balance Sheet - Governmental Fund
June 30, 2004 and 2003

	General Fund	
	2004	2003
ASSETS		
Cash	\$ 60,692	\$ 39,049
Interest-bearing deposits	212,248	301,459
Receivables:		
Accounts receivable	52,194	49,064
Due from other governmental agencies	2,225	1,225
Accrued interest	42	568
Other receivable	525	-
Prepaid expenditures	20,858	-
Total assets	\$ 348,784	\$ 391,365
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 15,350	\$ 11,367
Payroll liabilities payable	-	2,942
Total liabilities	15,350	14,309
Fund balance:		
Reserved for prepaid expenditures	20,858	-
Unreserved, undesignated	312,576	377,056
Total fund balance	333,434	377,056
Total liabilities and fund balance	\$ 348,784	\$ 391,365

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balance for the governmental fund at June 30, 2004		\$ 333,434
Cost of capital assets at June 30, 2004	\$ 219,741	
Less: Accumulated depreciation	<u>(163,472)</u>	56,269
Long-term liabilities at June 30, 2004:		
Capital lease obligation		<u>(2,055)</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 387,648</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
For the Years Ended June 30, 2004 and 2003

	General Fund	
	2004	2003
Revenues:		
Licenses and permits	\$ 7,025	\$ 6,055
Fees, charges and commissions -		
Court costs, fees and charges	190,124	160,539
Fees for recording legal documents	1,172,312	1,110,306
Fees for certified copies	71,168	54,133
Intergovernmental	18,000	-
Miscellaneous	13,533	16,392
Total revenues	1,472,162	1,347,425
Expenditures:		
Current -		
General government:		
Personnel services and related benefits	1,143,656	1,145,615
Operating services	308,066	311,736
Material and supplies	47,413	45,821
Capital outlay	12,815	14,348
Debt service -		
Principal payment on capital lease	3,480	3,242
Interest on capital lease	354	592
Total expenditures	1,515,784	1,521,354
Deficiency of revenues over expenditures	(43,622)	(173,929)
Other financing sources:		
Proceeds from capital lease	-	8,924
Total other financing sources	-	8,924
Net changes in fund balance	(43,622)	(165,005)
Fund balance, beginning of year	377,056	542,061
Fund balance, end of year	\$ 333,434	\$ 377,056

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2004

Total net change in fund balances for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (43,622)
The change in net assets reported for governmental activities in the statement of activities is different because:		
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.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 15,637	
Depreciation expense for year ended June 30, 2004	<u>(22,715)</u>	(7,078)
Governmental funds record long-term debt principal payments in the Statement of Revenues, Expenditures and Changes in Fund balances as opposed to recording the principal payments in the Statement of Net Assets.		
Principal debt payments for the year ended June 30, 2004		<u>3,480</u>
Total changes in net assets for the year ended June 30, 2004 per Statement of Activities		<u>\$ (47,220)</u>

The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - FIDUCIARY FUNDS

AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary assets and liabilities.

Advance Deposit Fund -

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed by litigants which are accounted for on the computer system. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund -

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash	\$ 215,613	\$ 141,784
Interest-bearing deposits	1,171,055	1,056,365
Accrued interest receivable	<u>1,350</u>	<u>2,197</u>
Total assets	<u>\$1,388,018</u>	<u>\$1,200,346</u>
LIABILITIES		
Due to litigants and others	\$ 621,325	\$ 548,270
Unsettled deposits	<u>766,693</u>	<u>652,076</u>
Total liabilities	<u>\$1,388,018</u>	<u>\$1,200,346</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Martin Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements of the proprietary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsection of this note. For the fiscal year ended June 30, 2004, the Clerk of Court implemented the new financial reporting requirements of GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. As a result, an entirely new financial presentation format has been implemented.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and to the industry audit guide, Audits of State and Local Governments.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of his office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the Parish Government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the Parish Government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of the last year of the term in office.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

The major fund of the Clerk of Court is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operations of the Clerk of Court's office. The various fees and charges due to the Clerk of Court's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund – accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund – accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

In the fund financial statement, the governmental fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Clerk of Court.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 years
Furniture, fixtures, and equipment	5-12 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds are reported as liabilities in the government-wide statements. The long-term debt consists of capital lease obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest is reported as expenditures.

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 10 days of sick leave each year. Vacation leave must be used in the year earned; unused vacation leave may be converted to sick leave at year end. Sick leave may be accumulated but is not paid upon termination (unless the individual is disabled or deceased). At June 30, 2004, the Clerk of Court has no accumulated leave benefits required to be reported in accordance with GASB Statement No. 16, "Accounting for Compensated Absences."

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds,

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Clerk had no equity in this classification at June 30, 2004.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Budgetary and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

F. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2004.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004 are recorded as prepaid items. The only prepaid item that existed at June 30, 2004 was prepaid insurance.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk of Court as an extension of formal budgetary integration in the funds.

J. Report Classification

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to the June 30, 2004 classifications.

(2) Changes in Accounting Principles

For the year ended June 30, 2004, the Clerk of Court has implemented GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Clerk of Court’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of "net assets" as follows:

Total fund balance - Governmental Fund - at June 30, 2003	\$ 377,056
Add: Cost of capital assets at June 30, 2003	204,104
Less: Accumulated depreciation at June 30, 2003	(140,757)
Less: Capital lease obligation at June 30, 2003	<u>(5,535)</u>
Net assets at June 30, 2003	<u>\$ 434,868</u>

(3) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Clerk of Court has cash and cash equivalents (book balances) totaling \$1,659,608 as follows:

Demand deposits	\$ 929,850
Time deposits	<u>729,758</u>
 Total	 <u>\$ 1,659,608</u>

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on 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 following is a summary of deposit balances (bank balances) at June 30, 2004, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 1,863,439</u>
Federal insurance	\$ 625,940
Pledged securities (Category 3)	<u>1,237,499</u>
Total federal insurance and pledged securities	<u>\$ 1,863,439</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 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 Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(4) Due from Other Governmental Units

Amount due from other governmental units at June 30, 2004 consisted of the following:

General Fund:

Amount due from the Louisiana Clerk of Court - Clerks Supplemental Fund. \$ 2,225

(5) Capital Assets

Capital asset balances and activity for the year ended June 30, 2004 is as follows:

	Balance 07/01/03	Additions	Deletions	Balance 6/30/2004
Buildings, Furniture, fixtures and equipment	\$ 204,104	\$ 15,637	-	\$ 219,741
Less: Accumulated depreciation	<u>(140,757)</u>	<u>(22,715)</u>	<u>-</u>	<u>(163,472)</u>
Net capital assets	<u>\$ 63,347</u>	<u>\$ (7,078)</u>	<u>\$ -</u>	<u>\$ 56,269</u>

Depreciation expense of \$22,715 was charged to the general government function.

(6) Pension Plan

Plan Description. - The Clerk of Court contributes to the Clerk of Court Retirement and Relief Fund (Retirement System), a cost-sharing multiple employer defined benefit pension plan administered by the Clerk of Court Retirement and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:1501 - 1540 to provide retirement, disability and survivor benefits to members throughout the State of Louisiana. The Clerk of Court Retirement and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy. - Plan members are required to contribute 8.25% of their annual covered salary and the St. Martin Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. The contribution requirements of plan members and the St. Martin Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The St. Martin Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2004, 2003, and 2002 were \$87,153, \$74,930, and \$66,186 respectively.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(7) Changes in Agency Fund Balances

A summary of changes in agency fund due to litigants and unsettled deposits for the year ended June 30, 2004 follows:

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Total</u>
Balance, June 30, 2003	\$ 548,270	\$ 652,076	\$ 1,200,346
Additions	1,113,230	287,716	1,400,946
Deletions	<u>(1,040,175)</u>	<u>(173,099)</u>	<u>(1,213,274)</u>
Balance, June 30, 2004	<u>\$ 621,325</u>	<u>\$ 766,693</u>	<u>\$ 1,388,018</u>

(8) Operating Leases

Rental expense for the years ended June 30, 2004 and 2003 were \$42,826 and \$59,091, respectively. The Clerk had the following outstanding lease agreements at June 30, 2004:

<u>Description</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Monthly Lease Amount</u>
Vehicle	2 Years	9/04	\$ 603
Xerox machine	5 Years	3/05	928
Xerox machine	3.5 Years	10/03	292
Xerox machine	3.5 Years	8/03	274
Computer Equipment	4 Years	11/04	1,183
Xerox machine	3 Years	5/05	108
Xerox machine	5 Years	6/08	420
Minolta copier	4 Years	5/08	422

The minimum future payments for these arrangements are as follows:

2005	\$ 25,627
2006	10,103
2007	10,103
2008	<u>8,839</u>
Total	<u>\$ 54,672</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(9) Capital Lease Obligations

During the year ended June 30, 2003 the clerk entered into two capital leases. One is for the purchase of 2 HP Vectra computers. The lease for these computers is for a principal balance of \$6,102 with an interest rate of 9.7%. As of June 30, 2004, \$4,047 has been paid on the computers, leaving a remaining principal balance of \$2,055. The lease is paid in monthly installments of \$196 (including interest). The term of the lease is 36 months with the final payment to be made in June of 2005, at which time, the computers will become the property of the Clerk. The second lease entered into was for the purchase of a Compaq Evo computer. The lease for this computer is for a principal balance of \$2,822 with an interest rate of 10.7%. As of June 30, 2004, \$2,822 has been paid on this computer leaving a remaining principal balance of \$0. This lease is paid in monthly installments of \$247 (including interest). In December of 2003, when the final payment was made, the computer became the property of the Clerk.

The minimum future payments for these arrangements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	<u>\$ 2,055</u>	<u>\$ 101</u>	<u>\$ 2,156</u>

(10) Deferred Compensation Plan

The Clerk of Court offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan, available to all Clerk of Court's employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the Clerk's general creditors.

(11) Risk Management

The Clerk of Court is exposed to risks of loss in the areas of general and auto liability, healthcare and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(12) Expenditures of the Clerk of Court Paid by the Parish Government

The Clerk of Court's office is located in the St. Martin Parish Courthouse. The St. Martin Parish Government pays the upkeep and maintenance of the courthouse. These expenditures are not reflected in the accompanying financial statements.

(13) Litigation

There is no litigation pending against the Clerk of Court at June 30, 2004.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance with Final Budget Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Licenses and permits	\$ 6,000	\$ 6,660	\$ 7,025	\$ 365	\$ 6,055
Fees, charges and commissions -					
Court costs, fees and charges	142,675	138,970	190,124	51,154	160,539
Fees for recording legal documents	1,286,300	1,197,160	1,172,312	(24,848)	1,110,306
Fees for certified copies	28,000	37,670	71,168	33,498	54,133
Intergovernmental	18,000	18,000	18,000	-	-
Miscellaneous	11,300	21,650	13,533	(8,117)	16,392
Total revenues	<u>1,492,275</u>	<u>1,420,110</u>	<u>1,472,162</u>	<u>52,052</u>	<u>1,347,425</u>
Expenditures:					
Current -					
General government:					
Personnel services and related benefits	1,139,440	1,149,470	1,143,656	5,814	1,145,615
Operating services	307,800	325,850	308,066	17,784	311,736
Material and supplies	44,300	48,100	47,413	687	45,821
Capital outlay	-	-	12,815	(12,815)	14,348
Debt service -					
Principal payment on capital lease	-	-	3,480	(3,480)	3,242
Interest on capital lease	-	-	354	(354)	592
Total expenditures	<u>1,491,540</u>	<u>1,523,420</u>	<u>1,515,784</u>	<u>7,636</u>	<u>1,521,354</u>
Excess (deficiency) of revenues over expenditures	<u>735</u>	<u>(103,310)</u>	<u>(43,622)</u>	<u>59,688</u>	<u>(173,929)</u>
Other financing sources:					
Proceeds from capital lease	-	-	-	-	8,924
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,924</u>
Net changes in fund balance	735	(103,310)	(43,622)	59,688	(165,005)
Fund balance, beginning of year	<u>377,056</u>	<u>377,056</u>	<u>377,056</u>	<u>-</u>	<u>542,061</u>
Fund balance, end of year	<u>\$ 377,791</u>	<u>\$ 273,746</u>	<u>\$ 333,434</u>	<u>\$ 59,688</u>	<u>\$ 377,056</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004				2003 Actual
	Budget		Actual	Variance - Positive (Negative)	
	Original	Final			
Licenses and permits:					
Marriage licenses	\$ 6,000	\$ 6,660	\$ 7,025	\$ 365	\$ 6,055
Fees, charges and commissions:					
Court costs, fees and charges -					
Court attendance	\$ -	\$ -	\$ 3,536	\$ 3,536	\$ -
Criminal costs	69,000	70,270	80,993	10,723	54,900
Qualifying fees	22,900	17,700	14,799	(2,901)	20,004
Police jury fees	18,000	19,150	39,286	20,136	37,977
UCC fees	15,800	15,800	33,595	17,795	30,723
Other	16,975	16,050	17,915	1,865	16,935
Total court costs, fees and charges	<u>142,675</u>	<u>138,970</u>	<u>190,124</u>	<u>51,154</u>	<u>160,539</u>
Fees for recording legal documents:					
Recordings	566,000	533,000	447,864	(85,136)	423,364
Cancellations	12,500	15,760	32,507	16,747	26,789
Mortgage certificates	10,800	13,400	28,794	15,394	23,557
Suits and successions	697,000	635,000	655,660	20,660	629,247
Margin penalties	-	-	7,487	7,487	7,349
Total fees for recording legal documents	<u>1,286,300</u>	<u>1,197,160</u>	<u>1,172,312</u>	<u>(24,848)</u>	<u>1,110,306</u>
Certified copies	<u>28,000</u>	<u>37,670</u>	<u>71,168</u>	<u>33,498</u>	<u>54,133</u>
Intergovernmental revenue -					
Federal grant	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>-</u>
Miscellaneous:					
Interest earned	7,800	4,150	10,513	6,363	14,744
Other	<u>3,500</u>	<u>17,500</u>	<u>3,020</u>	<u>(14,480)</u>	<u>1,648</u>
Total miscellaneous	<u>11,300</u>	<u>21,650</u>	<u>13,533</u>	<u>(8,117)</u>	<u>16,392</u>
Total revenues	<u>\$1,492,275</u>	<u>\$1,420,110</u>	<u>\$1,472,162</u>	<u>\$ 52,052</u>	<u>\$1,347,425</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance - Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries:					
Clerk	\$ 63,650	\$ 70,275	\$ 68,848	\$ 1,427	\$ 65,942
Deputy clerks	689,000	676,000	674,479	1,521	680,422
Other	21,000	21,000	20,951	49	31,085
Clerk's expense allowance	7,890	9,045	8,530	515	7,890
Clerk's supplemental fund	15,250	17,250	17,250	-	15,900
Group insurance	195,350	196,400	190,851	5,549	193,923
Pension and payroll taxes	79,800	92,000	91,806	194	80,449
Deferred compensation	67,500	67,500	70,941	(3,441)	70,004
Total personnel services and related benefits	<u>1,139,440</u>	<u>1,149,470</u>	<u>1,143,656</u>	<u>5,814</u>	<u>1,145,615</u>
Operating services -					
Professional fees	151,200	151,000	145,333	5,667	152,980
Insurance	12,400	15,000	13,620	1,380	13,424
Election expense allowance	2,400	2,150	2,146	4	2,496
Postage	19,200	21,600	19,918	1,682	17,045
Marriage license	3,600	3,300	3,978	(678)	3,337
Telephone	16,500	16,900	18,919	(2,019)	19,120
UCC fees	7,800	8,500	8,158	342	8,036
Travel	5,000	10,300	8,169	2,131	7,185
Filing fees	15,000	17,100	16,949	151	15,650
Repairs and maintenance	32,500	31,900	31,209	691	36,297
Refunds - fees	7,200	9,400	633	8,767	754
Police jury fees	35,000	38,700	39,034	(334)	35,412
Total operating services	<u>307,800</u>	<u>325,850</u>	<u>308,066</u>	<u>17,784</u>	<u>311,736</u>
Materials and supplies -					
Office supplies and expense	29,300	30,300	30,705	(405)	30,501
Auto maintenance	10,800	11,300	11,325	(25)	11,326
Dues and subscriptions	4,200	6,500	5,383	1,117	3,994
Total materials and supplies	<u>44,300</u>	<u>48,100</u>	<u>47,413</u>	<u>687</u>	<u>45,821</u>
Capital outlay - office					
	<u>-</u>	<u>-</u>	<u>12,815</u>	<u>(12,815)</u>	<u>14,348</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
Year Ended June 30, 2004
With Comparative Actual Amounts for the Year Ended June 30, 2003

	2004			Variance - Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Debt Service -					
Principal payments on capital lease	-	-	3,480	(3,480)	3,242
Interest on capital lease	-	-	354	(354)	592
Total debt service	-	-	3,834	(3,834)	3,834
 Total expenditures	<u>\$1,491,540</u>	<u>\$1,523,420</u>	<u>\$1,515,784</u>	<u>\$ 7,636</u>	<u>\$1,521,354</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
Agency Funds

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2004
With Comparative Totals for June 30, 2003

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
ASSETS				
Cash	\$ 215,613	\$ -	\$ 215,613	\$ 141,784
Interest-bearing deposits	405,000	766,055	1,171,055	1,056,365
Accrued interest receivable	<u>712</u>	<u>638</u>	<u>1,350</u>	<u>2,197</u>
Total assets	<u>\$ 621,325</u>	<u>\$ 766,693</u>	<u>\$1,388,018</u>	<u>\$1,200,346</u>
LIABILITIES				
Due to litigants	\$ 621,325	\$ -	\$ 621,325	\$ 548,270
Unsettled deposits	<u>-</u>	<u>766,693</u>	<u>766,693</u>	<u>652,076</u>
Total liabilities	<u>\$ 621,325</u>	<u>\$ 766,693</u>	<u>\$1,388,018</u>	<u>\$1,200,346</u>

ST. MARTIN PARISH CLERK OF COURT
St. Martinville, Louisiana
Agency Funds

Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2004
With Comparative Totals For the Year Ended June 30, 2003

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
Balances, beginning of year	\$ 548,270	\$ 652,076	\$ 1,200,346	\$ 1,161,525
Additions:				
Suits and successions	1,113,154	-	1,113,154	1,067,715
Judgements	-	282,763	282,763	225,945
Interest	76	4,953	5,029	9,818
Total additions	<u>1,113,230</u>	<u>287,716</u>	<u>1,400,946</u>	<u>1,303,478</u>
Total	<u>1,661,500</u>	<u>939,792</u>	<u>2,601,292</u>	<u>2,465,003</u>
Reductions:				
Clerk's costs (transferred to General Fund)	654,480	4,107	658,587	629,782
Refunds to litigants	149,167	168,992	318,159	396,403
Other	86,240	-	86,240	79,211
Sheriff fees	150,288	-	150,288	159,261
Total reductions	<u>1,040,175</u>	<u>173,099</u>	<u>1,213,274</u>	<u>1,264,657</u>
Balances, end of year	<u>\$ 621,325</u>	<u>\$ 766,693</u>	<u>\$ 1,388,018</u>	<u>\$ 1,200,346</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

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

The Honorable Allen Blanchard
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the financial statements of the St. Martin Parish Clerk of Court, as of and for the year ended June 30, 2004, and have issued our report thereon dated September 24, 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 St. Martin Parish Clerk of Court's 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin Parish Clerk of Court'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. Martin Parish Clerk of Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 04-1.

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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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition identified as item 04-1 in the schedule of prior and current audit findings and management's corrective action plan is a material weakness.

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
September 24, 2004

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended June 30, 2004

I. Prior Year Findings:

Compliance

03-1 Noncompliance with Louisiana Local Government Budget Act (LSA-RS 39:1301-16)

Finding: The Clerk adopted the proposed budget for the year ending June 30, 2003 in July of 2002. The Clerk violated the Louisiana Revised Statute 39:1308 requiring that the budget be adopted prior to the beginning of the fiscal year.

Status: Resolved.

Internal Control Over Financial Reporting

03-2 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 04-1.

Management Letter Items

There were no management letter items at June 30, 2003.

(continued)

ST. MARTIN PARISH CLERK OF COURT
St. Martin, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2004

II. Current Year Findings and Management Corrective Action Plan:

Compliance

There are no findings at June 30, 2004.

Internal Control Over Financial Reporting

04-1 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the Clerk of Court did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan: Allen Blanchard, Clerk of Court, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Management Letter Items

04-2 Past due accounts receivable

Finding: During audit tests of receivables, we noted that there are two accounts that have been outstanding for over three years and total approximately \$15,000. The St. Martin Parish Clerk of Court should establish procedures for the collection of receivables on a timely basis, especially those greater than 60 days.

Management's Corrective Action Plan: Allen Blanchard, Clerk of Court, will be sending a letter and a statement of account to each of the customers with outstanding account balances asking them to contact the Clerk's office to make arrangements to settle their past due accounts. If arrangements are not made within 30 days to voluntarily settle the past due accounts, the Clerk of Court will use customary legal means to collect the past due account balances.

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MANAGEMENT LETTER

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The Honorable Allen Blanchard
St. Martin Parish Clerk of Court
St. Martinville, Louisiana

We have audited the financial statements of the St. Martin Parish Clerk of Court for the year ended June 30, 2004 and submitted our report to you dated September 24, 2004.

We noted a certain area in which improvements in the financial practices of the Clerk of Court may be desirable:

During audit tests of receivables, we noted that there are two accounts that have been outstanding for over three years and total approximately \$15,000. The St. Martin Parish Clerk of Court should establish procedures for the collection of receivables on a timely basis, especially those greater than 60 days.

Should you have any questions or need assistance regarding our recommendation, please feel free to contact us.

Kolder, Champagne, Slaven, & Company, LLC

Certified Public Accountants

Breux Bridge, Louisiana
September 24, 2004

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