

**ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana**

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

ANNUAL FINANCIAL STATEMENTS

June 30, 2004

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

ANNUAL FINANCIAL STATEMENTS
June 30, 2004

TABLE OF CONTENTS

	Statement	Schedules	Pages
Independent Auditors' Report			1 - 2
Required Supplemental Information (Part I)			
Management's Discussion and Analysis			4 - 12
Basic Financial Statements			
Government-Wide Financial Statements:			
Statement of Net Assets	A		14
Statement of Activities	B		15
Fund Financial Statements:			
Balance Sheet	C		17
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets	D		18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	E		19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Government-Wide Statement of Activities	F		20
Statement of Fiduciary Net Assets – Fiduciary Fund	G		21
Notes to Financial Statements			23 - 32
Required Supplemental Information (Part II)			
Budgetary Comparison Schedule:			
General Fund		1	34
Other Supplemental Information			
Governmental Fund Type - General Fund:			
Schedule of Revenues		2	36
Schedule of Expenditures		3	37 – 38
Agency Funds:			
Combining Statement of Fiduciary Net Assets			40
Schedule of Changes in Unsettled Deposits			41
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>			42 - 43



Honorable Malise Prieto
St. Tammany Parish Clerk of Court
St. Tammany Parish, Louisiana

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the **ST. TAMMANY PARISH CLERK OF COURT** as of June 30, 2004 and for the year ended June 30, 2004 as listed in the table of contents. These financial statements are the responsibility of the management of the **ST. TAMMANY PARISH CLERK OF COURT**. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the **ST. TAMMANY PARISH CLERK OF COURT** as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 8, 2004 on our consideration of the **ST. TAMMANY PARISH CLERK OF COURT**'s internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As mentioned in Note A, the **ST. TAMMANY PARISH CLERK OF COURT** adopted, as of July 1, 2003, the provisions of Governmental Accounting Standards Board Statement No. 34, *Financial Statements – and Management's Discussion and Analysis - For State and Local Governments*; Statement No. 37, *Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Management's Discussion and Analysis beginning on page 4 and the budgetary comparison schedule identified as Schedule 1 are not required parts of the financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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



A Professional Accounting Corporation

October 8, 2004

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

Management's Discussion and Analysis ("MD&A") for the St. Tammany Parish Clerk of Court (the "Clerk") is designed to:

- assist the reader in focusing on significant financial issues;
- provide an overview of the Clerk's financial activities;
- identify changes in the Clerk's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- identify individual fund issues or concerns.

This is the first year that the Clerk has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board (GASB) Statement No. 34. Because this is the first year, certain comparative information with the previous year has not been included, as permitted by GASB No. 34. The presentation of this comparative information will begin next year. The information contained herein should be read in conjunction with the financial statements, notes thereto and other required supplemental information taken as a whole.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required supplementary information that introduces the reader to the basic financial statements and provides an overview of the Clerk's financial activities. The Clerk's basic financial statements consist of the following components: government-wide financial statements, Fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

A. Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 14 and 15) are designed to present the financial operations of the Clerk as a whole in a format similar to private sector companies. The Statement of Net Assets presents information on the Clerk's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as

ST. TAMMANY PARISH CLERK OF COURT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

net assets. Over time, the increases or decreases in net assets (and changes in the components of net assets) may serve as a useful indicator of whether the financial position of the Clerk is improving or weakening.

The Statement of Activities presents information showing how the Clerk's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

B. Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk uses two categories of funds to account for financial transactions - governmental funds and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end.

These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (included on pages 17 through 20) provide a detailed short-term view of the Clerk's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. The Clerk has only one governmental fund - the General Fund - which is used to account for the Clerk's basic services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

impact of the Clerk's more immediate decisions on the current use of financial resources. The governmental funds columns of the Fund Financial Statements require and include a reconciliation following the Balance Sheet (reconciliation on page 18) and the Statement of Revenues, Expenditures and Changes in Fund Balances (reconciliation on page 20).

The Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds financial statements can be found on page 21 of this report. The only type of fiduciary fund accounted for by the Clerk is "agency" funds. Agency funds are custodial in nature and represent assets held by the Clerk as an agent for litigants pending court action. Under applicable standards of GASB No. 34, agency funds are not included in the government-wide financial statements. These activities are excluded from the Clerk's other financial statements because these assets are not available to finance operations. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

C. Notes to the Financial Statements

The Notes to the Financial Statements, in particular "Note A - Summary of Significant Accounting Policies", present the changes in presentation and reporting required under the GASB No. 34 standard, and under GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. When reviewing this MD&A, the reader should refer to and review the Notes to the Financial Statements (beginning on page 23), as well as the Government-Wide and Fund Financial Statements (included on pages 14 through 21).

FINANCIAL HIGHLIGHTS

- ◆ At June 30, 2004, the St. Tammany Parish Clerk of Court maintained an Unrestricted Net Assets balance of \$3,844,250. Unrestricted Net Assets represents the net balance of all types of assets accumulated by the Clerk in excess of the amount invested in "capital assets" and any "restricted assets". Restricted assets are those which are constrained by creditors, grantors, contributors, or by laws and regulations. As of June 30, 2004, the Clerk does not have any "restricted assets".

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

- ◆ At fiscal year-end, the total Investment in Capital Assets was \$276,629.
- ◆ Total assets at June 30, 2004, were \$4,548,677, while total liabilities amounted to \$427,798. In accordance with statutory requirements, the Clerk has no bonded indebtedness or long-term notes.
- ◆ The most significant continuing revenue sources for governmental activities were \$4,612,066 in revenues from document recording fees and \$2,434,898 in charges and court costs for suits and successions.
- ◆ Total expenses of the Clerk exceeded the total revenues for the fiscal year, resulting in a decrease in Net Assets of \$707,770.

Government-Wide Financial Analysis

Statement of Net Assets

Included below is a condensed Statement of Net Assets for the St. Tammany Parish Clerk of Court.

Condensed Statement of Assets - Governmental Activities

	Total
Current and Other Assets	\$4,272,048
Capital Assets, Net	<u>276,629</u>
Total Assets	<u><u>4,548,677</u></u>
 Liabilities	 <u>427,798</u>
Total Liabilities	427,798
 Net Assets:	
Invested in Capital Assets	276,629
Unrestricted Net Assets	<u>3,844,250</u>
Total Net Assets	<u><u>\$4,120,879</u></u>

See page 15 for a more detailed Statement of Net Assets for the St. Tammany Parish Clerk of Court.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

Government-Wide Review of Condensed Statement of Net Assets

The composition of Net Assets and the changes in Net Assets over time serve as a useful indicator of a government's financial position. The St. Tammany Parish Clerk of Court's assets at fiscal year-end exceed liabilities by \$4,120,879 (Net Assets), with the Clerk reporting positive balances in all categories of Net Assets. Of the total Net Assets, \$3,844,250 are Unrestricted Net Assets. The balance of Net Assets consists of \$276,629 invested in Capital Assets, Net of Related Debt.

The largest component of the "Current and Other Assets" category is cash and cash equivalents and investments with a combined total of \$4,017,089, which are unrestricted and available to meet the Clerk's operational obligations.

Capital Assets, totaling \$276,629, represent the investment in computers, furniture and equipment, all of which are more fully described in a later section.

The "Liabilities" category consists of accrued liabilities, deferred revenue, compensated absences, and an amount due to the St. Tammany Parish Council.

Statement of Activities

The Statement of Activities for the St. Tammany Parish Clerk of Court is presented on page 15. An explanation of the components of this statement is as follows.

There are two categories of revenues on the Statement of Activities - "Program Revenues" and "General Revenues". "Program Revenues" are derived directly from the program itself and they reduce the net cost of the function to be financed from the government's "General Revenues" which are presented below:

<u>Components of Program Revenue</u>	<u>Amount</u>	<u>Percentage</u>
Recording Legal Documents	\$ 4,612,066	61.9%
Court Costs	2,434,898	32.7
Photocopies	362,196	4.9
Licenses	<u>33,922</u>	<u>0.5</u>
Total Program Revenues	<u>\$ 7,443,082</u>	<u>100.0%</u>

ST. TAMMANY PARISH CLERK OF COURT

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

“General Revenues” totaling \$270,637 consisted of \$133,103 in interest income earned on cash and investments, and \$137,534 for Other Revenues consisting of various fees and reimbursements for services of the Clerk of Court’s office.

“Program Expenses” presented in the Statement of Activities totaled \$8,421,849 for the current fiscal year. The major categories of “Program Expenses” are Personnel Services, \$6,381,823, 75.8% of Program Expenses; Operating Services \$602,107, 7.1% of Program Expenses; and Material and Supplies \$534,220, 6.3% of Program Expenses.

Analysis of Fund Financial Statements

The Clerk maintains only one “governmental fund” - the General Fund. Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Page Number</u>
Balance Sheet	17
Statement of Revenues, Expenditures, and Changes in Fund Balance	19

Governmental Funds

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources. The analysis in this section includes a discussion of components of the Fund Financial Statements, but concentrates on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unreserved Fund Balance of \$3,856,604. Cash and Cash Equivalents and Receivables totaling \$240,705 and investments totaling \$3,875,000 are identical to the Government-Wide presentation. Capital Assets of \$276,629 are presented only in the Government-Wide presentation. The Fund Financial Statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance). Liabilities totaling \$259,101 include Accrued Expenses, Deferred Revenue, and Due to the St. Tammany Parish Council. Since compensated absences are only recorded when paid, they are not included here.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

The fund reporting format presents in the Statement of Revenues, Expenditures, and Changes in Fund Balance all revenue types followed by the expenses of the Clerk, presented on a functional basis. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and prepaid expenses. As previously noted, in the Fund Financial Statements, capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance); whereas the Government-Wide Financial Statements report capital assets on the Statement of Net Assets with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplementary Information which includes a Budgetary Comparison Schedule found on page 34. The presentation under the GASB No. 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Analysis of Budget Variations in the General Fund

Actual revenues were within 5% of final budgeted revenues; however, actual expenditures exceeded final budgeted expenditures by 14.4%.

The variations from the original budgeted revenues and expenditures for the General Fund were as follows:

- ❖ The original budgeted revenues were increased by \$815,450 primarily to allow for an increase in fees for recording legal documents with minor changes in all other revenue categories.
- ❖ The original budgeted expenditures were increased by \$785,730 with changes in all categories intending to reflect the anticipated increase in the Clerk's activities.

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

- ❖ Actual revenues exceeded the amended budget by \$213,719. Expenditures exceeded the amended budget by \$1,075,870. This variance is a direct reflection of the rapid increase in population and building taking place in St. Tammany Parish, which required an increase in the personnel required to handle the increased activity. It also was due to purchases of additional office equipment and furnishings associated with moving into the new Justice Center, updating technology for all workers, and developing an internet website which allows access to public information.

Capital Assets and Long-Term Debt

Capital Assets at Year-End

Capital assets had a net increase of \$118,337 for the year ended June 30, 2004. A detail of the capital assets is found in Footnote D.

Long Term Debt

Since Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable, the Clerk had no long-term debt outstanding.

Economic Factors

The setting of fees and costs for services is primarily regulated by the Louisiana Legislature and the Clerk has limited discretion in this area. The revenue generated by "Request for Jury Trial" will decrease substantially for the year 2004-2005 because of the Louisiana Legislature's changes reflected in Revised Statute 13:3049B 2(a). The Legislature will be requested to address this issue during its session beginning April 2005; however, it is likely any fee allowed in the future will be substantially reduced from that which was collected in past years. Additionally, it is anticipated that revenues will drastically decrease as a result of the decline in home refinancing and a general slowing of the real estate market in St. Tammany Parish.

For the year 2004-2005, the clerk is anticipating larger than normal increased costs in its health insurance plan for its employees. The remaining expenditures will increase in proportion to the general economic conditions. As a result of the decrease in revenues and increased expenses, the Clerk anticipates a decrease in its Net Assets for the year 2004-2005.

Requests for Information

ST. TAMMANY PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2004

Requests for Information

This financial report is designed to provide a general overview of the St. Tammany Parish Clerk of Court's finances. Questions concerning this report or the need for additional information should be directed to Malise Prieto, Clerk of Court, St. Tammany Parish, P. O. Box 1090, Covington, Louisiana 70434.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

Statement A

STATEMENT OF NET ASSETS
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 142,089
Investments	3,875,000
Accounts Receivable	98,616
Prepaid Expenses	156,343
Capital Assets, Net	<u>276,629</u>
Total Assets	<u>4,548,677</u>
LIABILITIES	
Accrued Liabilities	6,961
Deferred Revenue	78,976
Due to the St. Tammany Parish Council	173,164
Compensated Absences	<u>168,697</u>
Total Liabilities	<u>427,798</u>
NET ASSETS	
Invested in Capital Assets	276,629
Unrestricted	<u>3,844,250</u>
Total Net Assets	<u>\$ 4,120,879</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2004

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes to</u> <u>Net Assets</u> <u>Governmental</u> <u>Activities</u>
GOVERNMENTAL ACTIVITIES			
General Government	\$ 8,421,489	\$ 7,443,082	\$ (978,407)
General Revenues			
Other Revenues			137,534
Interest Earnings			<u>133,103</u>
Total General Revenues			<u>270,637</u>
CHANGE IN NET ASSETS			(707,770)
NET ASSETS - BEGINNING OF YEAR			<u>4,828,649</u>
NET ASSETS - END OF YEAR			<u>\$ 4,120,879</u>

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS

**ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana**

**BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2004**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 142,089
Investments	3,875,000
Accounts Receivable	<u>98,616</u>
Total Assets	<u>\$ 4,115,705</u>
LIABILITIES	
Accrued Liabilities	\$ 6,961
Deferred Revenue	78,976
Due to the St. Tammany Parish Council	<u>173,164</u>
Total Liabilities	<u>259,101</u>
FUND BALANCE	
Unreserved	<u>3,856,604</u>
Total Fund Balance	<u>3,856,604</u>
Total Liabilities and Fund Balance	<u>\$ 4,115,705</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
June 30, 2004

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance - Governmental Fund	\$ 3,856,604
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental Capital Assets	675,596
Less: Accumulated Depreciation	(398,967)
Prepaid expenses are not recorded as an asset on governmental balance sheet as they represent funds which have already been expended.	
	156,343
Compensated absences are not payable out of current funds and are not included in governmental fund balance.	
	<u>(168,697)</u>
Net Assets of Governmental Activities	<u>\$ 4,120,879</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For The Year Ended June 30, 2004

	<u>General Fund</u>
REVENUES	
Fees, Charges, and Commissions for Services	
Court Costs; Fees and Charges	\$ 2,434,898
Fees for Recording Legal Documents	4,612,066
Fees for Certified Copies	362,196
Other Revenues	137,534
Marriage Licenses	33,922
Interest Earnings	<u>133,103</u>
Total Revenues	<u>7,713,719</u>
EXPENDITURES	
General Government	
Administration	446,381
Recordings and Filings	1,557,110
Mortgage Certificates	1,494,220
Civil Suits and Probates	2,402,931
Criminal Suits and Minutes	1,902,450
Elections	228,226
Accounting and Maps	321,388
Payment to Parish Council	<u>173,164</u>
Total Expenditures	<u>8,525,870</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(812,151)
FUND BALANCE - BEGINNING OF YEAR	<u>4,668,755</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,856,604</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2004**

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net Change in Fund Balance - Governmental Fund	\$ (812,151)
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlay exceeded depreciation charged in the current period.	118,337
Change in Prepaid Expenses	15,675
Change in Compensated Absences	<u>(29,631)</u>
Change in Net Assets of Governmental Activities	<u>\$ (707,770)</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30,2004

	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 7,344,177
Investments	<u>3,270,000</u>
Total Assets	<u>\$ 10,614,177</u>
LIABILITIES	
Unsettled Deposits	<u>\$ 10,614,177</u>
Total Liabilities	<u>\$ 10,614,177</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the **ST. TAMMANY PARISH CLERK OF COURT** (the Clerk) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. For the fiscal year ended June 30, 2004, the Clerk implemented the new financial reporting requirements of GASB Statements No. 33 and 34. As a result, an entirely new financial presentation format has been implemented. The more significant of the government's accounting policies are described below:

REPORTING ENTITY

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

For financial reporting purposes, the Clerk includes all funds, account groups, and activities that are within the oversight responsibility of the Clerk as an independently elected parish official. The Clerk is solely responsible for the operations of her office, which includes the hiring or retention of employees, authority over budgeting, and the receipt and disbursement of funds. Accordingly, the Clerk is fiscally independent and a separate reporting entity. Certain units of local government, over which the Clerk exercises no oversight responsibility, such as the Parish Council, Parish School Board, other independently elected parish 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.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Clerk.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses are those that are clearly identifiable with a specific function or segment.* Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest earnings and other revenues not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the Governmental Fund.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

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 Clerk considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences are recorded when paid.

Fees and charges for services, interest earnings, and other revenues of the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Clerk.

The Clerk Reports the following major governmental fund:

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

Additionally, the Clerk reports two Agency Funds - The Advance Deposit and Registry of Court agency funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Advance Deposit Fund is used to account for advance deposits in suits filed by litigants. The Registry of Court Fund is used to account for funds held by order of the court until judgment is rendered by the judiciary.

BUDGET AND BUDGETARY ACCOUNTING

Formal budget integration is employed as a management control device during the year for the General Fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The proposed budget for the 2004 fiscal year was made available for public inspection at the Clerk's office on June 12, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 12 days before the public hearing. The budget hearing was held at the Clerk's office on June 25, 2003. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year end. During the year ended June 30, 2004, the Clerk amended the General Fund budget.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ENCUMBRANCES

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

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits. Investments consist of certificates of deposit and an account with the Louisiana Asset Management Pool, Inc. (LAMP).

State Statutes authorize the Clerk to invest in the following types of securities:

- (1) *Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. Government.*
- (2) Fully-collateralized certificates of deposit issued by qualified commercial banks and savings and loan institutions located within the State of Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.
- (3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, or by U.S. government instrumentalities which are federally sponsored, and provided such obligations are backed by the full faith and credit of the U.S. government.
- (4) Direct repurchase agreements of any federal bank including only securities enumerated in paragraphs (1) and (3) above. "Direct security repurchase agreement" means an agreement under which the political subdivision buys, holds for a specified time, and then sells back those securities and obligations enumerated in paragraphs (1) and (3) above.
- (5) Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933, and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. government or its agencies.

Investments, as required by Government Auditing Standards Board Statement No. 31 are reported at fair value, which is determined using selected market quotes.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets, which include computers, furniture and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical costs are not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$2,500 or more for capitalizing 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.

Capital outlays are recorded as expenditures of the General Fund, and they are recorded as assets in the government-wide financial statements to the extent the Clerk's capitalization threshold is met. The Clerk has no infrastructure assets.

All capital assets, are depreciated using the straight-line method over useful lives of five to twelve years.

COMPENSATED ABSENCES

Employees accrue vacation leave at the rate of 10 to 20 days per year, according to years of service with the Clerk's office. A maximum of 5 days of vacation leave can be carried forward to the succeeding year with written approval of supervisor or department head. Vacation leave in excess of the carry forward amount is forfeited. Employees accrue sick leave at a rate of 6 to 12 days per year, according to years of service with the Clerk's office. Employees are allowed to carry forward a maximum of 30 days of unused sick leave from year to year. Upon termination, or at retirement, employees are paid for unused sick leave at the discretion of the Clerk. At retirement, employees are paid for all accrued vacation leave.

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a liability in the Statement of Net Assets.

FUND EQUITY

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets – Consists of capital assets, net of accumulated depreciation
2. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Statements

Governmental fund equity is classified as unreserved fund balance.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE A

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B

CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2004, the Clerk has cash and cash equivalents (book balances) totaling \$7,486,266.

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash and Cash Equivalents:			
Petty Cash	\$ 956	\$ -	\$ 956
Interest Bearing Deposits	141,133	7,344,177	7,485,310
	\$ 142,089	\$ 7,344,177	\$ 7,486,266
Investments:			
Certificates of Deposit	\$ 2,875,000	\$ 3,270,000	\$ 6,145,000
LAMP Account	1,000,000	-	1,000,000
	\$ 3,875,000	\$ 3,270,000	\$ 7,145,000

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 bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank.

These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the Clerk has \$9,035,928 in deposits (collected bank balances) which includes investments in certificates of deposits of \$6,145,000. These deposits are secured from risk by \$1,001,304 of federal deposit insurance and \$8,034,624 of pledged securities held by the custodial bank in the name of the bank (GASB Category 3).

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE B

CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 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 that the bank has failed to pay deposited funds upon demand.

In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2004, is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LRS 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective June 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001, Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LRS 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE C

RECEIVABLES

The receivables of \$98,616 at June 30, 2004 consisted of the following:

Criminal Costs	\$ 29,261
Advance Deposits	49,631
Court Attendance	1,175
Recordation	16,630
Miscellaneous	<u>1,919</u>
	<u>\$ 98,616</u>

The Clerk considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts.

NOTE D

CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2004 is as follows:

<u>Governmental Activities</u>	<u>Restated Balance July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2004</u>
Capital Assets Being Depreciated:				
Computers, Furniture and Equipment	<u>\$ 456,983</u>	<u>\$ 218,613</u>	<u>\$ -</u>	<u>\$ 675,596</u>
Total Capital Assets Being Depreciated	<u>456,983</u>	<u>218,613</u>	<u>-</u>	<u>675,596</u>
Less Accumulated Depreciation for:				
Computers, Furniture and Equipment	<u>298,691</u>	<u>100,276</u>	<u>-</u>	<u>398,967</u>
Total Accumulated Depreciation	<u>298,691</u>	<u>100,276</u>	<u>-</u>	<u>398,967</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 158,292</u>	<u>\$ 118,337</u>	<u>\$ -</u>	<u>\$ 276,629</u>

NOTE E

COMPENSATED ABSENCES

At June 30, 2004, employees of the Clerk of Court have accumulated and vested \$168,697 of employee leave benefits. This amount is recorded as a liability on the Statement of Net Assets.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE F

RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk, along with other Clerks of Court in the State of Louisiana, formed the Clerks of Court Self-Insurance Association Fund (CSIAF). It is a public entity risk pool currently operating as a common risk management and insurance program for 36 member Clerks of Court. The Clerks pay an annual premium to CSIAF for their general insurance coverage. The Articles of Association of the CSIAF provides that CSIAF will be self-sustaining through member premiums. The CSIAF pays claims, in excess of the Clerk's deductible of \$7,500, up to a maximum limit of \$1,000,000 for each insured event. During the year ended June 30, 2004, no claims were made against the **ST. TAMMANY PARISH CLERK OF COURT** for risks covered by the CSIAF.

NOTE G

PENSION PLAN

Plan Description. Substantially all employees of the Clerk's office are members of the 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 1/3 percent of their final-average salary for each year of credited service, not to exceed 100 percent 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 System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the **ST. TAMMANY PARISH CLERK OF COURT** is required to contribute at an actuarially determined rate. The current rate is 11.50 percent 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. TAMMANY PARISH CLERK OF COURT** are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Beginning July 1, 2001, the Clerk voluntarily began paying both the employee and employer required contributions. The **ST. TAMMANY PARISH CLERK OF COURT's** contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$808,032, \$656,691 and \$571,827, respectively, equal to the required contributions for each year.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE H

POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note G, the Clerk provides post employment health care and life insurance benefits to all employees who retire from the Clerk under the same restrictions as in the above note. As of June 30, 2004, there were 20 retired employees participating in the post employment health care and life plan.

The benefits for the covered employees are provided through an insurance company whose monthly premiums are paid jointly by the employee/retiree and by the Clerk. The cost of providing these benefits for the retirees is separable from the cost of providing benefits for active employees and are recorded on a pay-as-you-go basis (cash basis). The Clerk's portion of the total premiums for all employees for the fiscal year ended June 30, 2004, aggregated \$1,010,545. For the year ended June 30, 2004, the cost of retiree benefits included in total paid premiums was \$53,869.

NOTE I

DEFERRED COMPENSATION PLAN

The Clerk offers her employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or beneficiary) solely the property and rights of the Clerk (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Clerk's general creditors. Participants' rights under the plan are equal to those of general creditors of the Clerk in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Clerk's legal counsel that the Clerk has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Clerk believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the plan assets and related liabilities have not been included herein.

Investments are managed by the Plan's administrator (The Great West Life Assurance Company). The choice of the investment options are made by the Plan participants.

NOTE J

CONTINGENT LIABILITIES

From time to time, the Clerk is involved as a defendant in actual or threatened litigation which is not covered by insurance. At June 30, 2004, there were *no pending or threatened claims* which, in the opinion of the Clerk's legal advisors, would have a material adverse affect on the financial statements, should such claims be settled in favor of the plaintiffs.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE K

EXPENDITURES OF THE CLERK OF COURT REQUIRED TO BE PAID BY THE PARISH COUNCIL

Louisiana R.S. 13:784 requires the Parish Council to provide the Clerk with all necessary office furniture, equipment, and record books. During the year ended June 30, 2004, as well as for several years prior thereto, items provided by the Parish Council have been limited to certain furniture and fixtures, office and storage space, and utilities.

In the accompanying financial statements, the value of materials, supplies, and services provided by the Parish Council are not reflected. In addition, no recognition has been given for the amount, if any, which may be recoverable for mandated items not provided.

NOTE L

EXCESS FUND BALANCE

Louisiana Revised Statute 13:785 requires that every four years, at the close of the term of office, the Clerk must pay the Parish Council the portion of the General Fund's fund balance that exceeds one-half of the general fund revenues for the Clerk's last year of office, which amount shall be limited to the total funds provided the Clerk by the Parish during said term of office. At June 30, 2004, the General Fund's balance exceeded one-half of the general fund revenues by \$173,164, which has been recorded as a liability at June 30, 2004.

NOTE M

CLERK'S COMPENSATION

The Clerk's compensation for the year ended June 30, 2004, as established by law for salary, statutory allowance, and custodian of voting machines was \$80,000, \$11,023, and \$2,400, respectively.

NOTE N

CHANGES IN AGENCY FUND BALANCE

The following is a summary of changes in agency fund unsettled deposits:

	Unsettled Deposits at July 1, 2003	Additions	Reductions	Unsettled Deposits at June 30, 2004
Advance Deposit	\$ 4,168,055	\$ 4,558,303	\$(3,828,568)	\$ 4,897,790
Registry of Court	<u>2,563,652</u>	<u>5,929,284</u>	<u>(2,776,549)</u>	<u>5,716,387</u>
Total	<u>\$ 6,731,707</u>	<u>\$10,487,587</u>	<u>\$(6,605,117)</u>	<u>\$10,614,177</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
REVENUES				
Fees, Charges, and Commissions for Services				
Court Costs; Fees and Charges	\$ 2,142,000	\$ 2,136,000	\$ 2,434,898	\$ 298,898
Fees for Recording Legal Documents	3,809,000	4,776,450	4,612,066	(164,384)
Fees for Certified Copies	425,000	315,000	362,196	47,196
Other Revenues	123,550	112,550	137,534	24,984
Marriage Licenses	35,000	35,000	33,922	(1,078)
Interest Earnings	<u>150,000</u>	<u>125,000</u>	<u>133,103</u>	<u>8,103</u>
Total Revenues	<u>6,684,550</u>	<u>7,500,000</u>	<u>7,713,719</u>	<u>213,719</u>
EXPENDITURES				
General Government				
Administration	381,037	390,082	446,381	(56,299)
Recordings and Filings	1,251,049	1,426,183	1,557,110	(130,927)
Mortgage Certificates	1,002,869	1,167,981	1,494,220	(326,239)
Civil Suits and Probates	1,961,575	2,168,610	2,402,931	(234,321)
Criminal Suits and Minutes	1,663,551	1,842,116	1,902,450	(60,334)
Elections	207,959	235,368	228,226	7,142
Accounting and Maps	198,230	219,660	321,388	(101,728)
Payment to Parish Council	<u>-</u>	<u>-</u>	<u>173,164</u>	<u>(173,164)</u>
Total Expenditures	<u>6,666,270</u>	<u>7,450,000</u>	<u>8,525,870</u>	<u>(1,075,870)</u>
CHANGE IN FUND BALANCE	<u>\$ 18,280</u>	<u>\$ 50,000</u>	(812,151)	<u>\$ (862,151)</u>
FUND BALANCE - BEGINNING OF YEAR			<u>4,668,755</u>	
FUND BALANCE - END OF YEAR			<u>\$3,856,604</u>	

OTHER SUPPLEMENTAL INFORMATION

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

SCHEDULE OF REVENUES -
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the Year Ended June 30, 2004

Court Costs, Fees, and Charges	
Fees-Advance Deposit	\$ 2,040,137
Criminal Costs	383,738
Court Attendance	<u>11,023</u>
	<u>2,434,898</u>
 Recording of Legal Documents	
Recording	4,164,422
Cancellations	275,712
Certificates	57,126
Redemptions	13,785
UCC Fees	77,468
Parish Council Costs	<u>23,553</u>
	<u>4,612,066</u>
 Certified Copies	<u>362,196</u>
 Other	
Election Fees	44,377
Computer Time	31,815
Passports	28,688
Supplemental Payments	16,250
Other	<u>16,404</u>
	<u>137,534</u>
 Marriage Licenses	<u>33,922</u>
 Interest Earnings	<u>133,103</u>
 Total Revenues	<u>\$ 7,713,719</u>

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the Year Ended June 30, 2004

Administration

Personnel Services	\$ 314,975
Operating Services	62,912
Materials and Supplies	12,449
Travel and Other Charges	11,240
Capital Outlays	<u>44,805</u>
	<u>446,381</u>

Recordings And Filings

Personnel Services	1,156,989
Operating Services	109,835
Materials and Supplies	75,074
Travel and Other Charges	6,108
Capital Outlays	<u>209,104</u>
	<u>1,557,110</u>

Land Records

Personnel Services	1,041,236
Operating Services	110,955
Materials and Supplies	107,247
Travel and Other Charges	4,162
Capital Outlays	<u>230,620</u>
	<u>1,494,220</u>

Civil

Personnel Services	1,985,423
Operating Services	150,992
Materials and Supplies	150,722
Travel and Other Charges	9,351
Capital Outlays	<u>106,443</u>
	<u>2,402,931</u>

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

SCHEDULE OF EXPENDITURES (Continued)
GOVERNMENTAL FUND TYPE - GENERAL FUND
For the Year Ended June 30, 2004

Criminal

Personnel Services	1,550,663
Operating Services	112,109
Materials and Supplies	135,647
Travel and Other Charges	8,609
Capital Outlays	<u>95,422</u>
	<u>1,902,450</u>

Elections

Personnel Services	178,015
Operating Services	22,703
Materials and Supplies	17,369
Travel and Other Charges	2,022
Capital Outlays	<u>8,117</u>
	<u>228,226</u>

Computers

Personnel Services	154,522
Operating Services	32,601
Materials and Supplies	35,712
Travel and Other Charges	1,466
Capital Outlays	<u>97,087</u>
	<u>321,388</u>

Payment to Parish Council

	<u>173,164</u>
--	----------------

Total Expenditures

	<u>\$ 8,525,870</u>
--	---------------------

**ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana**

**AGENCY FUNDS
June 30, 2004**

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, accounts for funds which have been ordered by the court to be held until final judgment has been rendered in court litigation. Withdrawal of the funds can be made only upon order of the court.

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,627,790	\$ 5,716,387	\$ 7,344,177
Investments	<u>3,270,000</u>	<u>-</u>	<u>3,270,000</u>
Total Assets	<u>\$ 4,897,790</u>	<u>\$ 5,716,387</u>	<u>\$10,614,177</u>
LIABILITIES			
Unsettled Deposits	<u>\$ 4,897,790</u>	<u>\$ 5,716,387</u>	<u>\$10,614,177</u>
Total Liabilities	<u>\$ 4,897,790</u>	<u>\$ 5,716,387</u>	<u>\$10,614,177</u>

ST. TAMMANY PARISH CLERK OF COURT
St. Tammany Parish, Louisiana

SCHEDULE OF CHANGES IN UNSETTLED DEPOSITS
AGENCY FUNDS
For the Year Ended June 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	\$ 4,168,055	\$ 2,563,652	\$ 6,731,707
ADDITIONS			
Deposits:			
Suits and Successions	4,515,501	-	4,515,501
Judgments	-	5,897,954	5,897,954
Interest Earned on Investments	<u>42,802</u>	<u>31,330</u>	<u>74,132</u>
Total Additions	<u>4,558,303</u>	<u>5,929,284</u>	<u>10,487,587</u>
Total	<u>8,726,358</u>	<u>8,492,936</u>	<u>17,219,294</u>
REDUCTIONS			
Settlements to Litigants	596,873	2,776,549	3,373,422
Clerk Costs	2,047,510	-	2,047,510
Sheriff's Fees	498,779	-	498,779
Other	273,987	-	273,987
Parish Council Costs	187,948	-	187,948
22nd Judicial District Court Fund	100,745	-	100,745
Stenographer Fees	42,166	-	42,166
Jury Expenses	40,729	-	40,729
Secretary of State	31,474	-	31,474
Court of Appeals	<u>8,357</u>	<u>-</u>	<u>8,357</u>
Total Reductions	<u>3,828,568</u>	<u>2,776,549</u>	<u>6,605,117</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u>\$ 4,897,790</u>	<u>\$ 5,716,387</u>	<u>\$10,614,177</u>



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

Honorable Malise Prieto
St. Tammany Parish Clerk Of Court
St. Tammany Parish, Louisiana

We have audited the financial statements of the **ST. TAMMANY PARISH CLERK OF COURT**, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 8, 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. TAMMANY 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

During the year ended June 30, 2004, in the General Fund, total actual expenditures of \$8,525,870 exceeded total budgeted expenditures of \$7,450,000 creating an unfavorable variance of \$1,075,870, which is greater than 5%. LRS 39:1310 requires the Clerk to amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. The Clerk should monitor the budget frequently and amend it when it appears expenditures will exceed appropriation by more than 5%.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the **ST. TAMMANY PARISH CLERK OF COURT's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the *internal control over financial reporting* would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the *internal control over financial reporting* and its operation that we consider to be material weaknesses.

1100 HERBANS MEMORIAL BOULEVARD, SUITE 200, METairie, LA 70005-1958 • 504.835.5522 • FAX 504.835.5535
3100 VILLAGE WALK, SUITE 202, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956

WWW.LAPORTE.COM

RSM McGladrey Network
a member of the RSM Group

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



A Professional Accounting Corporation

October 8, 2004



Malise Prieto
Clerk of Court
22nd Judicial District
Parish of St. Tammany

P.O. Box 1090
Covington, LA 70434
(985) 809-8700
(985) 646-4120

December 20, 2004

Legislative Audit Advisory Committee
P. O. Box 94397
Baton Rouge, LA 70804-9397

To Whom it May Concern:

For the year ended June 30, 2004, our general fund actual expenditures exceeded budgeted appropriations by more than 5%. We have instituted procedures to monitor budget to actual reports on a monthly basis and will amend future budgets as necessary.

Sincerely

Malise Prieto
Clerk of Court