

TERREBONNE PARISH CLERK OF COURT
Houma, Louisiana

Annual Financial Report
For the Year Ended June 30, 2004

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

Release Date 2/2/05



STAGNI & COMPANY, LLC

TERREBONNE PARISH CLERK OF COURT

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

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

Our discussion and analysis of the Terrebonne Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Government-Wide Financial Statements (Statement of Net Assets and the Statement of Activities) provide information about the governmental activities as a whole and present a longer-term view of the finances. Fund Financial Statements (Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance, and Combining Statement of Fiduciary Net Assets) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information is providing varying degrees of assurance. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The Clerk of Court is the trustee, or fiduciary, for funds reserved by the Court and Advanced Costs collected for court expenses. All of these fiduciary activities are reported in a separate Combined Statement of Fiduciary Net Assets. We exclude these activities from the other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

FINANCIAL HIGHLIGHTS

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

- Net assets of our governmental activities increased by \$126,451 or approximately 7 percent.
- During the year, the Clerk had expenses of \$3,543,642 that were \$91,428 less than the \$3,635,070 generated in fees and other revenues for governmental programs.
- The governmental funds reported total ending fund balance of \$1,610,753, which was classified as unreserved. This compares to the prior year ending fund balance of \$1,440,484 showing an increase of \$170,269 about an 11% increase.

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

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

TERREBONNE PARISH CLERK OF COURT AS A WHOLE

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

Condensed Statement of Net Assets

	FY 2004	FY 2003	Dollar Change	Total Percent Change
Current and Other Assets	\$ 1,633,056	\$ 1,497,193	\$ 135,863	9.1%
Capital Assets	151,457	195,266	(43,809)	-22.4%
Total Assets	1,784,513	1,692,459	92,054	5.4%
Current Liabilities	22,303	56,709	(34,406)	-60.7%
Total Liabilities	22,303	56,709	(34,406)	-60.7%
Invested in Capital Assets	151,457	195,266	(43,809)	-22.4%
Unrestricted	1,610,753	1,440,484	170,269	11.8%
Total Net Assets	\$ 1,762,210	\$ 1,635,750	\$ 126,460	7.7%

The Clerk of Court's net assets increased by \$126,460 as a result of this year's operations. The overall financial position improved during the fiscal year ending June 30, 2004. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

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

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

Condensed Statement of Activities

	FY 2004	FY 2003	Dollar Change	Total Percent Change
Total program expenses	\$ (3,543,642)	\$ (3,397,866)	\$ (145,776)	4.3%
Total program revenues	3,635,070	3,431,678	203,392	5.9%
Net program income	91,428	33,812	57,616	170.4%
General revenues	35,023	50,453	(15,430)	-30.6%
Change in Net Assets	126,451	84,265	(15,430)	-18.3%
Net Assets:				
Beginning of the year	1,635,759	1,551,475	84,284	5.4%
End of the year	\$ 1,762,210	\$ 1,635,740	126,470	7.7%

The Clerk of Court's total revenues for the year in governmental activities were \$3,670,093 (\$3,635,070 in program revenues and \$35,023 in general revenues). The total cost of all programs and services was \$3,543,642 with no new programs added this year.

FINANCIAL ANALYSIS OF THE CLERK OF COURT'S FUNDS

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

As the Clerk of Court completed the year, its governmental fund reported a fund balance of \$1,610,753. This reflects an increase of \$170,269 from last year. This increase is primarily the result of the events and programs described within the analysis of the governmental activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS

Capital assets included furniture and fixtures, office equipment, automobiles and leased equipment recorded at historical cost of \$1,038,606. Accumulated depreciation as of June 30, 2004 of \$887,149 recorded from the cost of assets resulted in an ending book balance of assets of \$151,457.

This year there were \$20,850 of additions, an adjustment of \$4,694 to beginning balance and no deletions recorded to capital assets. Depreciation expense of \$59,965 was recorded for the year. More detailed information about the capital assets is presented in Note 6 to the financial statements.

LONG TERM OBLIGATIONS

The Clerk of Court had no long-term obligations at June 30, 2004.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Condensed Summary of Budgeted Finances

	<u>FY 2005</u>
Anticipated revenues	\$ 3,767,250
Expenditures:	
Current	3,698,285
Capital outlay	<u>330,000</u>
Anticipated expenditures	<u>4,028,285</u>
Excess of revenues	(261,035)
Fund Balance:	
Beginning of the year	<u>1,447,379</u>
End of the year	<u>\$ 1,186,344</u>

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

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

CONTACTING FINANCIAL MANAGEMENT

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

Honorable I. Robert Boudreaux
Terrebonne Parish Clerk of Court
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Financial Section



STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

Honorable I. Robert Boudreaux
Terrebonne Parish Clerk of Court
Houma, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 2004, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Terrebonne Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Terrebonne Parish Clerk of Court as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. The Management's Discussion and Analysis and the Required Supplementary Information is the responsibility of the management of the Terrebonne Parish Clerk of Court.

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Terrebonne Parish Clerk of Court
Houma, Louisiana
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We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 5, 2004, on our consideration of the Terrebonne Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Stagni & Company

Thibodaux, LA
October 5, 2004



TERREBONNE PARISH CLERK OF COURT

Statement of Net Assets

June 30, 2004

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	\$ 430,994
Investments	824,442
Receivables	87,787
Due from Agency Funds	219,754
Prepaid Insurance	70,079
Capital assets, net of accumulated depreciation	<u>151,457</u>
 Total assets	 <u>1,784,513</u>
 <u>LIABILITIES</u>	
Current:	
Accounts payable and accrued expenses	22,303
 Total liabilities	 <u>22,303</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets	151,457
Unrestricted	<u>1,610,753</u>
 Total net assets	 <u>\$ 1,762,210</u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Statement of Activities

For the Year Ended June 30, 2004

<u>EXPENSES</u>	
Salaries and benefits	\$ 2,421,093
Office supplies and expense	296,572
Insurance	647,026
Travel and Clerk's Expense	4,382
Other	109,910
Depreciation	59,965
Adjustments to assets	4,694
Total program expenses	<u>3,543,642</u>
 <u>PROGRAM REVENUES</u>	
Charges for services	3,635,070
Total program revenues	<u>3,635,070</u>
 Net Program (Income) Expense	 91,428
 <u>GENERAL REVENUES</u>	
Interest earned	35,023
Total general revenues	<u>35,023</u>
 Change in Net Assets	 126,451
 <u>NET ASSETS</u>	
Beginning of year	1,635,759
End of year	<u>\$ 1,762,210</u>

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Balance Sheet - Governmental Fund

June 30, 2004

<u>ASSETS</u>	<u>General Fund</u>
Cash and cash equivalents	\$ 430,994
Investments	824,442
Receivables	87,787
Due from Agency Funds	219,754
Prepaid Expenses	<u>70,079</u>
Total assets	<u>\$ 1,633,056</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Accounts payable and accrued expenses	\$ 22,303
Total liabilities	<u>22,303</u>
Fund Balance :	
Unreserved - undesignated	<u>1,610,753</u>
Total fund balance	<u>1,610,753</u>
Total liabilities and fund balances	<u>\$ 1,633,056</u>

See notes to financial statements.

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

Total fund balance - governmental fund (Fund Financial Statement) \$ 1,610,753

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

Capital assets used in governmental activities are not financial resources
and therefore are not reported in governmental funds.

Cost	\$ 1,038,606
Accumulated Depreciation	<u>(887,149)</u>

151,457

Total net assets of governmental activities (Government-Wide Financial Statements) \$ 1,762,210

See notes to the financial statements.

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

<u>Revenues</u>	
Suits and successions transferred from the Advance Deposit Fund	\$ 1,226,314
Recording fees	1,440,100
Fees in criminal cases	221,718
Certified copies	409,316
Interest earned	35,023
Mortgage certificates	52,630
Court attendance	20,880
Cancellations	110,194
Marriage licenses	11,663
Notarial fees	11,451
Other	130,804
Total revenues	<u>3,670,093</u>
<u>Expenditures</u>	
Current - Judiciary:	
Salaries and benefits	2,421,093
Office supplies and expense	296,572
Insurance	647,026
Travel and Clerk's Expense	4,382
Other	109,910
Total current expenditures	<u>3,478,983</u>
Capital outlay	20,850
Total expenditures	<u>3,499,833</u>
Excess (deficiency) of revenues over expenditures	170,260
<u>Fund Balances</u>	
Beginning of year	1,440,493
End of year	<u>\$ 1,610,753</u>

See notes to financial statements.

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

Net change in fund balance - governmental fund (Fund Financial Statements) \$ 170,260

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

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

Asset purchases capitalized	\$ 20,850	
Adjustments to assets	(4,694)	
Depreciation expense	<u>(59,965)</u>	
		<u>(43,809)</u>

Change in net assets of governmental activities (Government -Wide Financial Statements) \$ 126,451

See notes to financial statements.

TERREBONNE PARISH CLERK OF COURT

Combining Statement of Fiduciary Net Assets

June 30, 2004

	Advance Deposit Fund	Registry of the Court Fund	Total
<hr/> ASSETS <hr/>			
Cash and cash equivalents	\$ 643,944	\$ 2,055,233	\$ 2,699,177
Investments	3,078,413	3,988,919	7,067,332
Accounts receivable	4,241		4,241
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,726,598</u>	<u>\$ 6,044,152</u>	<u>\$ 9,770,750</u>
<hr/> LIABILITIES <hr/>			
Due to governmental funds	\$ 212,655	\$ 7,099	\$ 219,754
Due to others	3,513,943	6,037,053	9,550,996
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 3,726,598</u>	<u>\$ 6,044,152</u>	<u>\$ 9,770,750</u>

See notes to the financial statements.

TERREBONNE PARISH CLERK OF COURT

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

INTRODUCTION

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

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As the governing authority of the parish, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The Consolidated Government maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the Terrebonne Parish Consolidated Government, the clerk of court was determined to be a component unit of the Terrebonne Parish Consolidated Government, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basic Financial Statements

Government-Wide Financial Statements (GWFS)

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

TERREBONNE PARISH CLERK OF COURT

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

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basic Financial Statements (continued)

Government-Wide Financial Statements (GWFS) (Continued)

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

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

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

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

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

Fund Financial Statements (FFS)

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

TERREBONNE PARISH CLERK OF COURT

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

Note 1 *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued*

B. Basic Financial Statements (Continued)

Governmental Funds

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

General Fund

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

Fiduciary Funds

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

C. Basis of Accounting

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

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

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Basis of Accounting (continued)

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

D. Cash and Cash Equivalents

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

E. Investments

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

F. Capital Assets

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

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets (continued)

Description	Estimated Lives
Office Equipment	5 years
Furniture & Fixtures	10 years
Automobiles	5 years
Leased Equipment	5 years

G. Interfund Activities

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

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

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

I. Budgetary Practices

1. Prior to the beginning of each fiscal year, the Clerk of Court prepares and approves a formal budget for the General Fund based upon estimated revenues and proposed expenditures for the coming year using the modified accrual basis of accounting.
2. The proposed budget is published in the official journal of the Parish of Terrebonne and is presented to the public for review and inspection, after which it is finalized and adopted by the elected Clerk of Court of Terrebonne Parish.
3. A certified copy of the budget is then filed with the Chief Executive or Administrative Officer of the Terrebonne Parish Consolidated Government.
4. Any amendments to the budget are published in the Clerk of Court's official journal.
5. Budgetary integration is employed as a management tool.
6. Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies recorded in order to reserve that portion of the applicable appropriation, is not employed by the Clerk of Court.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Compensated Absences

The employees of the Clerk of Court are allowed a fixed number of days for vacation and sick leave each year. This policy does not provide for the accumulation or vesting of leave. Accordingly, the Clerk of Court has recorded no accrual for employee leave benefits.

K. Restricted Net Assets

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

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

L. Fund Equity Reservations

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

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office, which amount shall be limited to no more than that which was received by the clerk in accordance with R.S. 1784 (A) during said term in office. At June 30, 2004, there was no amount due the parish treasurer as this was not the last year of the clerk's four-year term of office, and no determination of the amount that will be due, if any, can be made at this time.

M. Use of Estimates

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

TERREBONNE PARISH CLERK OF COURT

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

Note 2 DEPOSITS

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

	Balances			
	Book	Bank	FDIC	Pledged
Interest bearing demand deposits	\$2,055,233	\$2,074,633	\$300,000	\$2,658,123
Non-interest bearing demand deposits	1,074,938	1,394,665	200,000	11,395,423
Money market accounts	4,869,827	4,765,793		4,765,793
Certificates of Deposit	3,015,000	3,015,000	800,000	2,215,000
Interest Savings	6,472	6,472		
Other	475			
Total	\$ 11,021,945	\$ 11,256,563	\$ 1,300,000	\$ 21,034,339

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

The deposits (bank balances) are secured from risk by \$1,300,000 of federal deposit insurance and \$21,034,339 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

TERREBONNE PARISH CLERK OF COURT

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

Note 3 INVESTMENTS

Investments are categorized into these three categories of credit risk:

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

At fiscal year end, investment balances were as follows:

	Balances	
	Reported Value	Category
Money market accounts	\$4,869,827	1
Certificates of Deposit	3,015,000	1
Interest Savings	6,472	1
Other	475	
Total	\$ 7,891,774	

Note 4 RECEIVABLES

Receivable balances are as follows:

Class of Receivables	Salary Fund	Agency Funds – Advanced Cost
Accounts	\$ 43,393	
Interest	886	\$ 4,241
Fees in criminal cases	10,442	
Support enforcement	33,066	
Totals	\$ 87,787	\$ 4,241

TERREBONNE PARISH CLERK OF COURT

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

Note 5 INTERFUND ASSETS/LIABILITIES

The balances receivable from/payable to General Fund, Advance Deposit Fund, and Registry of the Court are as follows:

	Receivables	Payables
General Fund	\$ 219,754	
Advance Deposit		\$212,655
Registry of the Court		7,099
Totals	\$ 219,754	\$219,754

Note 6 CAPITAL ASSETS

Capital assets and depreciation activity for the year follows:

	Furniture & Fixtures	Office Equipment	Autos	Leased Equipment
Beginning Balance	\$267,009	\$601,808	\$17,009	\$136,624
Additions		16,155		
Adjustments				
TOTAL COST	\$267,009	\$617,965	\$17,009	\$136,624
Less accumulated depreciation	236,344	497,173	17,009	136,624
NET CAPITAL ASSETS	\$30,665	\$120,792	\$0	\$0

Depreciation charged for governmental functions for the year was \$59,965.

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

Note 9 POST-RETIREMENT BENEFITS

The Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid entirely by the Clerk of Court. For the year ending June 30, 2004, the cost of the benefits for 6 retirees totaled \$32,131.

Note 10 EMPLOYEE RETIREMENT SYSTEM

Substantially all employees of the Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. Contributions of participating clerks are pooled within the System to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

All regular employees earning a minimum of \$ 500 per month and who are under the age of 60 at the time of original employment are eligible to participate in the system. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana, 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The actuarially determined rate was 10 percent of annual covered payroll for the year ending June 30, 2004. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Clerk of Court are established as amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results to fund accrued benefits, with contribution rates approved by the Louisiana Legislature.

TERREBONNE PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2004

Note 10 EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

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

The Clerk of Court's contribution for the years ending June 30, 2002, 2003 and 2004 were \$336,601 (18.25% of covered payroll), \$343,592 (18.25% of covered payroll), and \$390,859 (19.75% of covered payroll) respectively, which were equal to the required contributions for each year.

Note 11 LITIGATION

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

Note 12 RISK MANAGEMENT

GENERAL LIABILITY INSURANCE

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

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

HEALTH INSURANCE

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

Required Supplemental Information

TERREBONNE PARISH CLERK OF COURT

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2004

<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
Suits and successions transferred				
from the Advance Deposit Fund	\$ 1,230,000	\$ 1,230,000	\$ 1,226,314	\$ (3,686)
Recording fees	1,332,000	1,332,000	1,440,100	108,100
Fees in criminal cases	222,000	222,000	221,718	(282)
Certified copies	366,000	366,000	409,316	43,316
Interest earned	59,000	59,000	35,023	(23,977)
Mortgage certificates	60,000	60,000	52,630	(7,370)
Court attendance	19,920	19,920	20,880	960
Cancellations	102,000	102,000	110,194	8,194
Marriage licenses	12,000	12,000	11,663	(337)
Notarial fees	12,000	12,000	11,451	(549)
Other	110,190	110,190	130,804	20,614
Total revenues	<u>3,525,110</u>	<u>3,525,110</u>	<u>3,670,093</u>	<u>144,983</u>
<u>Expenditures</u>				
<u>Current-Judiciary:</u>				
Salaries and benefits	2,393,505	2,393,505	2,421,093	(27,588)
Office supplies and expense	277,800	277,800	296,572	(18,772)
Insurance	634,000	634,000	647,026	(13,026)
Travel and Clerk's Expense	6,900	6,900	4,382	2,518
Other	106,020	106,020	109,910	(3,890)
Total current expenditures	<u>3,418,225</u>	<u>3,418,225</u>	<u>3,478,983</u>	<u>(60,758)</u>
Capital outlay	100,000	100,000	20,850	79,150
Total expenditures	<u>3,518,225</u>	<u>3,518,225</u>	<u>3,499,833</u>	<u>18,392</u>
Excess (deficiency) of revenues over expenditures	6,885	6,885	170,260	163,375
<u>Fund Balances</u>				
Beginning of year	1,478,924	1,478,924	1,440,493	(38,431)
End of year	<u>\$ 1,485,809</u>	<u>\$ 1,485,809</u>	<u>\$ 1,610,753</u>	<u>\$ 124,944</u>

*Reports Required by
Government Auditing Standards*



STAGNI & COMPANY, LLC

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 I. Robert Boudreaux
Terrebonne Parish Clerk of Court
Houma, Louisiana

We have audited the basic financial statements of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2004, and have issued our report thereon dated October 5, 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 Terrebonne 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 Terrebonne Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Terrebonne Parish Clerk of Court
Houma, Louisiana
Page 2

This report is intended solely for the information and use of management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana
October 5, 2004



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

We have audited the basic financial statements of the Terrebonne Parish Clerk of Court, a component unit of the Terrebonne Parish Consolidated Government as of and for the year ended June 30, 2004, and have issued our report thereon dated October 5, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

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

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

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

Yes No

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

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

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

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

Section II - Financial Statement Findings

NONE

Section III - Federal Award Findings and Questioned Costs

NOT APPLICABLE



TERREBONNE PARISH CLERK OF COURT

Status of Prior Audit Findings

For the Year Ended June 30, 2004

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

NONE

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

NOT APPLICABLE

Section III - Management Letter:

NONE

TERREBONNE PARISH CLERK OF COURT

Corrective Action Plan

For the Year Ended June 30, 2004

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

NONE

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

NOT APPLICABLE

Section III - Management Letter:

NONE ISSUED