

**LAFOURCHE PARISH CLERK OF COURT**  
*Thibodaux, Louisiana*

**Annual Financial Report**  
**For the 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 12-22-04



STAGNI & COMPANY, LLC

**LAFOURCHE PARISH CLERK OF COURT**

**Annual Financial Report  
For the Year Ended June 30, 2004**

**TABLE OF CONTENTS**

	<b>Page</b>
MANAGEMENT'S DISCUSSION & ANALYSIS	1
 <i>Financial Section:</i>	
INDEPENDENT AUDITOR'S REPORT	7
<i>Government Wide Financial Statements:</i>	
Statement of Net Assets	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet -- Governmental Fund	11
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Assets	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund -- General Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance -- Governmental Fund to the Statement of Activities	14
Combining Statement of Fiduciary Net Assets	15
<i>Notes to the Financial Statements</i>	16
 <i>Required Supplemental Information:</i>	
Budgetary Comparison Schedule- General Fund	27
 <i>Reports Required by Government Auditing Standards:</i>	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	28
Schedule of Findings and Questioned Costs	30
Status of Prior Audit Findings	31
Corrective Action Plan	32

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

The following discussion and analysis of the Lafourche Parish Clerk of Court's financial performance provides an overview of the financial activities as of and 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, which follows this report.

***FINANCIAL HIGHLIGHTS***

**General Fund**

- At the end of the current fiscal year, undesignated fund balance for the General Fund was \$2,310,603, or 84% of the General Fund revenues. The undesignated fund balance increased by \$597,510 or 35% during the current year.
- General Fund revenues increased \$203,671, or 7.9% from the prior year. Expenditures increased \$183,713, 9.2% higher than last fiscal year. However, expenditures were 5.0% less than budgeted.

**Governmental Activities**

- On a government-wide basis for governmental activities, the Clerk had expenses net of program revenue of \$541,006. General revenues totaled \$24,458 resulting in an increase in net assets of \$565,464.
- As of June 30, 2004, the governmental activities reported ending net asset balances of \$2,940,445. Most of these balances are unrestricted.

***OVERVIEW OF THE FINANCIAL STATEMENTS***

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Assets and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Assets) 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 Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information 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.

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

***Government-Wide Financial Statements***

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

The Statement of Net Assets presents information on all of the Clerk'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 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 the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Clerk that are principally supported by fines and fees charged to the public (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

***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 Clerk, 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 Clerk are 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 effects of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Clerk's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court costs. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Assets. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**GOVERNMENT WIDE FINANCIAL ANALYSIS**

Our analysis below focuses on the net assets of the governmental-type activities.

Condensed Statement of Net Assets				
	FY 2004	FY 2003	Dollar Change	Total Percent Change
Current and Other Assets	\$ 2,516,932	\$ 1,906,072	\$ 610,860	32.0%
Capital Assets	600,655	638,555	(37,900)	-5.9%
<b>Total Assets</b>	<b>3,117,587</b>	<b>2,544,627</b>	<b>572,960</b>	<b>22.5%</b>
Current Liabilities	177,142	169,647	7,495	4.4%
<b>Total Liabilities</b>	<b>177,142</b>	<b>169,647</b>	<b>7,495</b>	<b>4.4%</b>
Invested in Capital Assets	600,655	638,555	(37,900)	-5.9%
Unrestricted	2,339,790	1,736,425	603,365	34.7%
<b>Total Net Assets</b>	<b>\$ 2,940,445</b>	<b>\$ 2,374,980</b>	<b>\$ 565,465</b>	<b>23.8%</b>

The Clerk's net assets increased by \$565,465 as a result of this year's operations. The overall financial position improved during the 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.

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

Condensed Statement of Activities

	FY 2004	FY 2003	Dollar Change	Total Percent Change
Total program expenses	\$ (2,208,078)	\$ (2,036,300)	\$ (171,778)	8.4%
Total program revenues	2,749,084	2,535,659	213,425	8.4%
<b>Net program income</b>	<b>541,006</b>	<b>499,359</b>	<b>41,647</b>	<b>8.3%</b>
General revenues	24,458	34,212	(9,754)	-28.5%
<b>Change in Net Assets</b>	<b>565,464</b>	<b>533,571</b>	<b>(9,754)</b>	<b>-1.8%</b>
<b>Net Assets:</b>				
Beginning of the year	2,374,981	1,841,409	533,572	29.0%
End of the year	<u>\$ 2,940,445</u>	<u>\$ 2,374,980</u>	<u>\$ 533,572</u>	<u>22.5%</u>

The Clerk of Court's total revenues for the year in governmental activities were \$2,773,542 (\$2,749,084 in program revenues and \$24,458 in general revenues). The total cost of all programs and services was \$2,208,078 with no new programs added this year.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

As the Clerk completed the year, its governmental fund reported a fund balance of \$2,310,603. This reflects an increase of \$597,510 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

Condensed Balance Sheet

	2004	2003	Dollar Change	Total Percent Change
<b>Total Current Assets</b>	<b>\$ 2,487,745</b>	<b>\$ 1,882,739</b>	<b>\$ 605,006</b>	<b>32.1%</b>
<b>Total Current Liabilities</b>	<b>177,142</b>	<b>169,647</b>	<b>7,495</b>	<b>4.4%</b>
<b>Fund Equity:</b>				
Unreserved	2,310,603	1,713,092	597,511	34.9%
<b>Total fund equity</b>	<u><b>2,310,603</b></u>	<u><b>1,713,092</b></u>	<u><b>597,511</b></u>	<u><b>34.9%</b></u>
<b>Total Liabilities and Equity \$</b>	<b>2,487,745</b>	<b>\$ 1,882,739</b>	<b>\$ 605,006</b>	<b>32.1%</b>

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Condensed Statement of Revenues, Expenditures  
and Changes in Fund Balances**

	2004	2003	Dollar Change	Total Percent Change
<b>Total Revenues</b>	\$2,773,542	\$2,569,871	203,671	7.9%
<b>Expenditures:</b>				
Current	2,134,836	1,979,225	155,611	7.9%
Capital Outlay	41,196	13,094	28,102	214.6%
<b>Total Expenditures</b>	<u>2,176,032</u>	<u>1,992,319</u>	<u>183,713</u>	<u>9.2%</u>
<b>Excess (Deficiency)</b>	597,510	577,552	19,958	7.9%
<b>Fund Balance:</b>				
Beginning of the year	1,713,093	1,135,541	577,552	50.9%
End of the year	<u>\$2,310,603</u>	<u>\$1,713,093</u>	<u>\$ 597,510</u>	<u>34.9%</u>

***BUDGETARY HIGHLIGHTS***

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

***CAPITAL ASSETS***

Capital assets included furniture and fixtures, office equipment and leasehold improvements recorded at historical cost of \$1,190,756. Accumulated depreciation as of June 30, 2004 of \$590,101 recorded from the cost of assets resulted in an ending book balance of assets of \$600,655.

This year there were \$41,196 of additions and \$14,544 of deletions recorded to capital assets. Depreciation expense of \$79,096 was recorded for the year. More detailed information about the capital assets is presented in Note 5 to the financial statements.

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

The Clerk of Court considered many factors when budgeting the fiscal year rates and fees that would be charged. One of those factors is the new laws and regulations.

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Condensed Summary of Budgeted Finances**

	<u>FY 2005</u>
Anticipated revenues	\$ 2,500,000
<b>Expenditures:</b>	
Current	2,280,000
Capital outlay	<u>220,000</u>
Anticipated expenditures	<u>2,500,000</u>
Excess of revenues	-
<b>Fund Balance:</b>	
Beginning of the year	<u>1,631,417</u>
End of the year	<u>\$ 1,631,417</u>

Historically, the office staff and costs remain stable and should continue to do so. The Clerk of Court is expecting to be able to cover the cost of capital purchases of office equipment out of available funds. If these estimates remain consistent, the Lafourche Parish Clerk of Court's General Fund balance is expected to remain constant by the close of 2004.

***CONTACTING FINANCIAL MANAGEMENT***

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

Honorable Vernon Rodrigue  
Lafourche Parish Clerk of Court  
P.O. Box 818  
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*Financial Section*



# STAGNI & COMPANY, LLC

## INDEPENDENT AUDITOR'S REPORT

Honorable Vernon H. Rodrigue  
Lafourche Parish Clerk of Court  
Thibodaux, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lafourche Parish Clerk of Court as of and for the year ended June 30, 2004, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lafourche Parish Clerk of Court'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 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lafourche Parish Clerk of Court as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 19, 2004, on our consideration of the Lafourche Parish 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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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7

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Honorable Vernon H. Rodrigue  
Lafourche Parish Clerk of Court  
Thibodaux, Louisiana  
Page 2

The Management's Discussion & Analysis and Required Supplemental Information, as listed in the foregoing table of contents, 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 supplementary information. However, we did not audit the information and express no opinion on it.

*Stagni & Company*

Thibodaux, LA  
August 19, 2004



**LAFOURCHE PARISH CLERK OF COURT**

*Statement of Net Assets*

*June 30, 2004*

<b>ASSETS</b>	<b>Governmental Fund</b>
Cash and cash equivalents	\$ 1,649,541
Investments	625,331
Receivables	47,529
Prepaid Insurance	29,187
Due from Agency Funds	165,344
Capital assets, net of accumulated depreciation	<u>600,655</u>
 Total assets	 <u>3,117,587</u>
 <b>LIABILITIES</b>	
<b>Current:</b>	
Accounts payable and accrued expenses	84,753
Compensated absences	<u>92,389</u>
 Total liabilities	 <u>177,142</u>
 <b>NET ASSETS</b>	
Invested in Capital Assets	600,655
Unrestricted	<u>2,339,790</u>
 Total net assets	 <u>\$ 2,940,445</u>

See notes to financial statements.

**LAFOURCHE PARISH CLERK OF COURT**

*Statement of Activities*

*For the Year Ended June 30, 2004*

<u>EXPENSES</u>	
Salaries and benefits	\$ 1,436,305
Group Insurance	244,840
Other Insurance	34,898
Office supplies and expense	384,308
Telephone	11,966
Convention and Travel	16,665
Depreciation	79,096
Total program expenses	<u>2,208,078</u>
<u>PROGRAM REVENUES</u>	
Charges for services	<u>2,749,084</u>
Total program revenues	<u>2,749,084</u>
Net Program (Income) Expense	541,006
<u>GENERAL REVENUES</u>	
Interest earned	<u>24,458</u>
Total general revenues	<u>24,458</u>
Change in Net Assets	565,464
<u>NET ASSETS</u>	
Beginning of year	<u>2,374,981</u>
End of year	<u>\$ 2,940,445</u>

See notes to financial statements.

**LAFOURCHE PARISH CLERK OF COURT**  
*Balance Sheet - Governmental Fund - General Fund*  
*June 30, 2004*

**ASSETS**

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Cash and cash equivalents	\$ 1,649,541
Investments	625,331
Receivables	47,529
Due from Agency Funds	<u>165,344</u>
 Total assets	 <u>\$ 2,487,745</u>

**LIABILITIES AND FUND BALANCES**

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Accounts payable and accrued expenses	\$ 84,753
Compensated absences	<u>92,389</u>
 Total liabilities	 177,142
 Fund Balance :	
Unreserved - undesignated	<u>2,310,603</u>
Total fund balance	<u>2,310,603</u>
 Total liabilities and fund balances	 <u>\$ 2,487,745</u>

See notes to financial statements.

**LAFOURCHE PARISH CLERK OF COURT**  
*Reconciliation of the Balance Sheet- Governmental Fund*  
*to the Statement of Net Assets*  
*June 30, 2004*

Total fund balance - governmental fund (Fund Financial Statement)		\$ 2,310,603
Amounts reported for <i>governmental activities</i> 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 governmental funds.		
Capital Assets at Cost	\$ 1,190,756	
Accumulated Depreciation	<u>(590,101)</u>	600,655
Other assets shown in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Prepaid Insurance	<u>29,187</u>	<u>29,187</u>
Total net assets of governmental activities (Government-Wide Financial Statements)		<u><u>\$ 2,940,445</u></u>

See notes to the financial statements.

**LAFORCHE PARISH CLERK OF COURT**  
*Statement of Revenues, Expenditures and Changes in Fund Balance*  
*Governmental Fund - General Fund*  
*For the Year Ended June 30, 2004*

<b>Revenues</b>	
Suits and successions transferred from the Advance Deposit Fund	\$ 1,048,324
Recording fees	977,149
Fees in criminal cases	89,419
Certified copies	283,219
Interest earned	24,458
Mortgage certificates	46,506
Court attendance	20,620
Cancellations	70,734
Marriage licenses	19,304
Notarial fees	7,830
Other	185,979
Total revenues	2,773,542
<b>Expenditures</b>	
<b>Current - Judiciary:</b>	
Salaries and benefits	1,436,305
Group Insurance	244,840
Other Insurance	40,752
Office supplies and expense	384,308
Telephone	11,966
Convention and Travel	16,665
Total current expenditures	2,134,836
Capital outlay	41,196
Total expenditures	2,176,032
Excess (deficiency) of revenues over expenditures	597,510
<b>Fund Balances</b>	
Beginning of year	1,713,093
End of year	\$ 2,310,603

See notes to financial statements.



**LAFOURCHE PARISH CLERK OF COURT**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance-  
 Governmental Fund to the Statement of Activities*  
 For the Year Ended June 30, 2004

Net change in fund balance - governmental fund (Fund Financial Statements) \$ 597,510

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

Governmental funds report capital outlays as expenditures. However, in the  
 Statement of Activities the cost of those assets are allocated over the estimated  
 useful lives and reported as depreciation expense.

Capital outlay	\$ 41,196	
Depreciation expense	<u>(79,096)</u>	(37,900)

Some expenses reported in the Statement of Activities do not require the use  
 of current financial resources and therefore are not reported as expenditures:

Accrued Insurance expense	<u>5,854</u>
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Change in net assets of governmental activities (Government -Wide Financial Statements) \$ 565,464

See notes to financial statements.

**LAFOURCHE PARISH CLERK OF COURT**

*Combining Statement of Fiduciary Net Assets*

*June 30, 2004*

	<b>Advance Deposit Fund</b>	<b>Registry of the Court Fund</b>	<b>Total</b>
<hr/> <b>ASSETS</b> <hr/>			
Cash and cash equivalents	\$ 531,524	\$ 9,799	\$ 541,323
Investments	<u>1,367,926</u>	<u>2,028,380</u>	<u>3,396,306</u>
Total assets	<u>\$ 1,899,450</u>	<u>\$ 2,038,179</u>	<u>\$ 3,937,629</u>
<hr/> <b>LIABILITIES</b> <hr/>			
Due to general fund	\$ 165,344		\$ 165,344
Due to others	<u>1,734,106</u>	<u>\$ 2,038,179</u>	<u>3,772,285</u>
Total liabilities	<u>\$ 1,899,450</u>	<u>\$ 2,038,179</u>	<u>\$ 3,937,629</u>

See notes to the financial statements.

## **LAFOURCHE PARISH CLERK OF COURT**

### *Notes to Financial Statements*

For the Year Ended June 30, 2004

#### **INTRODUCTION**

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as ex-officio notary public, the recorder of conveyances, mortgages, and other acts; and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term. The current term expires on June 30, 2008.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999. The more significant accounting policies established in GAAP and used by the Clerk is discussed below.

#### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A.      Reporting Entity**

These financial statements present the Lafourche Parish Clerk of Court as the primary government as defined by GASBS No. 14; component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships. GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since, the Lafourche Parish Clerk of Court (Clerk of Court) is an independently elected official, and is legally separate and fiscally independent, the Clerk of Court is a separate governmental reporting entity.

There are unrecorded financial transactions between the Lafourche Parish Council (the Council) and the Clerk of Court where the Council provides office space and utilities for the Clerk of Court. These transactions between the Clerk of Court and the Parish Council are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

##### **B.      Basic Financial Statements**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as governmental. Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Clerk as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net

## **LAFOURCHE PARISH CLERK OF COURT**

### *Notes to Financial Statements*

For the Year Ended June 30, 2004

Assets and the Statement of Activities.

#### **Note 1      *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued***

##### **B. Basic Financial Statements (continued)**

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include fees and charges to the public customers who use, or directly benefit from services, or privileges provided by a given function. Other items not reported as program revenues are reported instead as general revenues.

##### **C. Measurement Focus / Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

##### ***Fund Financial Statements (FFS)***

The financial transactions of the Clerk of Court are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

##### **Governmental Funds**

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations of the Clerk of Court. The following are the clerk's governmental funds:

**LAFOURCHE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2004

**Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

C. Measurement Focus / Basis of Accounting (continued)

General Fund

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

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The Advance Deposit and Registry of Court - Agency Funds account for assets held as an agent for others.

Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual:** The governmental-type activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual:** The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**LAFOURCHE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2004

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**D. Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest bearing demand deposits, money market accounts and cash on hand. Cash equivalents include time deposits maturing within 90 days. Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**E. Investments**

Investments are limited by Louisiana Revised Statute 25 33:2955 and the Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities of investments are 90 days or less, they are classified as cash and cash equivalents. The Clerk's investments consist of time deposits with maturities between 91 and 270 days.

**F. Capital Assets**

Capital assets purchased or acquired with a cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<b>Description</b>	<b>Estimated Lives</b>
<b>Office Equipment</b>	<b>5 years</b>
<b>Furniture &amp; Fixtures</b>	<b>10 years</b>
<b>Automobiles</b>	<b>5 years</b>
<b>Leased Equipment</b>	<b>5 years</b>

**G. Interfund Activities**

The Clerk of Court transfers interest earned on the investments of the Advance Deposit Fund to the Salary Fund to be utilized by the Salary Fund in its operations. In those cases where the physical transfer of assets has not taken place as of year-end, or where repayment is expected, these amounts are accounted for through the various due to and due from accounts.

## **LAFOURCHE PARISH CLERK OF COURT**

### *Notes to Financial Statements*

For the Year Ended June 30, 2004

#### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

##### **H.      Clerk's Fees Transferred from Advance Deposit Agency Fund**

These fees represent revenue to the Clerk of Court earned from everyday operations such as copying and faxing for litigants. These fees are collected by a transfer of litigant's money deposited in the Advance Deposit Fund to the Salary Fund.

##### **I.      Budgetary Practices**

The Clerk of Court annually adopts a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget. Any amendments to the budget are published in the Clerk of Court's official journal. Budgetary integration is employed as a management tool.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is not utilized in the funds of the Clerk of Court.

##### **J.      Compensated Absences**

The Clerk of Court accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Employees earn a maximum of two weeks vacation per year based on their hire date. Vacation is accumulated at approximately one day per month and is credited to an employee each pay period.

Employees are encouraged to take vacation time once ten days have been accumulated. Any accrued vacation is paid upon separation. Employees receive 12 days of sick leave for each year of service. The Clerk of Court allows a maximum of 30 or 15 days of unused sick leave to accumulate, depending upon the date of hire and if the employee meets the requirements of a grandfather clause. Accumulated sick leave is paid upon separation of employment.

##### **K.      Restricted Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

**LAFOURCHE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2004

**Note 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**L. Fund Equity Reservations**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2003, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

**M. 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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2**      **DEPOSITS**

The Clerk of Court has deposits at year-end as follows:

	Balances	
	Book	Bank
Governmental Fund – Cash	\$1,649,541	\$1,567,520
Governmental Fund – Investments	625,331	625,331
Fiduciary Fund – Cash	541,323	653,970
Fiduciary Fund – Investments	3,396,306	3,396,306
<b>Total deposits</b>	<b>\$6,212,501</b>	<b>\$ 6,243,127</b>
Federal deposit insurance		\$707,725
Market value of pledged securities		\$7,169,757



**LAFOURCHE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2004

**Note 2 DEPOSITS**

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 market value of the pledged securities plus the federal deposit insurance must, at all times, equal the amount on deposit with the fiscal agent bank. 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. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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.

**Note 3 INVESTMENTS**

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the clerk of court or its agent in the clerk of court's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the clerk of court's name.
3. Uninsured and unregistered, with securities held by the counterparts, or by its trust department or agent but not in the clerk of court's name.

At fiscal year end, investment balances were as follows:

	Balances	
	Reported Value	Category
Money Market Accounts	\$1,311,500	1
Certificates of Deposit	1,776,621	1
Interest Savings	933,516	1
<b>Total</b>	<b>\$4,021,637</b>	

**LAFOURCHE PARISH CLERK OF COURT**

*Notes to Financial Statements*

For the Year Ended June 30, 2004

**Note 4 RECEIVABLES**

The accounts receivables of \$47,529 consists of amounts due from attorneys for recording court fees and expenses related to cases in progress, from abstractors for certified copies, and interest.

**Note 5 CAPITAL ASSETS**

Capital assets and depreciation activity for the year follows:

	Balance June 30, 2003	Additions	Deletions	Balance June 30, 2004
Furniture & fixtures	\$ 586,685	\$41,196	\$(14,544)	\$613,337
Office equipment	31,443			31,443
Leasehold Improvements	545,976			545,976
<b>TOTAL COST</b>	<b>1,164,104</b>	<b>41,196</b>	<b>(14,544)</b>	<b>1,190,756</b>
Less accumulated depreciation	525,549	79,096	(14,544)	590,101
<b>NET CAPITAL ASSETS</b>	<b>\$638,555</b>			<b>\$600,655</b>

Depreciation charged for governmental functions for the year was \$79,096.

**Note 6 OPERATING LEASES**

The Clerk of Court entered into an operating lease with the Town of Lockport for office space on July 1, 1997. This lease provides for monthly payments of \$173.25. The lease term is four years with an option to renew for another four-year term. The lease was renewed as of June 30, 2001. Total payments made on this lease for the year ending June 30, 2004 were \$2,079.

On March 25, 2003, the Clerk of Court entered into an operating lease with Southland Automotive Group, Inc. for a van. This lease provides for monthly payments of \$422.63. The lease term is three years and total payments made on the lease for the year ending June 30, 2004 was \$5,072.

## **LAFOURCHE PARISH CLERK OF COURT**

### **Notes to Financial Statements**

**For the Year Ended June 30, 2004**

#### **Note 7 POST-RETIREMENT BENEFITS**

The Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid entirely by the Clerk of Court. For the year ending June 30, 2004, the cost of the benefits for 4 retirees totaled \$13,860.

#### **Note 8 RETIREMENT SYSTEM**

Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Contributions of participating clerks are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. The System also provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana, 70816, or by calling (225) 293-1162.

**Funding Policy.** Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The actuarially determined rate was 11.5 percent of annual covered payroll for the year ending June 30, 2004. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established as amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

Effective July 1, 1999, the Louisiana Senate passed Bill #556 allowing the individual Clerk's of Court to elect to pay both the employee and employer contributions into this retirement system. The Lafourche Parish Clerk of Court has elected to do so for the years ending June 30, 2002, 2003 and 2004.

**LAFOURCHE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2004

**Note 8**            **RETIREMENT SYSTEM (Continued)**

The Clerk of Court's contribution for the years ending June 30, 2002, 2003 and 2004 were \$136,439 (18.25% of covered payroll), \$175,195 (18.25% of covered payroll), and \$189,633 (19.75% of covered payroll) respectively, which were equal to the required contributions for each year.

**Note 9**            **DEFERRED COMPENSATION PLAN**

The Clerk of Court employees participate in the State of Louisiana Deferred Compensation Plan. This Plan was established pursuant to IRC Section 457 and Louisiana R.S. 42:1301-1308. The Plan provides state, parish, and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal or state income tax on their contributions. In addition, interest or earnings on the participant's account accumulate tax-deferred.

The participants may choose the amount to contribute with the maximums defined by the Internal Revenue Code and the investment option(s). The Clerk of Court agreed to match each participant's contribution up to a maximum of 4.25% for the year ended June 30, 2004. During fiscal year 2002, the Deferred Compensation plan began offering a one-time only "catch-up" option.

Total contributions made by the Clerk of Court on behalf of the employees for the year ending June 30, 2004 were \$38,799. There were 3 employees who elected the "catch-up" option during this fiscal year. The Clerk's matching contribution were approximately \$9,659.

Withdrawals may be made from the 457 plan upon the following qualifying events: retirement, separation of service (as defined by the IRC), total disability, unforeseeable emergency, attainment of age 70 1/2, or death of a participant.

**Note 10**            **EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL**

The Clerk of Court's office is located in the parish courthouse. The expenditures for maintenance and operation of the parish courthouse are paid by the Lafourche Parish Council and are not included in the accompanying financial statements. The amount of these expenditures paid by the Parish Council is indeterminate.

**LAFOURCHE PARISH CLERK OF COURT**  
*Notes to Financial Statements*  
For the Year Ended June 30, 2004

**Note 11      RISK MANAGEMENT**

**GENERAL LIABILITY INSURANCE**

The Clerk of Court is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court purchases commercial insurance policies for any and all claims relating to the above types of risks.

The Clerk's payment of the deductible is the only liability associated with these insurance policies. There has been no significant reduction in insurance coverage in the prior year. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

**HEALTH INSURANCE**

The Clerk of Court provides health and life insurance to employees through the Louisiana Clerk of Court Association. Under this insurance program, the Clerk pays initial premiums based on the level of the employee's participation and has no further liabilities on any claims.

*Required Supplemental Information*

**LAFOURCHE PARISH CLERK OF COURT**

*Budgetary Comparison Schedule - General Fund*

*For the Year Ended June 30, 2004*

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Suits and successions transferred				
from the Advance Deposit Fund	\$ 883,000	\$ 883,000	\$ 1,048,324	\$ 165,324
Recording fees	850,000	850,000	977,149	127,149
Fees in criminal cases	80,000	80,000	89,419	9,419
Certified copies	260,000	260,000	283,219	23,219
Interest earned	35,000	35,000	24,458	(10,542)
Mortgage certificates	40,000	40,000	46,506	6,506
Court attendance	15,000	15,000	20,620	5,620
Cancellations	50,000	50,000	70,734	20,734
Marriage licenses	14,000	14,000	19,304	5,304
Notarial fees	3,000	3,000	7,830	4,830
Other	50,000	50,000	185,979	135,979
<b>Total revenues</b>	<b>2,280,000</b>	<b>2,280,000</b>	<b>2,773,542</b>	<b>493,542</b>
 <u>Expenditures</u>				
<b>Current-Judiciary:</b>				
Salaries and benefits	1,168,425	1,168,425	1,436,305	(267,880)
Group Insurance	270,000	270,000	244,840	25,160
Other Insurance	35,000	35,000	40,752	(5,752)
Office supplies and expense	656,075	656,075	384,308	271,767
Telephone	15,000	15,000	11,966	3,034
Convention and Travel	15,500	15,500	16,665	(1,165)
<b>Total current expenditures</b>	<b>2,160,000</b>	<b>2,160,000</b>	<b>2,134,836</b>	<b>25,164</b>
Capital outlay	120,000	120,000	41,196	78,804
<b>Total expenditures</b>	<b>2,280,000</b>	<b>2,280,000</b>	<b>2,176,032</b>	<b>103,968</b>
Excess (deficiency) of revenues over expenditures	-	-	597,510	597,510
 <u>Fund Balances</u>				
Beginning of year	1,135,541	1,135,541	1,713,093	577,552
End of year	<b>\$ 1,135,541</b>	<b>\$ 1,135,541</b>	<b>\$ 2,310,603</b>	<b>\$ 1,175,062</b>

NOTE: The budget was not amended during the year.

# *Reports Required by Government Auditing Standards*

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**A summary of the current year auditor's results is presented in the schedule of findings and questioned costs.**

## **STATUS OF PRIOR AUDIT FINDINGS**

**The follow-up and corrective action taken on all prior audit findings is presented in the status of prior audit findings.**

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**The corrective action plan for current year audit findings is presented in this schedule.**





# STAGNI & COMPANY, LLC

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

Honorable Vernon Rodrigue  
Lafourche Parish Clerk of Court  
Thibodaux, Louisiana

We have audited the basic financial statements of the governmental activities, and each major fund of the Lafourche Parish Clerk of Court as of and for the year ended June 30, 2004, which collectively comprise the basic financial statements, and have issued our report thereon dated August 19, 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 Lafourche 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 Lafourche 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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28

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Honorable Vernon Rodrigue  
Lafourche Parish Clerk of Court  
Page 2

This report is intended solely for the information and use of management and the 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*

Thibodaux, Louisiana  
August 19, 2004



**LAFOURCHE PARISH CLERK OF COURT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*For the Year Ended June 30, 2004*

We have audited the basic financial statements of the Lafourche Parish Clerk of Court as of and for the year ended June 30, 2004, and have issued our report thereon dated August 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements resulted in an unqualified opinion.

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

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

**Internal Control**

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

**Compliance**

Compliance Material to Financial Statements  Yes  No

**b. Federal Awards** **N/A - NONE**

**Internal Control**

Material Weaknesses  Yes  No      Reportable Conditions  Yes  No

Type of Opinion On Compliance      Unqualified       Qualified

For Major Programs      Disclaimer       Adverse

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

Yes  No

**c. Identification of Major Programs** **N/A - NONE**

CFDA Number (s)      Name of Federal Program (or Cluster)

---

Dollar threshold used to distinguish between Type A and Type B Programs: \$ \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?  Yes  No

**Section II - Financial Statement Findings**

NONE

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

NOT APPLICABLE



**LAFOURCHE PARISH CLERK OF COURT  
STATUS OF PRIOR YEAR FINDINGS  
JUNE 30, 2004**

<b>SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
No findings have been reported under this section.	
<b>SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings have been reported under this section.	
<b>SECTION III MANAGEMENT LETTER</b>	
No findings have been reported under this section.	

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT.

**LAFOURCHE PARISH CLERK OF COURT  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
JUNE 30, 2004**

<b>SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS</b>	
No findings have been reported under this section.	
<b>SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS</b>	
No findings have been reported under this section.	
<b>SECTION III MANAGEMENT LETTER</b>	
No management letter was issued in connection with this audit.	

THIS SCHEDULE HAS BEEN PREPARED BY MANAGEMENT.