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ST. JOHN THE BAPTIST PARISH CLERK OF COURT

Financial Report

Year Ended June 30, 2009

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 2/3/10

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KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Lager, CPA, PFS, CSA*
Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guldry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Wanda F. Arcement, CPA, CVA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Ciolek, CPA 2007

* A Professional Accounting Corporation

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (885) 384-2020
Fax (885) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddell St.
Merisville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 839-4737
Fax (337) 839-4588

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-8833

WEB SITE
WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. John the Baptist Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the St. John the Baptist Parish Government, as of and for the year ended June 30, 2009, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Clerk of Court. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clerk of Court, as of June 30, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2009 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*, and should be considered in assessing the results of our audit.

The budgetary comparison schedules on pages 27 through 29 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court's basic financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Morgan City, Louisiana
December 21, 2009

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 305,691
Receivables, net	31
Due from other governments	53,438
Prepaid expenses	<u>2,484</u>
Total current assets	361,644
Noncurrent assets:	
Capital assets, net	<u>88,195</u>
Total assets	<u>449,839</u>
LIABILITIES	
Accounts, salaries, and other payables	31,279
Long term liabilities	
Due in more than one year	<u>15,825</u>
Total liabilities	<u>47,104</u>
NET ASSETS	
Invested in capital assets	88,195
Unrestricted	<u>314,540</u>
Total net assets	<u>\$ 402,735</u>

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

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

Statement of Activities
Year Ended June 30, 2009

Activities	Expenses	Program Revenues Charges for Services	Net (Expense) / Revenue and Changes in Net Assets
Governmental activities:			
General government	\$ <u>1,900,812</u>	\$ <u>1,648,264</u>	\$ (218,642)
General revenues:			
Interest and investment earnings			<u>65,749</u>
Change in net assets			(152,893)
Net assets - July 1, 2008			<u>555,628</u>
Net assets - June 30, 2009			<u>\$ 402,735</u>

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

FUND FINANCIAL STATEMENTS

MAJOR FUNDS' DESCRIPTIONS

GENERAL FUND

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

SPECIAL REVNUUE FUND

East Bank Expense Fund

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

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

Balance Sheet
Governmental Funds
June 30, 2009

	General	East Bank Expense	Total Governmental Funds
ASSETS			
Cash and interest-bearing deposits	\$ 277,438	\$ 28,253	\$ 305,691
Receivables:			
Accounts receivable	31	-	31
Due from other governments	41,484	11,954	53,438
Prepaid expenses	2,484	-	2,484
Total assets	<u>\$ 321,437</u>	<u>\$ 40,207</u>	<u>\$ 361,644</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 31,216	\$ -	\$ 31,216
Accrued payroll liabilities	63	-	63
Total liabilities	<u>31,279</u>	<u>-</u>	<u>31,279</u>
Fund balance:			
Unreserved, reported in			
General Fund	290,158	-	290,158
Special Revenue Fund	-	40,207	40,207
Total fund balance	<u>290,158</u>	<u>40,207</u>	<u>330,365</u>
Total liabilities and fund balance	<u>\$ 321,437</u>	<u>\$ 40,207</u>	<u>\$ 361,644</u>

(continued)

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

Balance Sheet (Continued)
Governmental Funds
June 30, 2009

Reconciliation of the governmental funds balance sheet to the statement of
of net assets:

Total fund balance for the governmental fund at June 30, 2009 \$ 330,365

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

Furniture, fixtures, and equipment	\$ 416,965	
Less: Accumulated depreciation	<u>(328,770)</u>	88,195

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

(15,825)

Total net assets of governmental activities at June 30, 2009 \$ 402,735

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	General	East Bank Expense	Total Governmental Funds
Revenues:			
Licenses and permits	\$ 10,287	\$ -	\$ 10,287
Fees, charges and commissions -			
Court costs, fees and charges	322,651	110,148	432,799
Recording legal documents	1,026,008	-	1,026,008
Certified copies	63,352	-	63,352
Intergovernmental	149,724	-	149,724
Interest earnings	65,407	342	65,749
Total revenues	1,637,429	110,490	1,747,919
Expenditures:			
Current -			
 General government:			
Personnel services and related benefits	1,404,943	99,735	1,504,678
Operating services	272,028	8,002	280,030
Material and supplies	69,010	4,118	73,128
Total expenditures	1,745,981	111,855	1,857,836
Net change in fund balances	(108,552)	(1,365)	(109,917)
Fund balance, beginning	398,710	41,572	440,282
Fund balance, ending	\$ 290,158	\$ 40,207	\$ 330,365

(continued)

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

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
Year Ended June 30, 2009

**Reconciliation of the statement of revenues, expenditures, and changes
in fund balances of governmental funds to the statement of activities:**

Total net change in fund balances for the year ended June 30, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$(109,917)
Depreciation expense for year ended June 30, 2009	(43,237)
Compensated absences are not expected to be liquidated with expendable available financial resources and , therefore, are not reported in the funds.	
Less: Current year	(15,825)
Add: Prior year	<u>16,086</u> <u>261</u>
Total change in net assets for the year ended June 30, 2009 per Statement of Activities	<u>\$(152,893)</u>

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

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

Statement of Fiduciary Net Assets
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and interest-bearing deposits	<u>\$ 3,134,915</u>
LIABILITIES	
Due to litigants and others	<u>\$ 3,134,915</u>

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

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

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

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

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

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

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

Notes to Financial Statements (continued)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

Notes to Financial Statements (continued)

The major funds of the Clerk of Court are described below:

Governmental Funds -

General Fund

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

East Bank Expense Special Revenue Fund

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

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

Fiduciary Funds -

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

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

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

Criminal Juror Fund- accounts for funds from the parish for criminal court proceedings pending court actions.

C. Measurement Focus/Basis of Accounting

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

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

Notes to Financial Statements (continued)

Measurement Focus

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

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

Basis of Accounting

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

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

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

Notes to Financial Statements (continued)

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

Capital Assets

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

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

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

Compensated Absences

Employees of the Clerk of Court's office earn 5 to 20 days of vacation leave each year depending on length of service. In addition, employees earn 12 days of sick leave each year. Employees may carry over 5 days of vacation leave based on their anniversary date. Sick leave may accumulate indefinitely up to two hundred forty (240) hours. Upon resignation or retirement, employees may, at the discretion of the Clerk of Court, be paid for unused vacation at the employee's current rate of pay.

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

Notes to Financial Statements (continued)

Equity Classifications

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

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

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

E. Expenditures, and Expenses

Expenditures/Expenses

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

F. Budgetary and Budgetary Accounting

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

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

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

Notes to Financial Statements (continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible accounts receivable was made due to immateriality at June 30, 2009.

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk of Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the Clerk of Court has cash and cash equivalents (book balances) totaling \$3,440,606 as follows:

	Governmental Activities	Fiduciary Funds	Total
Cash and interest-bearing deposits	\$ 305,691	\$3,134,915	\$3,440,606

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

Notes to Financial Statements (continued)

Under state law, deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 Sheriff or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2009, are secured as follows:

Bank balances	<u>\$3,655,439</u>
Federal insurance	\$ 567,759
Pledged securities	<u>3,087,680</u>
 Total federal insurance and pledged securities	 <u>\$7,310,878</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Clerk of Court's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009, the Clerk of Court's total bank balances were fully insured and collateralized with securities held in the name of the Clerk of Court by the pledging financial institution's agent and therefore not exposed to custodial credit risk.

(3) Capital Assets

Capital asset balances and activity for the year ended June 30, 2009 is as follows:

	Balance 07/01/08	Additions	Deletions	Balance 06/30/09
Furniture, fixtures and equipment	\$ 416,965	\$ -	\$ -	\$ 416,965
Less: Accumulated depreciation	285,533	43,237	-	328,770
Net capital assets	<u>\$ 131,432</u>	<u>\$ (43,237)</u>	<u>\$ -</u>	<u>\$ 88,195</u>

Depreciation expense of \$43,237 was charged to the general government function.

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

Notes to Financial Statements (continued)

(4) Due From Other Governments

Amounts due from other governments consist of the following at June 30, 2009:

Government-wide and fund financial statements:

St. John the Baptist Parish Sheriff's Department - criminal fees	\$ 26,656
State of Louisiana - child support	24,574
District Attorney	1,290
Judges	255
Department of Public Safety	663
Total	\$ 53,438

(5) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2009:

	Governmental Activities
Accounts	\$ 31,216
Accrued payroll liabilities	63
Total	\$ 31,279

(6) Changes in Long-term liabilities

The following is a summary of long-term liability transactions of the Clerk of Court for the year ending June 30, 2009:

	07/01/08	Additions	Reductions	06/30/09
Compensated Absences	\$ 16,086	\$ 15,825	\$ 16,086	\$ 15,825

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

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

Notes to Financial Statements (continued)

(7) Pension Plan

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

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

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

Funding Policy. - Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.75% 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 Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Clerk of Court pays eighty percent (80%) of pension contributions, and employees pay twenty percent (20%). The Clerk of Court's contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$189,785, \$172,899, and \$200,499, respectively, equal to the required contributions for each year.

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

The Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for these benefits if they reach normal retirement age while working for the Clerk of Court. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employees and the Clerk of Court. The Clerk of Court recognizes the cost of providing these benefits (the Clerk's portion of premiums) as an expenditure when the monthly premiums are due.

The cost benefits for 5 retirees for the year ended June 30, 2009 was \$11,416.

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

Notes to Financial Statements (continued)

(9) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	Year Ended June 30, 2009			Unsettled Deposits at End of Year
	Unsettled Deposits at Beginning of Year	Additions	Reductions	
Agency funds:				
Advance Deposit	\$ 1,971,261	\$ 1,108,749	\$ 1,113,847	\$ 1,966,163
Registry of Court	559,105	837,550	233,026	1,163,629
Criminal Juror	1,708	47,821	44,406	5,123
Totals	<u>\$ 2,532,074</u>	<u>\$ 1,994,120</u>	<u>\$ 1,391,279</u>	<u>\$ 3,134,915</u>

(10) Deferred Compensation Plan

The Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

The Clerk of Court's contributions to the Plan for the year ending June 30, 2009, 2008, and 2007, were \$34,127, \$27,752, and 25,758, respectively.

(11) Risk Management

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

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

Notes to Financial Statements (continued)

(12) Excess Fund Balance

LSA-RS 13:785 requires that every four years (at the close of the term of office), the Clerk of Court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the Clerk's last year of her term of office. The potential liability to the parish is limited to amounts received by the Clerk of Court from the parish for necessary office furniture, equipment, and record books. At June 30, 2009 there was no amount due the parish treasurer because fund balance did not exceed one-half of recorded revenues.

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

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

(14) New Accounting Pronouncements

In November 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires the accrual of postemployment benefits for retired employees. The Clerk of Court is required to implement this standard for the fiscal year ending June 30, 2010. The Clerk of Court has not yet determined the full impact that adoption of GASB Statement 45 will have on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2009

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Licenses and permits	\$ 22,100	\$ 9,810	\$ 10,287	\$ 477
Fees, charges and commissions -				
Court costs, fees and charges	607,500	459,056	322,651	(136,405)
Fees for recording legal documents	906,000	929,539	1,026,008	96,469
Fees for certified copies	62,500	74,592	63,352	(11,240)
Intergovernmental	94,100	84,656	149,724	65,068
Interest earnings	1,000	100,761	65,407	(35,354)
Total revenues	<u>1,693,200</u>	<u>1,658,414</u>	<u>1,637,429</u>	<u>(20,985)</u>
Expenditures:				
Current -				
General government:				
Personnel services and related benefits	1,339,250	1,356,429	1,404,943	(48,514)
Operating services	292,350	221,245	272,028	(50,783)
Material and supplies	121,400	89,101	69,010	20,091
Debt service	20,000	24,000	-	24,000
Capital outlay	215,000	-	-	-
Total expenditures	<u>1,988,000</u>	<u>1,690,775</u>	<u>1,745,981</u>	<u>(55,206)</u>
Net change in fund balances	(294,800)	(32,361)	(108,552)	(76,191)
Fund balance, beginning	<u>138,427</u>	<u>220,327</u>	<u>398,710</u>	<u>178,383</u>
Fund balance, ending	<u>\$ (156,373)</u>	<u>\$ 187,966</u>	<u>\$ 290,158</u>	<u>\$ 102,192</u>

See accompanying notes to budgetary comparison schedules.

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

Budgetary Comparison Schedule
East Bank Expense Fund
Year Ended June 30, 2009

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Fees, charges and commissions -				
Court costs, fees and charges	\$ 80,000	\$ 98,477	\$ 110,148	\$ 11,671
Interest earnings	-	380	342	(38)
Total revenues	<u>80,000</u>	<u>98,857</u>	<u>110,490</u>	<u>11,633</u>
Expenditures:				
Current -				
Personnel services and related benefits	65,000	93,494	99,735	(6,241)
Operating services	8,500	9,103	8,002	1,101
Material and supplies	6,500	3,720	4,118	(398)
Capital outlay	5,000	1,000	-	1,000
Total expenditures	<u>85,000</u>	<u>107,317</u>	<u>111,855</u>	<u>(4,538)</u>
Net change in fund balances	(5,000)	(8,460)	(1,365)	7,095
Fund balance, beginning	<u>21,558</u>	<u>46,659</u>	<u>41,572</u>	<u>(5,087)</u>
Fund balance, ending	<u>\$ 16,558</u>	<u>\$ 38,199</u>	<u>\$ 40,207</u>	<u>\$ 2,008</u>

See accompanying notes to budgetary comparison schedule.

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

Notes to Budgetary Comparison Schedules

(1) Basis of Accounting

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Clerk.

(2) Excess of Expenditures over Appropriations

The following funds incurred expenditures in excess of appropriations for the year ended June 30, 2009:

General Fund	\$ 46,717
Special Revenue Fund:	
East Bank Expense Fund	4,538

The excess expenditures were covered by available fund balance in the respective fund.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

GOVERNMENTAL FUNDS

General Fund

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

SPECIAL REVNUE FUND

East Bank Expense Fund

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

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

General Fund
Schedule of Revenues Compared to Budget
Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Licenses and permits:				
Marriage licenses	\$ 22,100	\$ 9,810	\$ 10,287	\$ 477
Total licenses and permits	<u>22,100</u>	<u>9,810</u>	<u>10,287</u>	<u>477</u>
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	200,000	200,079	132,659	(67,420)
Court attendance	-	-	1,360	1,360
UCC Fees	32,500	50,329	38,910	(11,419)
Other	<u>375,000</u>	<u>208,648</u>	<u>149,722</u>	<u>(58,926)</u>
Total court costs, fees and charges	<u>607,500</u>	<u>459,056</u>	<u>322,651</u>	<u>(136,405)</u>
Fees for recording legal documents -				
Recordings	400,000	337,937	347,697	9,760
Advance deposit fees	495,000	581,860	652,437	70,577
Cancellations	6,000	4,488	4,609	121
Birth Certificates	-	-	15,631	15,631
Mortgage certificates	<u>5,000</u>	<u>5,254</u>	<u>5,634</u>	<u>380</u>
Total fees for recording legal documents	<u>906,000</u>	<u>929,539</u>	<u>1,026,008</u>	<u>96,469</u>
Fees for copies -				
Xerox copies	41,000	58,486	46,365	(12,121)
Certified copies	<u>21,500</u>	<u>16,106</u>	<u>16,987</u>	<u>881</u>
Total fees for copies	<u>62,500</u>	<u>74,592</u>	<u>63,352</u>	<u>(11,240)</u>
Intergovernmental:				
Secretary of state grant	-	-	33,906	33,906
Child support income	<u>94,100</u>	<u>84,656</u>	<u>115,818</u>	<u>31,162</u>
Total Intergovernmental	<u>94,100</u>	<u>84,656</u>	<u>149,724</u>	<u>65,068</u>
Interest earnings	<u>1,000</u>	<u>100,761</u>	<u>65,407</u>	<u>(35,354)</u>
Total revenues	<u>\$ 1,693,200</u>	<u>\$ 1,658,414</u>	<u>\$ 1,637,429</u>	<u>\$ (20,985)</u>

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

General Fund
Schedule of Expenditures Compared to Budget
Year Ended June 30, 2009

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries:				
Clerk	\$ 128,500	\$ 125,356	\$ 125,356	\$ -
Deputy clerks	704,000	771,680	740,780	30,900
Other	43,500	51,959	53,832	(1,873)
Clerk's expense allowance	2,100	-	2,100	(2,100)
Clerk's supplemental fund	26,650	24,962	25,129	(167)
Employee training	1,500	-	2,424	(2,424)
Group insurance	220,000	163,949	230,285	(66,336)
Pension	203,500	201,684	209,338	(7,654)
Medicare tax	9,500	16,839	15,699	1,140
Total personnel services and related benefits	<u>1,339,250</u>	<u>1,356,429</u>	<u>1,404,943</u>	<u>(48,514)</u>
Operating services -				
Automobile expense	2,700	9,370	4,050	5,320
Battered women	4,200	600	4,160	(3,560)
Professional fees	37,200	41,530	40,914	616
Insurance	11,000	23,890	9,282	14,608
Record keeping	6,000	-	4,288	(4,288)
Microfilm	34,500	56,863	49,699	7,164
Software Support	-	-	68,013	(68,013)
Other	12,500	6,664	11,760	(5,096)
Telephone	33,250	12,389	8,820	3,569
Travel	10,000	2,388	3,374	(986)
Uniforms	13,000	-	7,643	(7,643)
Worker's comp insurance	9,500	4,254	7,894	(3,640)
Equipment lease and maintenance	75,000	33,023	35,553	(2,530)
Secretary of state - UCC	10,000	15,502	2,975	12,527
Election expense	33,500	14,772	13,603	1,169
Total operating services	<u>292,350</u>	<u>221,245</u>	<u>272,028</u>	<u>(50,783)</u>

(continued)

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

General Fund
Schedule of Expenditures Compared to Budget (Continued)
Year Ended June 30, 2009

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Materials and supplies -				
Office supplies and expense	89,500	67,732	56,451	11,281
General repairs and maintenance	20,000	15,373	1,713	13,660
Dues and conventions	11,900	5,996	10,846	(4,850)
Total materials and supplies	<u>121,400</u>	<u>89,101</u>	<u>69,010</u>	<u>20,091</u>
Debt Service:				
Capital lease principal	<u>20,000</u>	<u>24,000</u>	-	<u>24,000</u>
Capital Outlay:	<u>215,000</u>	-	-	-
Total expenditures	<u>\$1,988,000</u>	<u>\$1,690,775</u>	<u>\$1,745,981</u>	<u>\$ (55,206)</u>

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

East Bank Expense Fund
 Schedule of Revenues Compared to Budget
 Year Ended June 30, 2009

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Fees, charges and commissions:				
Court costs, fees and charges -				
Criminal costs	\$ 80,000	\$ 98,477	\$ 110,148	\$ 11,671
Interest earnings	-	380	342	(38)
Total revenues	<u>\$ 80,000</u>	<u>\$ 98,857</u>	<u>\$ 110,490</u>	<u>\$ 11,633</u>

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

East Bank Expense Fund
Schedule of Expenditures Compared to Budget
Year Ended June 30, 2009

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Expenditures:				
Current -				
Personnel services and related benefits -				
Salaries:				
Deputy clerks	\$ 53,000	\$ 82,420	\$ 81,108	\$ 1,312
Group Insurance	3,500	-	10,205	(10,205)
Pension	<u>8,500</u>	<u>11,074</u>	<u>8,422</u>	<u>2,652</u>
Total personnel services and related benefits	<u>65,000</u>	<u>93,494</u>	<u>99,735</u>	<u>(6,241)</u>
Operating services -				
Telephone	1,000	739	661	78
Travel	<u>7,500</u>	<u>8,364</u>	<u>7,341</u>	<u>1,023</u>
Total operating services	<u>8,500</u>	<u>9,103</u>	<u>8,002</u>	<u>1,101</u>
Materials and supplies -				
Office supplies and expense	5,500	3,620	3,018	602
General repairs and maintenance	<u>1,000</u>	<u>100</u>	<u>1,100</u>	<u>(1,000)</u>
Total materials and supplies	<u>6,500</u>	<u>3,720</u>	<u>4,118</u>	<u>(398)</u>
Capital Outlay:	<u>5,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>\$ 85,000</u>	<u>\$ 107,317</u>	<u>\$ 111,855</u>	<u>\$ (4,538)</u>

FIDUCIARY FUNDS

Advance Deposit Fund -

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

Registry of Court Fund -

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

Criminal Juror Fund -

The Criminal Juror Fund, is used to account for funds from the parish for criminal court proceedings pending court actions.

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

Agency Funds
Combining Schedule of Assets and Liabilities
June 30, 2009

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Criminal Juror Fund</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	<u>\$1,966,163</u>	<u>\$1,163,629</u>	<u>\$ 5,123</u>	<u>\$ 3,134,915</u>
LIABILITIES				
Due to litigants and others	<u>\$1,966,163</u>	<u>\$1,163,629</u>	<u>\$ 5,123</u>	<u>\$ 3,134,915</u>

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

Agency Funds
Combining Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2009

	<u>Advance Deposit</u>	<u>Registry of Court</u>	<u>Criminal Juror</u>	<u>Total</u>
ASSETS				
Balances, beginning of year	\$ 1,971,261	\$ 559,105	\$ 1,708	\$ 2,532,074
Additions:				
Suits and successions	1,108,749	-	47,821	1,156,570
Judgments	-	591,147	-	591,147
Interest earned	-	246,403	-	246,403
Total additions	<u>1,108,749</u>	<u>837,550</u>	<u>47,821</u>	<u>1,994,120</u>
Total	<u>3,080,010</u>	<u>1,396,655</u>	<u>49,529</u>	<u>4,526,194</u>
Reductions:				
Clerk's costs (transferred to General Fund)	656,576	-	-	656,576
Refunds to litigants	285,714	233,026	-	518,740
Sheriff fees	75,765	-	-	75,765
Juror costs	3,170	-	21,857	25,027
Judge's expense fund	27,135	-	15,863	42,998
Jury commissioners	4,266	-	6,686	10,952
Parish council	18,050	-	-	18,050
Judge's supplemental compensation fund	32,133	-	-	32,133
Other	11,038	-	-	11,038
Total reductions	<u>1,113,847</u>	<u>233,026</u>	<u>44,406</u>	<u>1,391,279</u>
Balances, end of year	<u>\$ 1,966,163</u>	<u>\$ 1,163,629</u>	<u>\$ 5,123</u>	<u>\$ 3,134,915</u>
LIABILITIES				
Due to litigants and others, beginning of year	\$ 1,971,261	\$ 559,105	\$ 1,708	\$ 2,532,074
Additions	1,108,749	837,550	47,821	1,994,120
Reductions	<u>1,113,847</u>	<u>233,026</u>	<u>44,406</u>	<u>1,391,279</u>
Due to litigants and others, end of year	<u>\$ 1,966,163</u>	<u>\$ 1,163,629</u>	<u>\$ 5,123</u>	<u>\$ 3,134,915</u>

INTERNAL CONTROL, COMPLIANCE, AND OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Nixon, CPA*

Tynes E. Nixon, Jr., CPA
Allen J. LaBry, CPA
Albert R. Leger, CPA, PFS, CSA*
Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Mary T. Thibodeaux, CPA
Marshall W. Guidry, CPA
Alan M. Taylor, CPA
James R. Roy, CPA
Robert J. Metz, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr. CPA
Wanda F. Arcement, CPA, CVA
Kristin B. Dauzat, CPA
Richard R. Anderson Sr., CPA
Carolyn C. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Harry J. Clostio, CPA 2007

* A Professional Accounting Corporation

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRPCAS.COM

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court (hereinafter "Clerk of Court"), a component unit of the St. John the Baptist Parish Government, as of and for the year ended June 30, 2009, which collectively comprise the Clerk of Court's basic financial statements, and have issued our report thereon dated December 21, 2009. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Clerk of Court's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Clerk of Court's financial statements that is more than inconsequential will not be prevented or detected by the Clerk of Court's internal control. We consider the deficiencies identified as items 2009-1, 2009-2, and 2009-3, and described in the accompanying schedule of audit results and findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Clerk of Court's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-1 and 2009-3 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

The Clerk of Court's response to the findings identified in our audit is described in the accompanying corrective action plan for current year findings. We did not audit the Clerk of Court's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

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

Morgan City, Louisiana
December 21, 2009

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

Schedule of Audit Results and Findings
Year Ended June 30, 2009

Part I. Summary of Auditor's Results:

An unqualified opinion was issued on the financial statements.

Significant deficiencies in internal control were disclosed by the audit of the financial statements and two of the conditions are considered material weaknesses.

The audit disclosed no instances of noncompliance which are material to the financial statements.

A management letter was not issued.

Part II. Findings required to be reported in accordance with *Governmental Auditing Standards*:

A. Internal Control

2009-1 Segregation of duties

CONDITION: Accounting and financial functions are not adequately segregated.

CRITERIA: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU §314.43 defines internal control as follows:

“Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT §501.03 states:

An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

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

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

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

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

Schedule of Audit Results and Findings(continued)
Year Ended June 30, 2009

2009-2 Application of GAAP (generally accepted accounting principles)

CONDITION: Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

CRITERIA: SAS112, *Communicating Internal Control Related Matters Identified in an Audit*, AU §325.18, states in pertinent part:

“Deficiencies in the following areas ordinarily are at least significant deficiencies in internal control:

- Controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles. Having sufficient expertise in selecting and applying accounting principles is an aspect of such controls.”

Furthermore, AU §325.32 identifies the following as a deficiency in the design of (internal) controls:

“Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity’s financial transactions or preparing its financial statements.”

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

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

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

Schedule of Audit Results and Findings(continued)
Year Ended June 30, 2009

2009-3 Failure to post transactions

CONDITION: Checks and deposits for the month of December 2008 in the Special Revenue Fund were not entered into the financial reporting software.

CRITERIA: SAS109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU §314.43 defines internal control as follows:

“Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT §501.03 states:

An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

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

EFFECT: Failure to input checks and deposits into the system increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Procedures should be instituted to assure that all items are appropriately entered into the financial reporting system.

B. Compliance

There are no instances of non-compliance reported.

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

The requirements of OMB Circular A-133 do not apply to the Clerk of Court.

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

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2009

A. Internal Control –

2008-1 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

RECOMMENDATION: Due to the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

CURRENT STATUS: See schedule of audit results and findings item 2009-1.

2008-2 – Reconciliation of docket balances

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

RECOMMENDATION: We recommend that the Clerk of Court attempt to reconcile the individual suit dockets with the related cash balances.

CURRENT STATUS: The difference between certain individual suit docket balances in the Advance Deposit Agency Fund and the related cash deposits is currently immaterial.

2008-3 – Application of GAAP

CONDITION: Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

CURRENT STATUS: See schedule of audit results and findings item 2009-2.

B. Compliance –

2008-4 – Budget Variance

CONDITION: Budget variance in excess of 5% was incurred in the Eastbank Expense Fund.

RECOMMENDATION: Management should more closely monitor budget to actual comparisons and adopt the necessary amendments to insure compliance with state statute.

CURRENT STATUS: The condition has been corrected.

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

**Summary Schedule of Prior Audit Findings (continued)
Year Ended June 30, 2009**

C. OMB A-133 –

This section was not applicable.

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

**Corrective Action Plan for Current Year Findings
Year Ended June 30, 2009**

2009-1 – Segregation of Duties

CONDITION: Accounting and financial functions are not adequately segregated.

MANAGEMENT'S RESPONSE: Not Applicable

2009-2 – Application of GAAP (Generally Accepted Accounting Principles)

CONDITION: Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

MANAGEMENT'S RESPONSE: The Clerk of Court has evaluated the cost/benefit of establishing controls over the preparation of financial statement in accordance with GAAP and has determined that it is in the best interest of the Clerk of Court to outsource this task to its independent auditors and will review, approve, and accept responsibility for the content and presentation of the financial statements and related notes prior to issuance.

2009-3– Failure to post transactions

CONDITION: Checks and deposits for the month of December 2008 in the Special Revenue Fund were not entered into the financial reporting software.

MANAGEMENT'S RESPONSE: The Clerk of Court office will check into the reason and adjust to comply with the laws.