

ST. CHARLES PARISH CLERK OF COURT
Hahnville, 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

ST. CHARLES PARISH CLERK OF COURT
Annual Financial Report
For the Year Ended June 30, 2004

TABLE OF CONTENTS

	Page
MANAGEMENT'S DISCUSSION & ANALYSIS	1
<i>Financial Section:</i>	
INDEPENDENT AUDITOR'S REPORT	8
<i>Government Wide Financial Statements:</i>	
Statement of Net Assets	10
Statement of Activities	11
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance – Governmental Fund to the Statement of Activities	15
Combining Statement of Fiduciary Net Assets	16
<i>Notes to the Financial Statements</i>	17
<i>Required Supplemental Information:</i>	
Budgetary Comparison Schedule – General Fund	31
<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>	32
Schedule of Findings and Questioned Costs	34
Status of Prior Year Findings	35
Corrective Action Plan	36

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

Our discussion and analysis of the St. Charles 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.

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.

Government-Wide Financial Statements

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

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

Fund Financial Statements

The Fund Financial Statements provide detailed information about the most significant funds—not the Clerk of Court as a whole. Some funds are required to be established by State laws.

ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2004

The Clerk of Court uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations immediately following the fund financial statements.

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. We exclude these activities from the other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Net assets of our governmental activities increased by \$157,552 or nearly 16.6 percent.
- During the year, the Clerk had expenses of \$1,590,935 that were \$143,938 less than the \$1,734,873 generated in fees and other revenues for governmental programs. This compares to last year, however, when expenses were less than revenues by \$226,016.
- The governmental funds reported total ending fund balance of \$1,002,442, which was classified as unreserved. This compares to the prior year ending fund balance of \$936,085 showing an increase of \$66,357 or 7 percent during the current year.

The Statement of Net Assets and the Statement of Activities reports only one type of activity - governmental activities. All of the basic governmental services are reported as this type. Fines and fees charged to the public finance most of these activities.

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

ST. CHARLES PARISH CLERK OF COURT AS A WHOLE

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	\$ 1,033,688	\$ 964,626	\$ 69,062	7.2%
Capital Assets	210,058	126,758	83,300	65.7%
Total Assets	1,243,746	1,091,384	152,362	14.0%
Current Liabilities	43,528	38,437	5,091	13.2%
Noncurrent Liabilities	30,699	40,980	(10,281)	-25.1%
Total Liabilities	74,227	79,417	(5,190)	-6.5%
Invested in Capital Assets, Net of Related Debt	187,448	94,107	93,341	99.2%
Unrestricted	982,071	917,860	64,211	7.0%
Total Net Assets	\$ 1,169,519	\$ 1,011,967	\$ 157,552	15.6%

The Clerk of Court's net assets increased by \$157,552 as a result of this year's operations. The overall financial position improved during the fiscal year ending June 30, 2004. Net Assets Invested in Capital Assets absorbed the majority (approximately \$93,000) of the increase for this year due to the purchase of assets. 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 approximately \$64,000 of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

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

**ST. CHARLES 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	\$ (1,590,935)	\$ (1,439,610)	\$ (151,325)	10.5%
Total program revenues	1,734,873	1,665,626	69,247	4.2%
Net program income (expenses)	143,938	226,018	(82,078)	-36.3%
General revenues	13,614	19,715	(6,101)	-30.9%
Change in Net Assets	157,552	245,731	(6,101)	-2.5%
Net Assets:				
Beginning of the year	1,011,967	766,236	245,731	32.1%
End of the year	\$ 1,169,519	\$ 1,011,967	\$ 157,552	15.6%

The Clerk of Court's total revenues for the year in governmental activities were \$1,748,487 (\$1,734,873 in program revenues and \$13,614 in general revenues). The total cost of all judicial programs and services was \$1,590,935 with no new programs added this year.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS

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

As the Clerk of Court completed the year, its governmental fund reported a fund balance of \$1,002,442. This reflects an increase of \$66,357 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised by approximately \$158,047 this fiscal year. Supplemental appropriations or authorized budget amendments were approved as follows:

Original Budgeted Revenues and Other Financing Sources	\$ 1,705,000
Amendments were made for:	
Increase Transfer from Advanced Deposit	36,521
Increase Recording Fees	33,837
Decrease Fees in Criminal Cases	(14,660)
Decrease in Certified Copies	(4,623)

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

Decrease in Interest	(7,040)
Decrease in Mortgage Certificates	(4,651)
Increase in Court Attendance	1,400
Increase in Cancellations	9,915
Increase in Marriage Licenses	181
Increase in Notarial Fees	6,950
Increase in Clerk's Supplemental	250
Increase in Copies – Birth Certificates	4,870
Increase in Other	1,660
Decrease in Proceeds from Capital Lease	(8,500)
Total revenue and other financing sources amendments	56,110
Amended Budgeted Revenues	\$ 1,761,110

Original Budgeted Expenditures	\$ 1,486,413
Amendments were made for:	
Increase in Personnel Services and benefits	63,646
Increase in Professional Services	45
Increase in Office Expense	14,830
Decrease in Telephone	(1,282)
Increase in Insurance	712
Increase in Travel & Conventions	1,859
Decrease in Election Expenditures	(348)
Increase in Automobile Expenses	1,898
Increase in Birth Certificates	2,486
Decrease in Association Dues	(15)
Decrease in Uniform Commercial Code	(473)
Increase in Uniforms	15,215
Increase in Other	969
Increase in Capital Outlay	89,638
Decrease in Debt Service Payments	(379)
Total expenditure amendments	188,801
Amended Budgeted Expenditures	\$ 1,675,214
Original Budgeted Beginning Fund Balance	\$ 961,441
Decrease in Beginning Fund Balance	(25,356)
Amended Budgeted Beginning Fund Balance	\$ 936,085

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

CAPITAL ASSETS

Capital assets included furniture, office equipment and automobiles recorded at historical cost of \$570,173. Accumulated depreciation as of June 30, 2004 of \$360,115 recorded from the cost of assets resulted in an ending book balance of assets of \$210,058.

This year there were \$119,638 of additions and \$34,060 of deletions recorded to capital assets. Depreciation expense of \$32,932 was recorded for the year. More detailed information about the capital assets is presented in Note 5 to the financial statements.

LONG TERM OBLIGATIONS

The Clerk of Court entered into lease agreements for financing the acquisition of two copy machines, a telephone system and a voice mail system. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term), and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception in the governmental fund. The amount due on capital lease obligations at the end of last year was \$32,651. During the year payments for capital leases were \$10,041 resulting in an ending balance of \$22,610. Of the ending balance \$12,283 is due in the current year and \$10,327 was considered long term.

Other obligations include accrued vacation pay and sick leave – compensated absences. The long-term balance recorded for compensated absences at the end of last year was \$18,225. The net increase during the year of \$2,146 resulted in an ending balance of \$20,371. More detailed information about the capital leases and long-term obligations can be found in Notes 6 and 7 to the financial statements.

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

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.

Condensed Summary of Budgeted Finances	
	FY 2005
Total revenues	\$ 1,774,000
Expenditures:	
Current	1,615,074
Capital outlay	145,000
Debt service	12,295
Total expenditures	1,772,369
Excess of revenues	1,631
Fund Balance:	
Beginning of the year	1,022,031
End of the year	\$ 1,023,662

Historically, the office staff and costs remain stable and should continue to do so. The St. Charles Parish Clerk of Court is anticipating an increase in budgeted salaries in 2005 of approximately \$33,000 over those budgeted for this fiscal year. If these estimates remain consistent, the St. Charles Parish Clerk of Court's General Fund balance is expected to increase modestly by the close of the fiscal year ending June 30, 2005.

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 Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
P.O. Box 424
Hahnville, LA 70057
985-783-6632

Financial Section



STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

Honorable Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Hahnville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Charles Parish Clerk of Court as of and for the year ended June 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the St. Charles 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of St. Charles 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.

The Management's Discussion and Analysis and Required Supplementary 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 the Governmental Accounting Standards Board. The Management's Discussion and Analysis and Required Supplementary Information is the responsibility of the management of the St. Charles Parish Clerk of Court. 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.

Honorable Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Hahnville, Louisiana
Page 2

In accordance with *Government Auditing Standards*, we have also issued a report dated August 27, 2004, on our consideration of the St. Charles 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.

Stagni & Company

Thibodaux, LA
August 27, 2004



ST. CHARLES PARISH CLERK OF COURT

Statement of Net Assets

June 30, 2004

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	\$ 532,829
Investments	455,000
Accounts receivable	33,043
Prepaid expenses	12,804
Due from other funds	12
Capital assets, net of accumulated depreciation	<u>210,058</u>
Total assets	<u>1,243,746</u>
<u>LIABILITIES</u>	
Current:	
Accounts payable	19,933
Compensated absences	11,313
Capital leases, due in one year	12,282
Total current liabilities	<u>43,528</u>
Non-current:	
Compensated absences	20,371
Capital leases	10,328
Total non-current liabilities	<u>30,699</u>
Total liabilities	<u>74,227</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	187,448
Unrestricted	<u>982,071</u>
Total net assets	<u>\$ 1,169,519</u>

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT

Statement of Activities

For the Year Ended June 30, 2004

<u>EXPENSES</u>	
Judiciary:	
Personal services and benefits	\$ 1,092,540
Office operations	273,508
Professional services	11,518
Insurance	166,825
Travel and training	7,957
Interest expense	2,249
Depreciation	32,932
Loss on disposal of fixed assets	3,406
Total program expenses	<u>1,590,935</u>
<u>PROGRAM REVENUES</u>	
Charges for services	<u>1,734,873</u>
Total program revenues	<u>1,734,873</u>
Net Program (Income) Expense	(143,938)
<u>GENERAL REVENUES</u>	
Interest earned	<u>13,614</u>
Total general revenues	<u>13,614</u>
Change in Net Assets	157,552
<u>NET ASSETS</u>	
Beginning of year	<u>1,011,967</u>
End of year	<u>\$ 1,169,519</u>

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT

Balance Sheet - Governmental Fund

June 30, 2004

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 532,829
Investments	455,000
Accounts receivable	30,227
Other receivables	2,816
Prepaid expenses	12,804
Due from other funds	12
	<u> </u>
Total assets	<u>\$ 1,033,688</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Accounts payable and accrued expenses	\$ 19,933
Compensated absences	11,313
Total liabilities	<u>31,246</u>
Fund Balance :	
Unreserved - undesignated	1,002,442
Total fund balance	<u>1,002,442</u>
Total liabilities and fund balances	<u>\$ 1,033,688</u>

See notes to financial statements.

CLERK OF COURT
ST. CHARLES PARISH, LOUISIANA
Reconciliation of the Balance Sheet- Governmental Fund
to the Statement of Net Assets
June 30, 2004

Total fund balance - governmental fund (fund financial statement) \$ 1,002,442

Amounts reported for *governmental activities* in the statement of net assets
(government-wide financial statements) are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in governmental funds. The cost of the assets
is \$570,173, and the accumulated depreciation is \$360,115. 210,058

Long-term liabilities are not due and payable in the current period and therefore
are not reported as liabilities in the funds. Long-term liabilities at year-end
consist of:

Capital leases payable	\$ (22,610)	
Compensated absences payable	<u>(20,371)</u>	
		(42,981)

Total net assets of governmental activities (government-wide financial statements) \$ 1,169,519

See notes to the financial statements.

ST. CHARLES PARISH CLERK OF COURT

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

	General Fund
Revenues	
Suits and successions transferred from the Advance Deposit Fund	\$ 482,961
Recording fees	738,040
Fees in criminal cases	201,698
Certified copies	155,534
Interest earned	13,614
Mortgage certificates	25,247
Court attendance	14,480
Cancellations	42,421
Marriage licenses	4,625
Notarial fees	21,117
Computer rental	7,200
Clerk's supplemental	15,250
Copies - birth certificates	17,640
Other	8,660
Total revenues	<u>1,748,487</u>
Expenditures	
Current-Judiciary:	
Salaries and benefits:	843,634
Retirement contributions	246,760
Professional services	11,518
Office expense	200,049
Telephone	12,741
Insurance	166,825
Travel and convention	5,359
Clerk's supplement	20,391
Clerk's election compensation	2,400
Election expenditures	4,652
Auto	2,598
Birth certificates	11,386
Association dues	2,060
Uniform commercial code	3,545
Uniforms	15,215
Other	1,069
Total current expenditures	<u>1,550,202</u>
Capital outlay	119,638
Debt service:	
Principal payments	10,041
Interest	2,249
Total expenditures	<u>1,682,130</u>
Excess (deficiency) of revenues over expenditures	66,357
Fund Balances	
Beginning of year	936,085
End of year	<u>\$ 1,002,442</u>

See notes to financial statements.

ST. CHARLES 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) \$ 66,357

Amounts reported for *governmental activities* in the statement of activities
 (government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures in the individual fund.
 Governmental activities report depreciation expense to allocate the cost of those
 capital assets over the estimated useful lives of the asset.

Asset purchases capitalized	\$ 119,638	
Depreciation expense	<u>(32,932)</u>	
		86,706

Repayment of long-term debt is reported as an expenditure in governmental
 funds, but the repayment reduces long-term liabilities in the statement of net assets.

In the current year, these amounts consists of:

Capital lease payments	10,041
------------------------	--------

Some items reported in the statement of activities do not require the use of
 current financial resources and therefore are not reported as expenditures
 in governmental funds. These activities consist of:

Loss on disposal of capital assets	\$ (3,406)	
Increase in long-term compensated absences	<u>(2,146)</u>	
		<u>(5,552)</u>

Change in net assets of governmental activities (government -wide financial statements)	<u>\$ 157,552</u>
---	-------------------

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT

Combinbing Statement of Fiduciary Net Assets

June 30, 2004

	Advance Deposit Fund	Registry of the Court Fund	Total
<hr/> ASSETS <hr/>			
Cash and cash equivalents	\$ 303,250	\$ 26,363	\$ 329,613
Investments	370,000	4,025,736	4,395,736
Accounts receivable	356		356
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 673,606</u>	<u>\$ 4,052,099</u>	<u>\$ 4,725,705</u>
<hr/> LIABILITIES <hr/>			
Due to general fund	\$ 12		\$ 12
Due to others	673,594	\$ 4,052,099	4,725,693
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 673,606</u>	<u>\$ 4,052,099</u>	<u>\$ 4,725,705</u>

See notes to financial statements.

ST. CHARLES 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 financial statements of the St. Charles Parish Clerk of Court 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 are discussed below.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These financial statements present the St. Charles 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. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since, the St. Charles 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 St. Charles 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basic Financial Statements

Government-Wide Financial Statements (GWFS)

The Clerk of Court's basic financial statements include both government-wide (reporting the entity as a whole) and fund financial statements (reporting the entity's major funds). Both the government-wide and fund financial statements categorize primary activities as the governmental type.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Clerk of Court's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Clerk of Court first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Clerk of Court's functions. General government revenues also support the functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if any.

The net costs by function are normally covered by general revenue (interest income, etc).

This government-wide focus is more on the sustainability of the Clerk of Court as an entity and the change in its net assets resulting from the current year's activities.

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*.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basic Financial Statements (Continued)

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:

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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2004

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

C. Basis of Accounting

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.

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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets

Capital assets purchased or acquired 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:

Description	Estimated Lives
Office Equipment	5 – 7 years
Furniture & Fixtures	7 - 10 years
Automobiles	5 years

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.

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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 of the Clerk of Court's office are granted from 6 to 15 days of vacation leave each calendar year, depending on their length of service. Vacation leave must be taken in the year it is granted. In addition, employees are granted from 10 to 15 days of sick leave each calendar year, depending on their length of service. At resignation or retirement, employees receive one day's pay for every two days of sick leave earned.

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.

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, 2004, there was no amount due the parish treasurer although this was 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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
Interest bearing demand deposits	\$ 824,133	\$ 903,315
Non-interest bearing demand deposits	37,609	68,057
Time deposits	4,850,736	4,850,736
Cash on hand	700	
Total deposits	\$ 5,173,178	\$ 5,822,108
Federal deposit insurance		\$ 873,634
Market value of pledged securities		\$ 6,353,790
Amount Unsecured or Pledged		\$ 0

These deposits are stated at cost, which approximates market. 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2004

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 it's 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
Certificates of Deposit	\$4,152,102	1
Interest Savings	698,634	1
Total	\$4,850,736	

Note 4 RECEIVABLES

The accounts receivable in the governmental fund of \$30,227 consists of amounts due from attorneys for recording court fees and expenses related to cases in progress, and from abstractors for certified copies.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2004

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	\$ 249,386			\$ 249,386
Office equipment	212,221	\$119,638	\$(34,060)	297,799
Automobiles	22,988			22,988
TOTAL	\$484,595	\$119,638	\$(34,060)	\$570,173
Less accumulated depreciation	\$357,837	\$32,932	\$(30,654)	\$360,115
NET CAPITAL ASSETS	\$ 126,758			\$ 210,058

Depreciation charged for governmental functions for the year was \$32,932.

Note 6 CAPITAL LEASES

The Clerk of Court, St. Charles Parish, Louisiana entered into lease agreements for financing the acquisition of two copy machines, telephone system and voice mail system. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term), and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The clerk records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 6 CAPITAL LEASES, Continued

Type	Recorded Amount
Xerox DC555	\$13,955
Telephone and Voice Mail	29,073
Xerox 5828 TA Copier	7,399
Total Office Equipment	\$50,427

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2004:

Year ending June 30,	Xerox DC555 Copier	Telephone and Voice Mail Systems	Xerox 5828 TA Copier	Total
2005	3,348	7,245	1,690	12,283
2006	3,347	932	1,690	5,969
2007	3,347		703	4,050
2008	2,511			2,511
Total minimum lease payments	12,553	8,177	4,083	24,813
Less: Amount representing interest	1,596	470	137	2,203
Present value of minimum lease payments	\$10,957	\$ 7,707	\$3,946	\$ 22,610

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 7 LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations:

	Compensated Absences	Capital Lease	Total
Long-term debt payable at June 30, 2003	\$ 18,225	\$ 32,651	\$ 50,876
Additions	2,146	-	2,146
Deductions		10,041	10,041
Long-term debt payable at June 30, 2004	\$ 20,371	\$ 22,610	\$ 42,981

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations:

	Compensated Absences	Capital Lease	Total
Current-portion	\$ 11,313	\$ 12,283	\$ 23,596
Long-term portion	20,371	10,327	30,698
Total	\$ 31,684	\$ 22,610	\$ 54,294

Note 8 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 jointly by the employee and the Clerk of Court. For the year ending June 30, 2004, the cost of the benefits for 3 retirees totaled \$2,392.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 9 EMPLOYEE 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.

All regular employees earning a minimum of \$ 500 per month and who are under the age of 60 at the time of original employment are eligible to participate in the system. 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 St. Charles Parish Clerk of Court has elected to do so for the year ending June 30, 2002, 2003 and 2004.

The Clerk of Court's contribution for the years ending June 30, 2002, 2003 and 2004 were \$127,761 (18.25% of covered payroll), \$131,562 (18.25% of covered payroll) and \$160,473 (19.75% of covered payroll) respectively, which were equal to the required contributions for each year.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 10 DEFERRED COMPENSATION PLAN

Starting in October 1999, the Clerk of Court employees had the option of becoming participants 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). In 1999, a participant was allowed by the Internal Revenue Code to contribute up to the lesser of (1) 25% of taxable compensation or (2) \$8,000. Taxable compensation equals your gross compensation minus all pre-tax contributions to other retirement plans, IRC Section 125 cafeteria plans, if any, and the like which reduce your taxable compensation for the year (other than your 457 contribution amount).

The Clerk of Court agreed to match each participant's contribution up to a maximum of 5% for the year ending June 30, 2004.

During fiscal year 2002, the Deferred Compensation plan began offering a one-time only "catch-up" option. The following provisions must be met in order for a member of the plan to use this "catch-up" option:

Total contributions made by the Clerk of Court on behalf of the employees for the year ending June 30, 2004 were \$86,287. There were five employees who elected the "catch-up" option during this fiscal year, the clerk's matching contribution were approximately \$62,500.

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 11 LITIGATION

There is no litigation pending against the Clerk of Court's office that is required to be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 12 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 St. Charles Parish Council and are not included in the accompanying financial statements. The amount of these expenditures paid by the Parish Council is indeterminate.

Note 13 INTERFUND ASSETS/LIABILITIES

The balances due to/from General Fund and Advance Deposit Fund are as follows:

	June 30, 2004
General Fund	
Due from other funds	\$ 12
Advance Deposit	
Due to general fund	\$ 12

Note 14 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

ST. CHARLES PARISH CLERK OF COURT
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2004

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Suits and successions transferred				
from the Advance Deposit Fund	\$ 445,000	\$ 481,521	\$ 482,961	\$ 1,440
Recording fees	710,000	743,837	738,040	(5,797)
Fees in criminal cases	225,000	210,340	201,698	(8,642)
Certified copies	160,000	155,377	155,534	157
Interest earned	21,000	13,960	13,614	(346)
Mortgage certificates	30,000	25,349	25,247	(102)
Court attendance	13,000	14,400	14,480	80
Cancellations	32,000	41,915	42,421	506
Marriage licenses	4,300	4,481	4,625	144
Notarial fees	14,000	20,950	21,117	167
Computer rental	7,200	7,200	7,200	-
Clerk's supplemental	15,000	15,250	15,250	-
Copies - birth certificates	13,000	17,870	17,640	(230)
Other	7,000	8,660	8,660	-
Total revenues	1,696,500	1,761,110	1,748,487	(12,623)
Expenditures				
Current-general government:				
Salaries and benefits	790,386	843,254	843,634	(380)
Retirement contributions	237,882	248,006	246,760	1,246
Professional services	11,000	11,045	11,518	(473)
Office expense	175,000	189,830	200,049	(10,219)
Telephone	14,000	12,718	12,741	(23)
Insurance	168,742	169,454	166,825	2,629
Travel and convention	3,500	5,359	5,359	-
Clerk's supplement	20,000	20,654	20,391	263
Clerk's election Compensation	2,400	2,400	2,400	-
Election expenditures	5,000	4,652	4,652	-
Auto	800	2,698	2,598	100
Birth certificates	9,500	11,986	11,386	600
Association Dues	2,075	2,060	2,060	-
Uniform Commercial Code	3,500	3,027	3,545	(518)
Uniforms	-	15,215	15,215	-
Other	100	1,069	1,069	-
Total current expenditures	1,443,885	1,543,427	1,550,202	(6,395)
Capital outlay	30,000	119,638	119,638	-
Debt service:				
Principal payments	8,850	9,926	10,041	(115)
Interest	3,678	2,223	2,249	(26)
Total expenditures	1,486,413	1,675,214	1,682,130	(6,536)
Excess (deficiency) of revenues over expenditures	210,087	85,896	66,357	(19,539)
Other financing sources (uses):				
Proceeds from capital lease	8,500	-	-	-
Fund Balances				
Beginning of year	961,441	936,085	936,085	-
End of year	\$ 1,180,028	\$ 1,021,981	\$ 1,002,442	\$ (19,539)

*Reports Required by
Government Auditing Standards*



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 Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Hahnville, Louisiana

We have audited the basic financial statements of the St Charles Parish Clerk of Court as of and for the year ended June 30, 2004, and have issued our report thereon dated August 27, 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 Charles 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 Charles 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.

207 LAFAYE AVENUE
THIBODAUX, LA 70301
PHONE (985) 447-7226
FAX (985) 446-3032

11 JAMES BLVD., SUITE 210
ST. ROSE, LA 70087
PHONE (504) 468-2258
FAX (504) 464-1473

Honorable Charles J. Oubre, Jr.
St. Charles 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 27, 2004



ST. CHARLES 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 St. Charles Parish Clerk of Court as of and for the year ended June 30, 2004, and have issued our report thereon dated August 27, 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



ST. CHARLES PARISH CLERK OF COURT

Status of Prior Audit Findings

For the Year Ended June 30, 2004

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
-------------------------	---	-------------------------------	---	--

Section I - Internal Control and Compliance Material to the Financial Statements:

NONE

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

NOT APPLICABLE

Section III - Management Letter:

NONE

ST. CHARLES PARISH CLERK OF COURT

Corrective Action Plan

For the Year Ended June 30, 2004

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
-------------------------	-------------------------------	----------------------------------	-------------------------------------	------------------------------------

Section I - Internal Control and Compliance Material to the Financial Statements:

NONE

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

NOT APPLICABLE

Section III - Management Letter:

NONE ISSUED