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ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Financial Report

Year Ended June 30, 2004

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

Release Date 11-10-04

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

The Honorable Edmond E. Kinler, Jr.
St. James Parish Clerk of Court
Convent, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James Parish Clerk of Court, a component unit of the St. James Parish Government, as of and for the year ended June 30, 2004, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. James Parish Clerk of Court. Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the Clerk's 2003 financial statements and, in our report dated August 29, 2003, we expressed unqualified opinions on the respective financial statements of the governmental activities, the major fund, and the aggregate fund information.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America 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 the St. James Parish Clerk of Court, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. James 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.

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2004 on our consideration of the St. James Parish Clerk of Court's compliance with laws and regulations and on its internal control over financial reporting. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The required supplementary information on page 24 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The St. James 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 *St. James Parish Clerk of Court's basic financial statements*. The other supplementary information section 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

Lafayette, Louisiana
September 23, 2004

BASIC FINANCIAL STATEMENTS

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 245,906
Receivables, net	15,541
Due from other governmental units	6,116
Accrued interest	750
Total current assets	<u>268,313</u>
Noncurrent assets:	
Capital assets, net	<u>17,983</u>
Total assets	<u>286,296</u>
LIABILITIES	
Accounts and other payables	3,111
Compensated absences payable	<u>64,949</u>
Total liabilities	<u>68,060</u>
NET ASSETS	
Invested in capital assets	1,611
Unrestricted	<u>216,626</u>
Total net assets	<u>\$ 218,236</u>

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

ST. JAMES PARISH CLERK OF COURT
 Convent, Louisiana

Statement of Activities
 For the Year Ended June 30, 2004

Activities	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets Governmental Activities
Governmental activities:				
General government	\$ <u>721,660</u>	\$ <u>648,629</u>	\$ -	\$ (73,031)
General revenues:				
Interest and investment earnings				<u>3,528</u>
Change in net assets				(69,503)
Net assets - July 1, 2003				<u>287,739</u>
Net assets - June 30, 2004				<u>\$ 218,236</u>

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

FUND FINANCIAL STATEMENTS (FFS)

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

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

	General Fund	
	2004	2003
ASSETS		
Cash	\$ 15,165	\$ 70,076
Interest-bearing deposits	230,741	260,000
Receivables:		
Accounts receivable	15,541	15,121
Due from other governmental agencies	6,116	4,710
Accrued interest	750	1,300
Total assets	\$268,313	\$351,207
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 3,111	\$ 4,639
Fund balance:		
Unreserved, undesignated	265,202	346,568
Total liabilities and fund balance	\$268,313	\$351,207

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

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

Total fund balance for the governmental fund at June 30, 2004		\$ 265,202
Cost of capital assets at June 30, 2004	\$ 48,608	
Less: Accumulated depreciation	<u>(30,625)</u>	17,983
Long-term liabilities at June 30, 2004:		
Compensated absences payable		<u>(64,949)</u>
Total net assets of governmental activities at June 30, 2004		<u>\$ 218,236</u>

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

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

	General Fund	
	2004	2003
Revenues:		
Licenses and permits	\$ 3,860	\$ 3,105
Fees, charges, and commissions for services -		
Court costs, fees, and charges	68,331	63,637
Fees for recording legal documents	488,242	559,236
Fees for certified copies	88,196	51,814
Use of money and property		
Interest earnings	3,528	7,310
Total revenues	652,157	685,102
Expenditures:		
Current -		
Personal services and related benefits	594,269	550,935
Operating services	48,628	44,086
Materials and supplies	74,254	54,792
Capital outlay	16,372	-
Total expenditures	733,523	649,813
Excess of revenues over expenditures	(81,366)	35,289
Fund balance, beginning of year	346,568	311,279
Fund balance, end of year	\$ 265,202	\$ 346,568

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

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

Total net change in fund balance for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ (81,366)
Add: Capital outlay costs which are considered as expenditures on Statement	16,372	
Less: Depreciation expense for the year ended June 30, 2004	<u>(1,831)</u>	14,541
Less: Excess of compensated absences earned over compensated absences used		<u>(2,677)</u>
Total change in net assets for the year ended June 30, 2004 per Statement of Activities		<u><u>\$ (69,503)</u></u>

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Statement of Fiduciary Net Assets
June 30, 2004 and 2003

	Agency Funds	
	<u>2004</u>	<u>2003</u>
ASSETS		
Cash	\$ 181,175	\$ 380,876
Interest-bearing deposits	<u>779,711</u>	<u>519,390</u>
Total assets	<u>\$ 960,886</u>	<u>\$ 900,266</u>
LIABILITIES		
Due to litigants and others	<u>\$ 960,886</u>	<u>\$ 900,266</u>

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. James Parish Clerk of Court have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements of the fiduciary fund, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in a subsequent subsection of this note.

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 Governmental Units.

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. James Parish Government. The Clerk of Court is fiscally dependent on the St. James Parish Government since the Clerk's offices are located in the Parish Court House. The Parish Government pays for the upkeep and maintenance of the courthouse and certain operating expenditures of the Clerk's office.

As an independently elected official, the Clerk of Court is solely responsible for the operations of his 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 Parish Clerk of Court.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

The accompanying basic financial statements of the Clerk have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government – Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. 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).

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Clerk'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 Clerk, 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 are presented as general revenues.

Fund Accounting

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 total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund is at least 10 percent of the corresponding total for all funds of that category or type.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic 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'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:

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.

Jury Fund – account is to pay jurors who report for Petit and Civil Jury.

C. Measurement Focus/Basis of Accounting

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

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.

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

- 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.

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 property, plant, and equipment, are reported 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.

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

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 vacation and sick leave each year as follows:

Vacation –

- (a) Employees with 1 – 12 years earn 12 days per year.
- (b) Employees with 13 – 22 years earn 17 days per year.
- (c) Employees with more than 22 years earn 22 days per year.

Sick leave –

- (a) Employees with 1 – 3 years earn 12 days per year.
- (b) Employees with 3 – 10 years earn 18 days per year.
- (c) Employees with more than 10 years earn 24 days per year.

Vacation leave must be used in the year earned. Upon resignation or retirement, employees may, at the discretion of the Clerk, be paid for unused sick leave at the employee's current rate of pay. Sick leave may be accumulated to a maximum of 60 days and carried over to succeeding years. At June 30, 2004, the Clerk of Court has \$64,948 accumulated sick leave benefits required to be reported in accordance with GASB Statement No. 16, "Accounting for Compensated Absences."

Equity Classifications

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

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Unrestricted net assets – All other net assets that do not meet the definition "invested in capital assets."

In the fund financial 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.

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commission for services are recorded when the Clerk is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

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

F. Budgetary Accounting

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

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

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

Notes to Basic Financial Statements (Continued)

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 located in the parish or congressional district that is 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 also 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 interest-bearing (book balances) totaling \$1,206,792 as follows:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Demand deposits	\$ 15,165	\$ 181,175	\$ 196,340
Time and money-market deposits	<u>230,741</u>	<u>779,711</u>	<u>1,010,452</u>
Total	<u>\$ 245,906</u>	<u>\$ 960,886</u>	<u>\$ 1,206,792</u>

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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2004, and the related federal insurance and pledged securities:

Bank balances	<u>\$ 1,146,060</u>
Federal insurance	\$ 332,403
Pledged securities (category 3)	<u>813,657</u>
Total federal insurance and pledged securities	<u>\$ 1,146,060</u>

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

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 activity for the year ended June 30, 2004 was as follows:

	<u>Balance</u> <u>7/1/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2004</u>
Governmental activities:				
Equipment, furniture and fixtures	\$ 32,236	\$ 1,622	\$ -	\$ 33,858
Automobile	<u>27,300</u>	<u>14,750</u>	<u>(27,300)</u>	<u>14,750</u>
Total	59,536	16,372	(27,300)	48,608
Less: accumulated depreciation	<u>56,094</u>	<u>1,831</u>	<u>(27,300)</u>	<u>30,625</u>
Governmental activities, capital assets, net	<u>\$ 3,442</u>	<u>\$ 14,541</u>	<u>\$ -</u>	<u>\$ 17,983</u>

Depreciation expense of \$1,831 was charged to the general government function.

(4) Changes in Long-Term Debt

Long-term debt for the Clerk of Court consists of compensated absences payable. The following is a summary of the long-term debt transactions during the year:

Long-term debt payable at June 30, 2003	\$ 62,271
Additions	2,678
Reductions	<u>-</u>
Long-term debt payable at June 30, 2004	<u>\$ 64,949</u>

The increase in long-term debt represents accumulated sick leave that is fully vested as approved by the St. James Clerk of Court for the year ended June 30, 2004.

ST. JAMES PARISH CLERK OF COURT
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Notes to Basic Financial Statements (Continued)

(5) Pension Plan

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

Funding Policy. The St. James Parish Clerk of Court contributes 19.75% of employees' annual covered payroll. The contribution requirements of plan members and the St. James Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The St. James Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2004, 2003, and 2002 were \$76,947, \$67,019, and \$64,506, respectively.

(6) Deferred Compensation Plan

Plan Description. The St. James Parish 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's employees, permits the employees to defer a portion of their salary until future years. The Clerk of Court matches 100% of employee contributions. The Clerk of Court's contribution to the plan amounted to \$33,200 and \$34,700 for the years ended June 30, 2004 and 2003, respectively. 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 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.

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Convent, Louisiana

Notes to Basic Financial Statements (Continued)

(7) 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	\$ 469,832	\$ 491,808	\$ (448,888)	\$ 512,752
Registry of Court	427,918	157,156	(141,994)	443,080
Jury Fund	2,516	19,635	(17,097)	5,054
Totals	\$ 900,266	\$ 668,599	\$ (607,979)	\$ 960,886

(8) 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.

(9) Litigation and Claims

There is no litigation pending against the St. James Parish Clerk of Court's office at June 30, 2004.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana

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

	2004			Variance - Positive (Negative)	2003 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Licenses and permits	\$ 3,500	\$ 3,800	\$ 3,860	\$ 60	\$ 3,105
Fees, charges, and commissions for services -					
<i>Court costs, fees, and charges</i>	69,900	72,535	68,331	(4,204)	63,637
Fees for recording legal documents	543,500	511,200	488,242	(22,958)	559,236
Fees for certified copies	60,000	88,500	88,196	(304)	51,814
Use of money and property -					
Interest earnings	<u>17,000</u>	<u>4,500</u>	<u>3,528</u>	<u>(972)</u>	<u>7,310</u>
Total revenues	<u>693,900</u>	<u>680,535</u>	<u>652,157</u>	<u>(28,378)</u>	<u>685,102</u>
Expenditures:					
Current -					
Personal services and related benefits	578,018	595,942	594,269	1,673	550,935
Operating services	35,500	43,397	48,628	(5,231)	44,086
Materials and supplies	66,410	78,297	74,254	4,043	54,792
Capital outlay	<u>1,000</u>	<u>20,487</u>	<u>16,372</u>	<u>4,115</u>	<u>-</u>
Total expenditures	<u>680,928</u>	<u>738,123</u>	<u>733,523</u>	<u>4,600</u>	<u>649,813</u>
Excess of revenues over expenditures	12,972	(57,588)	(81,366)	(23,778)	35,289
Fund balance, beginning of year	<u>313,400</u>	<u>346,568</u>	<u>346,568</u>	<u>-</u>	<u>311,279</u>
Fund balance, end of year	<u>\$326,372</u>	<u>\$288,980</u>	<u>\$265,202</u>	<u>\$ (23,778)</u>	<u>\$346,568</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
General Fund

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

	2004		Actual	Variance - Favorable (Unfavorable)	2003 Actual
	Budget				
	Original	Final			
Revenues:					
Licenses and permits -					
Marriage licenses	\$ 3,500	\$ 3,800	\$ 3,860	\$ 60	\$ 3,105
Court costs, fees, and charges -					
Court attendance	7,000	7,000	8,041	1,041	4,220
Criminal costs	25,000	29,100	23,352	(5,748)	24,734
Qualifying fees	2,500	800	528	(272)	718
Other	35,400	35,635	36,410	775	33,965
Total court costs, fees and charges	<u>69,900</u>	<u>72,535</u>	<u>68,331</u>	<u>(4,204)</u>	<u>63,637</u>
Fees for recording legal documents -					
Recordings	210,000	249,000	231,979	(17,021)	209,691
Suits and successions	320,000	248,300	243,248	(5,052)	336,662
Cancellations	6,000	5,500	4,671	(829)	5,178
Mortgage certificates	7,500	8,400	8,344	(56)	7,705
Total fees for recording legal documents	<u>543,500</u>	<u>511,200</u>	<u>488,242</u>	<u>(22,958)</u>	<u>559,236</u>
Fees for certified copies -					
Certified copies	<u>60,000</u>	<u>88,500</u>	<u>88,196</u>	<u>(304)</u>	<u>51,814</u>
Use of money and property -					
Interest earned	<u>17,000</u>	<u>4,500</u>	<u>3,528</u>	<u>(972)</u>	<u>7,310</u>
Total revenues	<u>\$693,900</u>	<u>\$680,535</u>	<u>\$652,157</u>	<u>\$ (28,378)</u>	<u>\$685,102</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
General Fund

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

	2004				2003 Actual
	Budget		Actual	Variance - Favorable (Unfavorable)	
	Original	Final			
Current:					
Personal services and related benefits -					
Salaries:					
Clerk	\$ 78,900	\$ 88,435	\$ 88,434	\$ 1	\$ 79,500
Deputy clerks	312,600	312,600	312,600	-	291,540
Allowance	7,890	8,843	8,843	(0)	7,950
Clerk supplemental	11,500	10,700	10,084	616	7,590
Group insurance	59,801	59,802	61,445	(1,643)	60,102
Pension	104,327	112,847	110,147	2,700	101,719
Medicare tax	<u>3,000</u>	<u>2,715</u>	<u>2,715</u>	<u>0</u>	<u>2,534</u>
Total personal services and related benefits	<u>578,018</u>	<u>595,942</u>	<u>594,269</u>	<u>1,673</u>	<u>550,935</u>
Operating services -					
Professional fees	9,500	11,707	10,451	1,256	9,638
Insurance	2,900	3,340	3,491	(151)	2,873
Election expense allowance	2,100	2,100	2,100	-	2,100
Cott index	5,000	9,400	15,613	(6,213)	12,034
Postage	11,000	11,000	11,589	(589)	13,184
Uniforms	5,000	5,000	4,347	653	3,935
Birth certificates	-	50	207	(157)	-
Bad debts	-	800	830	(30)	322
Total operating services	<u>35,500</u>	<u>43,397</u>	<u>48,628</u>	<u>(5,231)</u>	<u>44,086</u>
Materials and supplies -					
Office supplies	61,210	73,097	70,078	3,019	50,933
Automobile supplies and maintenance	2,000	2,000	2,116	(116)	1,926
Dues and subscriptions	<u>3,200</u>	<u>3,200</u>	<u>2,060</u>	<u>1,140</u>	<u>1,933</u>
Total materials and supplies	<u>66,410</u>	<u>78,297</u>	<u>74,254</u>	<u>4,043</u>	<u>54,792</u>
Capital outlay:					
Office equipment	<u>1,000</u>	<u>20,487</u>	<u>16,372</u>	<u>4,115</u>	<u>-</u>
Total expenditures	<u>\$ 680,928</u>	<u>\$ 738,123</u>	<u>\$ 733,523</u>	<u>\$ 4,600</u>	<u>\$ 649,813</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

Advance Deposit Fund II -

This 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.

Jury Fund -

Act 632 of the State Legislature for the year 1979, authorized payment to Jurors who report for Jury Duty. This account is to pay Jurors who report for Petit and Civil Jury. The monies are collected from the St. James Parish Government or the Advance Deposit Accounts.

ST. JAMES PARISH CLERK OF COURT
 Convent, Louisiana
 Agency Funds

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

	<u>Advance Deposit II</u>	<u>Registry of Court</u>	<u>Jury Fund</u>	<u>Totals</u>	
				<u>2004</u>	<u>2003</u>
ASSETS					
Cash	\$ 112,752	\$ 63,369	\$ 5,054	\$ 181,175	\$ 380,876
Interest-bearing deposits	<u>400,000</u>	<u>379,711</u>	<u>-</u>	<u>779,711</u>	<u>519,390</u>
Total assets	<u>\$ 512,752</u>	<u>\$ 443,080</u>	<u>\$ 5,054</u>	<u>\$ 960,886</u>	<u>\$ 900,266</u>
LIABILITIES					
Due to St. James Parish Council	\$ -	\$ -	\$ 5,054	\$ 5,054	\$ 2,516
Due to litigants	<u>512,752</u>	<u>443,080</u>	<u>-</u>	<u>955,832</u>	<u>897,750</u>
Total liabilities	<u>\$ 512,752</u>	<u>\$ 443,080</u>	<u>\$ 5,054</u>	<u>\$ 960,886</u>	<u>\$ 900,266</u>

ST. JAMES PARISH CLERK OF COURT
Convent, Louisiana
Agency Funds

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

	<u>Advance Deposit II</u>	<u>Registry of Court</u>	<u>Jury Fund</u>	<u>Totals</u>	
				<u>2004</u>	<u>2003</u>
ASSETS					
Cash, beginning of year	\$ 169,832	\$ 208,528	\$ 2,516	\$ 380,876	\$ 91,501
Interest-bearing deposits, beginning of year	<u>300,000</u>	<u>219,390</u>	<u>-</u>	<u>519,390</u>	<u>1,796,512</u>
Total assets, beginning of year	<u>469,832</u>	<u>427,918</u>	<u>2,516</u>	<u>900,266</u>	<u>1,888,013</u>
Additions:					
Suits and successions	491,808	-	-	491,808	634,279
Parish	-	-	19,635	19,635	2,970
Deposits per court order	-	156,275	-	156,275	271,951
Interest	-	881	-	881	8,116
Total additions	<u>491,808</u>	<u>157,156</u>	<u>19,635</u>	<u>668,599</u>	<u>917,316</u>
Total	<u>961,640</u>	<u>585,074</u>	<u>22,151</u>	<u>1,568,865</u>	<u>2,805,329</u>
Reductions:					
Clerk's costs (transferred to General Fund)	243,256	-	-	243,256	336,667
Refunds to litigants	65,384	141,994	-	207,378	1,445,434
Other*	37,094	-	17,097	54,191	20,974
Sheriff fees	88,256	-	-	88,256	87,755
Secretary of State	2,675	-	-	2,675	3,200
Judge's supplemental compensation fund	<u>12,223</u>	<u>-</u>	<u>-</u>	<u>12,223</u>	<u>11,033</u>
Total reductions	<u>448,888</u>	<u>141,994</u>	<u>17,097</u>	<u>607,979</u>	<u>1,905,063</u>
Cash, end of year	112,752	63,369	5,054	181,175	380,876
Interest-bearing deposits, end of year	<u>400,000</u>	<u>379,711</u>	<u>-</u>	<u>779,711</u>	<u>519,390</u>
Total assets, end of year	<u>\$ 512,752</u>	<u>\$ 443,080</u>	<u>\$ 5,054</u>	<u>\$ 960,886</u>	<u>\$ 900,266</u>
LIABILITIES					
Due to litigants and other funds, beginning of year	\$ 469,832	\$ 427,918	\$ 2,516	\$ 900,266	\$ 1,888,013
Additions	491,808	157,156	19,635	668,599	917,316
Reductions	<u>448,888</u>	<u>141,994</u>	<u>17,097</u>	<u>607,979</u>	<u>1,905,063</u>
Due to litigants and other funds, end of year	<u>\$ 512,752</u>	<u>\$ 443,080</u>	<u>\$ 5,054</u>	<u>\$ 960,886</u>	<u>\$ 900,266</u>

*Other - Witness fees, jury fees, jury commissioners, and court reporter fees.

**COMPLIANCE
AND
INTERNAL CONTROL**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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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 Edmond E. Kinler, Jr.
St. James Parish Clerk of Court
Convent, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate fund information of the St. James Parish Clerk of Court as of and for the year ended June 30, 2004, which collectively comprise the St. James Parish Clerk of Court's basic financial statements and have issued our report thereon dated September 23, 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. James 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. James Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the St. James Parish Clerk of Court's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. This reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as Item 04-1(IC).

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule of current and prior year audit findings and corrective action plan at Item 04-1(IC) is a material weakness.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

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

Lafayette, Louisiana
September 23, 2004

ST. JAMES PARISH CLERK OF COURT
 Convent, Louisiana

Summary Schedule of Current and Prior Year Audit Findings
 and Corrective Action Plan
 For the Year Ended June 30, 2004

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/04) --						
<u>Internal Control:</u>						
04-1(IC)	Unknown	The Clerk did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Edmond Kinler, Jr., Clerk of Court	N/A
PRIOR YEAR (6/30/03) --						
<u>Internal Control:</u>						
03-1(IC)	Unknown	The Clerk did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Edmond Kinler, Jr., Clerk of Court	N/A