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ST. JOHN THE BAPTIST PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2004

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

Release Date 2-16-05

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INDEPENDENT AUDITOR'S REPORT

The Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, Louisiana

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

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

Due to the inadequacy of accounting records for the years beginning prior to July 1, 2003, we were unable to form an opinion regarding the amount at which furniture, fixtures, and equipment is recorded in the accompanying balance sheet as of June 30, 2004 (stated at \$221,836). Additionally, the St. John the Baptist Parish Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2004. The unreconciled deposits represent 3.3 percent of the fiduciary fund type's assets and liabilities at June 30, 2004. Because the Clerk of Court has not reconciled these deposits, it was not practical for us to determine the amount of fees, if any, due to the Advance Deposit Agency Fund from litigants or the amount due to the General Fund from the Advance Deposit Agency Fund for fees earned resulting from suit activity at June 30, 2004. The effects of not reconciling these deposits on the financial statements cannot be reasonably determined.

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In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to perform the necessary audit procedures on the beginning balance of furniture, fixtures, and equipment, or had we been able to satisfy ourselves as to the beginning balance of furniture, fixtures, and equipment by other auditing procedures and had the Clerk of Court reconciled the deposits accounted for in the Advance Deposit Agency Fund, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court, as of June 30, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on page 27 and 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The St. John the Baptist Parish Clerk of Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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

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

Morgan City, Louisiana
October 27, 2004

BASIC FINANCIAL STATEMENTS

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 589,110
Receivables, net	26,202
Accrued interest	<u>15,084</u>
Total current assets	630,396
Noncurrent assets:	
Capital assets, net	<u>97,851</u>
Total assets	<u>728,247</u>
LIABILITIES	
Accounts, salaries, and other payables	11,130
Long term liabilities:	
Due within one year	8,670
Due in more than one year	<u>10,469</u>
Total liabilities	<u>30,269</u>
NET ASSETS	
Invested in capital assets, net of related debt	89,181
Unrestricted	<u>608,797</u>
Total net assets	<u>\$ 697,978</u>

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Statement of Activities
Year Ended June 30, 2004

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Assets Governmental Activities
Governmental activities:			
General government	<u>\$ 1,395,497</u>	<u>\$ 1,553,942</u>	\$ 158,445
General revenues:			<u>16,841</u>
Interest and investment earnings			
Change in net assets			175,286
Net assets - July 1, 2003, as restated			<u>522,692</u>
Net assets - June 30, 2004			<u>\$ 697,978</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS' DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Balance Sheet
Governmental Funds
June 30, 2004

With Comparative Totals as of June 30, 2003

	General	Other Governmental Funds	Totals (Memorandum Only)	
			2004	2003
ASSETS				
Cash and Interest-bearing deposits	\$ 588,509	\$ 601	\$ 589,110	\$ 455,208
Receivables:				
Accounts receivable	26,202	-	26,202	41,231
Other	15,084	-	15,084	18,380
Total assets	<u>\$ 629,795</u>	<u>\$ 601</u>	<u>\$ 630,396</u>	<u>\$ 514,819</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 10,966	\$ -	\$ 10,966	\$ 20,179
Accrued payroll liabilities	-	-	-	5,504
Other	164	-	164	136
Total liabilities	<u>11,130</u>	<u>-</u>	<u>11,130</u>	<u>25,819</u>
Fund balance:				
Unreserved, undesignated	618,665	601	619,266	489,000
Total fund balance	<u>618,665</u>	<u>601</u>	<u>619,266</u>	<u>489,000</u>
Total liabilities and fund balance	<u>\$ 629,795</u>	<u>\$ 601</u>	<u>\$ 630,396</u>	<u>\$ 514,819</u>

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

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

Total fund balance for the governmental fund at June 30, 2004 \$ 619,266

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

Furniture, fixtures, and equipment	\$ 221,836	
Less: Accumulated depreciation	<u>(123,985)</u>	97,851

Compensated absences and capital leases are not expected to be
liquidated with expendable available financial resources and,
therefore, are not reported in the funds. Those consist of

Capital leases	(8,670)	
Compensated absences	<u>(10,469)</u>	<u>(19,139)</u>

Total net assets of governmental activities at June 30, 2004 \$ 697,978

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2004
With Comparative Totals for the Year Ended June 30, 2003

	General	Other Governmental Funds	Totals (Memorandum Only)	
			2004	2003
Revenues:				
Licenses and permits	\$ 6,930	\$ -	\$ 6,930	\$ 6,000
Fees, charges and commissions -				
Court costs, fees and charges	196,852	50,081	246,933	216,373
Fees for recording legal documents	1,192,829	-	1,192,829	1,122,629
Fees for certified copies	61,373	-	61,373	73,172
Intergovernmental	45,877	-	45,877	64,944
Interest earnings	16,798	43	16,841	19,335
Total revenues	1,520,659	50,124	1,570,783	1,502,453
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,054,464	42,522	1,096,986	997,846
Operating services	179,074	2,018	181,092	258,860
Material and supplies	76,589	1,150	77,739	76,919
Debt Service	39,579	-	39,579	39,579
Capital outlay	41,288	3,833	45,121	24,776
Total expenditures	1,390,994	49,523	1,440,517	1,397,980
Excess of revenues over expenditures	129,665	601	130,266	104,473
Fund balance, beginning of year	489,000	-	489,000	384,527
Fund balance, end of year	\$ 618,665	\$ 601	\$ 619,266	\$ 489,000

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

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

Total net change in fund balances for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$130,266
Add: Capital outlay costs which are considered as expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 45,121	
Less: Depreciation expense for year ended June 30, 2004	<u>(38,926)</u>	6,195
Compensated absences are not expected to be liquidated with expendable available financial resources and , therefore, are not reported in the funds.	Current (10,469)	
	Prior year <u>(12,079)</u>	1,610
Governmental funds report capital leases as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the capital lease payable balance on the statement of net assets		<u>37,215</u>
Total change in net assets for the year ended June 30, 2004 per Statement of Activities		<u>\$ 175,286</u>

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Statement of Fiduciary Net Assets
June 30, 2004
With Comparative Totals as of June 30, 2003

	<u>Agency Funds</u>	
	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and interest-bearing deposits	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>
LIABILITIES		
Due to litigants and others	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. John the Baptist Parish Clerk of Court (Clerk of Court) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note. The accompanying financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued in June, 1999.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official. The Clerk of Court is a component unit of the St. John the Baptist Parish Government. The Clerk of Court is fiscally dependent on the St. John the Baptist Parish Government since the Clerk of Court's offices are located in the Parish Court House, the upkeep and maintenance of the courthouse is paid by the Parish Government and certain operating expenditures of the Clerk of Court's office are paid by the Parish Government.

As an independently elected official, the Clerk of Court is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

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

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

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

Governmental Fund -

General Fund

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

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

Governmental Fund -

East Bank Expense Special Revenue Fund

As provided by Louisiana Revised Statute 13:851, an additional cost is assessed in all criminal cases of which the Fortieth Judicial District Court has jurisdiction. This additional cost provides support for the Clerk's branch office located on the east bank of the Mississippi River. The collection of the additional cost and related expenses of the east bank office are accounted for in this fund.

Fiduciary Funds -

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

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

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

C. Measurement Focus/Basis of Accounting

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

Basis of Accounting

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

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Capital Assets

Capital assets, which include furniture, fixtures, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

Compensated Absences

Employees of the Clerk of Court's office earn 10 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of sick leave each year. Vacation leave must be used in the year earned. Sick leave may accumulate indefinitely up to two hundred forty (240) hours. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation and sick leave at the employee's current rate of pay.

In prior years, compensated absences have typically been liquidated by the Clerk of Court's General Fund.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

Equity Classifications

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

- a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

E. Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the fund financial statements, expenditures are classified as follows:

Governmental Funds – by character and function

F. Budgetary and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

G. Bad Debts

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the Clerk of Court has cash and cash equivalents (book balances) totaling \$2,300,303 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 589,110	\$ 1,711,193	\$ 2,300,303

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

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

Bank balances	\$ 2,517,450
Federal insurance	\$ 348,111
Pledged securities (Category 3)	2,169,339
Total federal insurance and pledged securities	\$ 2,517,450

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

(3) Capital Assets

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

	07/01/03	Adjustments	Additions	Deletions	6/30/2004
Furniture, fixtures and equipment	\$ 173,915	\$ 2,800	\$ 45,121	-	\$ 221,836
Less: Accumulated depreciation	85,059	-	38,926	-	123,985
Net capital assets	\$ 88,856	\$ 2,800	\$ 6,195	\$ -	\$ 97,851

Depreciation expense of \$38,926 was charged to the general government function.

(4) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2004:

	Governmental Activities
Accounts	\$ 10,966
Other	164
Totals	\$ 11,130

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

(5) Changes in Long-term Debt

The following is a summary of long-term debt transactions of the Clerk of Court for the year ending June 30, 2004:

	<u>6/30/2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2004</u>	<u>Due within one year</u>
Capital Leases	\$ 45,885	\$ -	\$ 37,215	\$ 8,670	\$ 8,670
Compensated Absences	<u>12,079</u>	<u>-</u>	<u>1,610</u>	<u>10,469</u>	<u>-</u>
Total general long-term debt	<u>\$ 57,964</u>	<u>\$ -</u>	<u>\$ 38,825</u>	<u>\$ 19,139</u>	<u>\$ 8,670</u>

(6) Leases

The St. John the Baptist Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

<u>Type</u>	<u>Recorded Amount</u>
Furniture, fixtures, and equipment	<u>\$ 133,465.00</u>

The following is a schedule of future minimum lease payments under capital leases as of June 30, 2004:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	<u>\$ 8,670</u>	<u>\$ 194</u>	<u>\$ 8,864</u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

(7) Pension Plan

Plan Description. – Substantially all employees of the St. John the Baptist Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their *final-average salary for each year of credited service, not to exceed 100% of their final-average salary*. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The Clerk of Court Retirement and Relief Fund issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Clerk of Court Retirement and Relief Fund, 11745 Bricksome Ave., Suite B-1, Baton Rouge, Louisiana 70816.

Funding Policy. - Plan members are required by state statute to contribute 8.25% of their annual covered salary and the St. John the Baptist Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the St. John the Baptist Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The St. John the Baptist Clerk of Court pays one hundred percent (100%) of pension contributions. The St. John the Baptist Parish Clerk of Court's contributions to the System for the years ending June 30, 2004, 2003, and 2002 were \$139,043, \$119,752, and \$108,637 respectively, equal to the required contributions for each year.

(8) Post-Retirement Health Care and Life Insurance Benefits

The St. John the Baptist Parish 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 employees and the Clerk of Court. The Clerk of Court recognizes the cost of providing these benefits (the Clerk's portion of premiums) as an expenditure when the monthly premiums are due.

The cost benefits for 6 retirees for the year ended June 30, 2004 was \$35,841.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

(9) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June 30, 2004			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,312,879	\$ 963,819	\$ 906,569	\$ 1,370,129
Registry of Court	378,781	170,566	208,283	341,064
Totals	<u>\$ 1,691,660</u>	<u>\$ 1,134,385</u>	<u>\$ 1,114,852</u>	<u>\$ 1,711,193</u>

(10) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Clerk of Court employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or proof of hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management, after consulting with legal counsel, that the Clerk of Court has no liability for losses under the plan.

(11) Risk Management

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Financial Statements (Continued)

(12) Excess Fund Balance

LSA-RS 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 her term of office. The potential liability to the parish is limited to amounts received by the Clerk from the parish for necessary office furniture, equipment, and record books. At June 30, 2004, there was no amount due the parish treasurer because fund balance did not exceed one-half of recorded revenues.

(13) Litigation

At June 30, 2004, the St. John the Baptist Parish Clerk of Court is not involved in any pending or threatened litigation.

(14) Expenditures of the Clerk of Court Paid by the St. John the Baptist Parish Government

The Clerk of Court's office is located in the St. John the Baptist Parish Courthouse. The upkeep and maintenance of the courthouse are paid by the St. John the Baptist Parish Council. In addition, the Parish Council also pays some of the Clerk's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(15) Prior Period Adjustment

Assets in the amount of \$2,800 were purchased in the prior year, but were not added to the capital asset listing until the current year. Accordingly, beginning net assets are increased by \$2,800 over the previously reported balances.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

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

	Budget		Actual	Variance with Final Budget	2003 Actual
	Original	Final		Positive (Negative)	
Revenues:					
Licenses and permits	\$ 5,000	\$ 6,891	\$ 6,930	\$ 39	\$ 6,000
Fees, charges and commissions -					
Court costs, fees and charges	218,000	202,135	196,852	(5,283)	216,373
Fees for recording legal documents	981,000	1,142,055	1,192,829	50,774	1,122,629
Fees for certified copies	65,000	63,272	61,373	(1,899)	73,172
Intergovernmental	7,000	-	45,877	45,877	64,944
Interest earnings	2,000	-	16,798	16,798	19,335
Total revenues	<u>1,278,000</u>	<u>1,414,353</u>	<u>1,520,659</u>	<u>106,306</u>	<u>1,502,453</u>
Expenditures:					
Current -					
General government:					
Personnel services and related benefits	1,074,193	1,069,174	1,054,464	14,710	997,846
Operating services	298,949	199,899	179,074	20,825	258,860
Material and supplies	101,717	83,997	76,589	7,408	76,919
Debt service	50,000	39,580	39,579	1	39,579
Capital outlay	29,000	28,200	41,288	(13,088)	24,776
Total expenditures	<u>1,553,859</u>	<u>1,420,850</u>	<u>1,390,994</u>	<u>29,856</u>	<u>1,397,980</u>
Excess (deficiency) of revenues over expenditures	(275,859)	(6,497)	129,665	136,162	104,473
Fund balance, beginning of year, as restated	<u>384,527</u>	<u>384,527</u>	<u>489,000</u>	<u>(104,473)</u>	<u>384,527</u>
Fund balance, end of year	<u>\$ 108,668</u>	<u>\$ 378,030</u>	<u>\$ 618,665</u>	<u>\$ 31,689</u>	<u>\$ 489,000</u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Notes to Budgetary Comparison Schedule

(1) Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk. Such amendments were not material in relation to the original appropriations.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

GOVERNMENTAL FUNDS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUND

East Bank Expense Fund

To account for the additional costs assessed in all criminal matters of which the Fortieth Judicial District Court has jurisdiction to be expended for the support of the Clerk's branch office on the east bank of the Mississippi River.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

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

	Budget		Actual	Variance - Positive (Negative)	2003 Actual
	Original	Final			
Licenses and permits:					
Marriage licenses	\$ 5,000	\$ 6,891	\$ 6,930	\$ 39	\$ 6,000
Total licenses and permits	<u>5,000</u>	<u>6,891</u>	<u>6,930</u>	<u>39</u>	<u>6,000</u>
Fees, charges and commissions:					
Court costs, fees and charges -					
Criminal costs	148,000	121,716	118,453	(3,263)	129,242
UCC Fees	15,000	15,251	15,538	287	15,292
Other	<u>55,000</u>	<u>65,168</u>	<u>62,861</u>	<u>(2,307)</u>	<u>71,839</u>
Total court costs, fees and charges	<u>218,000</u>	<u>202,135</u>	<u>196,852</u>	<u>(5,283)</u>	<u>216,373</u>
Fees for recording legal documents:					
Recordings	550,000	666,082	665,469	(613)	637,348
Advance Deposit Fees	400,000	441,335	492,173	50,838	449,839
Cancellations	20,000	22,347	22,749	402	22,942
Mortgage certificates	<u>11,000</u>	<u>12,291</u>	<u>12,438</u>	<u>147</u>	<u>12,500</u>
Total fees for recording legal documents	<u>981,000</u>	<u>1,142,055</u>	<u>1,192,829</u>	<u>50,774</u>	<u>1,122,629</u>
Fees for copies:					
Xerox copies	43,000	37,507	35,943	(1,564)	45,693
Certified copies	<u>22,000</u>	<u>25,765</u>	<u>25,430</u>	<u>(335)</u>	<u>27,479</u>
Total fees for copies	<u>65,000</u>	<u>63,272</u>	<u>61,373</u>	<u>(1,899)</u>	<u>73,172</u>
Intergovernmental:					
Child Support Income	<u>7,000</u>	<u>-</u>	<u>45,877</u>	<u>45,877</u>	<u>64,944</u>
Interest earnings					
	<u>2,000</u>	<u>-</u>	<u>16,798</u>	<u>16,798</u>	<u>19,335</u>
Total revenues	<u>\$1,278,000</u>	<u>\$1,414,353</u>	<u>\$1,520,659</u>	<u>\$ 106,306</u>	<u>\$1,502,453</u>

(continued)

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

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

	Budget		Actual	Variance -	2003 Actual
	Original	Final		Positive (Negative)	
Expenditures:					
Current -					
Personnel services and related benefits -					
Salaries:					
Clerk	\$ 91,790	\$ 97,277	\$ 93,335	\$ 3,942	\$ 89,733
Deputy clerks	489,438	483,601	485,526	(1,925)	478,559
Other	69,457	79,017	85,619	(6,602)	69,673
Clerk's expense allowance	2,100	2,100	2,100	-	2,100
Clerk's supplemental fund	21,326	20,827	23,565	(2,738)	18,520
Employee training	1,000	318	515	(197)	924
Group insurance	234,784	238,963	208,707	30,256	198,966
Pension	131,764	125,670	135,962	(10,292)	119,752
Medicare tax	32,534	21,401	19,135	2,266	19,619
Total personnel services and related benefits	<u>1,074,193</u>	<u>1,069,174</u>	<u>1,054,464</u>	<u>14,710</u>	<u>997,846</u>
Operating services -					
Automobile expense	-	2,832	2,460	372	-
Battered women	2,838	3,675	3,585	90	2,588
Professional fees	39,402	35,014	31,040	3,974	32,015
Insurance	17,563	-	11,288	(11,288)	21,915
Record keeping	11,985	6,270	8,745	(2,475)	12,258
Microfilm	-	-	2,240	(2,240)	-
Other	22,438	10,068	943	9,125	15,758
Telephone	18,347	20,309	19,108	1,201	12,300
Travel	12,832	8,516	8,153	363	10,802
Uniforms	5,000	6,342	5,488	854	4,868
Worker's comp insurance	3,686	3,693	3,913	(220)	3,561
Equipment lease and maintenance	143,144	96,266	75,740	20,526	126,541
Secretary of state - UCC	5,714	-	559	(559)	3,733
Election expense	16,000	6,914	5,812	1,102	12,521
Total operating services	<u>298,949</u>	<u>199,899</u>	<u>179,074</u>	<u>20,825</u>	<u>258,860</u>

(continued)

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

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

	Budget		Actual	Variance - Positive (Negative)	2003
	Original	Final			Actual
Materials and supplies -					
Office supplies and expense	52,958	57,181	51,581	5,600	44,583
General repairs and maintenance	42,979	12,670	11,382	1,288	28,530
Dues and conventions	5,780	14,146	13,626	520	3,806
Total materials and supplies	<u>101,717</u>	<u>83,997</u>	<u>76,589</u>	<u>7,408</u>	<u>76,919</u>
Debt Service:					
Capital lease principal	50,000	39,580	37,215	2,365	34,365
Financing costs	-	-	2,364	(2,364)	5,214
Total debt service	<u>50,000</u>	<u>39,580</u>	<u>39,579</u>	<u>1</u>	<u>39,579</u>
Capital Outlay:	<u>29,000</u>	<u>28,200</u>	<u>41,288</u>	<u>(13,088)</u>	<u>24,776</u>
Total expenditures	<u>\$1,553,859</u>	<u>\$1,420,850</u>	<u>\$1,390,994</u>	<u>\$ 29,856</u>	<u>\$1,397,980</u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
 Edgard, Louisiana
 Special Rvenue Fund

East Bank Expense Fund
 Budgetary Comparison Schedule - Revenues
 Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Fees, charges and commissions:			
Court costs, fees and charges -			
Criminal costs	\$ 47,536	\$ 50,081	\$ 2,545
<i>Interest earnings</i>	<u>-</u>	<u>43</u>	<u>43</u>
Total revenues	<u>\$ 47,536</u>	<u>\$ 50,124</u>	<u>\$ 2,588</u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana
Special Revenue Fund

East Bank Expense Fund
Budgetary Comparison Schedule - Expenditures
Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Expenditures:			
Current -			
Personnel services and related benefits -			
Salaries:			
Deputy clerks	\$ 38,541	\$ 31,200	\$ 7,341
Group Insurance	8,253	6,681	1,572
Pension	3,806	3,081	725
Medicare Tax	<u>1,927</u>	<u>1,560</u>	<u>367</u>
Total personnel services and related benefits	<u>52,527</u>	<u>42,522</u>	<u>10,005</u>
Operating services -			
Other	463	375	88
Telephone	1,809	1,464	345
Travel	<u>221</u>	<u>179</u>	<u>42</u>
Total operating services	<u>2,493</u>	<u>2,018</u>	<u>475</u>
Materials and supplies -			
Office supplies and expense	1,210	980	230
General repairs and maintenance	210	170	40
Dues and conventions	<u>-</u>	<u>-</u>	<u>-</u>
Total materials and supplies	<u>1,420</u>	<u>1,150</u>	<u>270</u>
Capital Outlay:	<u>4,833</u>	<u>3,833</u>	<u>1,000</u>
Total expenditures	<u>\$ 61,273</u>	<u>\$ 49,523</u>	<u>\$ 11,750</u>

FIDUCIARY FUNDS

Advance Deposit Fund -

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

Registry of Court Fund -

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

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Agency Funds
Combining Schedule of Assets and Liabilities
June 30, 2004
With Comparative Totals as of June 30, 2003

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
ASSETS				
Cash and interest-bearing deposits	<u>\$ 1,370,129</u>	<u>\$ 341,064</u>	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>
Total assets	<u>\$ 1,370,129</u>	<u>\$ 341,064</u>	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>
LIABILITIES				
Due to litigants and others	<u>1,370,129</u>	<u>341,064</u>	<u>1,711,193</u>	<u>1,691,660</u>
Total liabilities	<u>\$ 1,370,129</u>	<u>\$ 341,064</u>	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Agency Funds
Combining Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2004
With Comparative Totals for the Year Ended June 30, 2003

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
ASSETS				
Balances, beginning of year	\$ 1,312,879	\$ 378,781	\$ 1,691,660	\$ 1,552,827
Additions:				
Suits and successions	912,917	-	912,917	887,100
Judgments	50,902	167,493	218,395	524,062
Interest earned	-	3,073	3,073	5,295
Total additions	<u>963,819</u>	<u>170,566</u>	<u>1,134,385</u>	<u>1,416,457</u>
Total	<u>2,276,698</u>	<u>549,347</u>	<u>2,826,045</u>	<u>2,969,284</u>
Reductions:				
Clerk's costs (transferred to General Fund)	492,073	-	492,073	449,421
Refunds to litigants	184,426	208,283	392,709	607,779
Sheriff fees	83,498	-	83,498	76,298
Juror costs	46,220	-	46,220	37,658
Judge's expense fund	21,045	-	21,045	10,059
Jury commissioners	17,254	-	17,254	14,197
Parish council	16,930	-	16,930	16,970
Judge's supplemental compensation fund	24,375	-	24,375	44,454
Other	20,748	-	20,748	20,788
Total reductions	<u>906,569</u>	<u>208,283</u>	<u>1,114,852</u>	<u>1,277,624</u>
Balances, end of year	<u>\$ 1,370,129</u>	<u>\$ 341,064</u>	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>
LIABILITIES				
Due to litigants and others, beginning of year	\$ 1,312,879	\$ 378,781	\$ 1,691,660	\$ 1,552,827
Additions	963,819	170,566	1,134,385	1,416,457
Reductions	<u>906,569</u>	<u>208,283</u>	<u>1,114,852</u>	<u>1,277,624</u>
Due to litigants and others, end of year	<u>\$ 1,370,129</u>	<u>\$ 341,064</u>	<u>\$ 1,711,193</u>	<u>\$ 1,691,660</u>

**COMPLIANCE
AND
INTERNAL CONTROL**

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

The Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court, a component unit of the St. John the Baptist Parish Government, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 27, 2004. In our report, our opinions were qualified because we were unable to perform the necessary audit procedures on the beginning balance of furniture, fixtures, and equipment, nor were we able to satisfy ourselves as to the beginning balance of furniture, fixtures, and equipment by other auditing procedures and the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits at June 30, 2004. Except as discussed in the preceding sentence, 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. John the Baptist 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.

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Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. John the Baptist Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Clerk of Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying corrective action plan for current year findings as items 2004-1, 2004-2 and 2004-3.

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. 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are material weaknesses.

This report is intended solely for the information and use of management of the St. John the Baptist Parish Clerk of Court and is not intended to be and should not be used by anyone other than specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

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

Morgan City, Louisiana
October 27, 2004

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Summary Schedule of Audit Results and Findings
Year Ended June 30, 2004

Part I. Summary of Auditor's Results:

A qualified opinion was issued on the financial statements because we were unable to perform the necessary audit procedures on the beginning balance of furniture, fixtures, and equipment, nor were we able to satisfy ourselves as to the beginning balance of furniture, fixtures, and equipment by other auditing procedures and the Clerk of Court has not reconciled certain individual suit docket balances in the Advance Deposit Agency Fund with the related cash deposits.

Reportable conditions in internal control were disclosed by the audit of the financial statements with all of the conditions considered to be material weaknesses.

The audit did not disclose any instances of noncompliance which are *material to the financial statements*.

A management letter was not issued.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

(a) Inventory of general fixed assets

CONDITION: An inventory of general fixed assets is not maintained and periodically reconciled to accounting records.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

“Internal control is a process – effected by an entity’s board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

CAUSE: The cause of the condition is the result of a failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to inventory general fixed assets and reconcile to accounting records increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Summary Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2004

(b) Segregation of duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

“Internal control is a process – effected by an entity’s board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

CAUSE: The cause of the conditions is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

(c) Reconciliation of docket balances

CONDITION: Certain individual suit docket balances in the Advance Deposit Agency Fund have not been reconciled with the related cash deposits.

CRITERIA: SAS55, Consideration of Internal Control in a Financial Statement Audit, as amended by SAS78, Consideration of Internal Control in a Financial Statement Audit: An Amendment to Statement on Auditing Standards No. 55, AU §319.06 defines internal control as follows:

“Internal control is a process – effected by an entity’s board of directors, management, and other personnel – designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

CAUSE: The cause of the condition is the failure to design and implement policies and procedures necessary to achieve adequate internal control.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Summary Schedule of Audit Results and Findings (continued)
Year Ended June 30, 2004

EFFECT: Failure to reconcile docket balances with the related cash deposits increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Part III. Findings and questioned costs for federal awards required to be reported in accordance with Office of Management and Budget Circular A-133:

not applicable

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
Section I - Compliance and internal control material to the financial statements.				
<u>Compliance</u>				
There were no items reported in this section				
<u>Internal Control</u>				
99-3	1999	An inventory of general fixed assets is not maintained and periodically reconciled.	No	See Corrective Action Plan for Current Year Findings
00-3	2000	Inadequate segregation of functions exists within the accounting system	No	See Corrective Action Plan for Current Year Findings
02-1	2002	Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.	No	See Corrective Action Plan for Current Year Findings

Section Ia - Other compliance and internal control

Compliance

There were no items reported in this section

Internal Control

There were no items reported in this section

Section II - Management letter

There were no items reported in this section

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Summary Schedule of Current Year Audit Findings
and Corrective Plan
Year Ended June 30, 2004

Ref. No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Section 1 - Compliance and internal control material to the financial statements				
<u>Compliance</u>				
There are no items applicable to this section				
<u>Internal Control</u>				
2004-1	An inventory of general fixed assets is not maintained and periodically reconciled.	The fixed assets lists prior to July, 2000 were not properly inventoried. This office has attempted to collect price lists and dates of previously purchased equipment. We are continuing to collect data and form an assets listing for those items purchased prior to July, 2000.	Eliana DeFrancesch, Clerk of Court	undetermined
2004-2	Inadequate segregation of functions exists within the accounting system	As for the fixed asset listing from July, 2000 to present, it is complete and accurate. Due to the size of the office staff, adequate segregation of functions is not practical. However, this office has significantly attempted to segregate accounting functions and will continue to segregate those functions in the future.	N/A	N/A
2004-3	Certain individual suit docket balances in the Advance Deposit Agency Fund has not been reconciled with the related cash deposits.	The Clerk of Court is in the process of identifying unknown balances and reconciling such balances to the corresponding suit dockets in the Advance Deposit Fund.	Eliana DeFrancesch, Clerk of Court	undetermined

These procedures have identified a portion of the unknown balances. The Clerk of Court will seek the opinion of legal counsel regarding balances which may not be identifiable.

ST. JOHN THE BAPTIST PARISH CLERK OF COURT
Edgard, Louisiana

Summary Schedule of Current Year Audit Findings
and Corrective Plan
Year Ended June 30, 2004

Ref. No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
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Section Ia - Other compliance and internal control

Compliance

There are no items applicable to this section

Internal Control

There are no items applicable to this section

Section II - Management letter

There are no items applicable to this section