

ST. CHARLES PARISH CLERK OF COURT
Hahnville, Louisiana

Annual Financial Report
For the Year Ended June 30, 2006

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 1/10/07



STAGNI & COMPANY, LLC

ST. CHARLES PARISH CLERK OF COURT
Annual Financial Report
For the Year Ended June 30, 2006

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**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

Our discussion and analysis of the St. Charles Parish Clerk of Court's financial performance provides an overview of the financial activities as of and for the fiscal year ended June 30, 2006. 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 St. Charles 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.

**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

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 costs. 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 decreased by \$277,885 or nearly 26%.
- During the year, the Clerk had expenses of \$1,686,469 that were \$306,161 more than the \$1,380,308 generated in fees and other revenues for governmental programs. This compares to last year, when expenses were more than revenues by \$59,918.
- The governmental funds reported total ending fund balance of \$478,731, all of which is classified as unreserved. This compares to the prior year ending fund balance of \$920,278 showing a decrease of \$441,547 or 47.9% during the current year.

**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

The Statement of Net Assets and the Statement of Activities report 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.

ST. CHARLES 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 2006	FY 2005	Dollar Change	Total Percent Change
Current and Other Assets	\$ 506,076	\$ 949,066	\$ (442,990)	-46.7%
Capital Assets	354,162	182,175	171,987	94.4%
Total Assets	860,238	1,131,241	(271,003)	-24.0%
Current Liabilities	31,751	34,756	(3,005)	-8.6%
Non-current Liabilities	35,682	25,795	9,887	38.3%
Total Liabilities	67,433	60,551	6,882	11.4%
Invested in Capital Assets,				
Net of Related Debt	329,717	170,620	159,097	93.2%
Restricted for commitments	-	114,566	(114,566)	100.0%
Unrestricted	463,088	785,504	(322,416)	-41.0%
Total Net Assets	\$ 792,805	\$ 1,070,690	\$ (277,885)	-26.0%

Net assets decreased by \$277,885 as a result of this year's operations. The overall financial position declined during the fiscal year ending June 30, 2006. 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 the majority of the decrease. The balance in net assets represents the accumulated results of all past years' operations.

**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

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

Condensed Statement of Activities

	FY 2006	FY 2005	Dollar Change	Total Percent Change
Total program expenses	\$ (1,686,469)	\$(1,687,975)	\$ 1,506	-0.1%
Total program revenues	<u>1,380,308</u>	<u>1,628,057</u>	<u>(247,749)</u>	<u>-15.2%</u>
Net program income (expenses)	(306,161)	(59,918)	(246,243)	411.0%
General revenues	<u>28,276</u>	<u>19,161</u>	<u>9,115</u>	<u>47.6%</u>
Change in Net Assets	(277,885)	(40,757)	(237,128)	581.8%
Net Assets:				
Beginning of the year, restated	<u>1,070,690</u>	<u>1,111,447</u>	<u>(40,757)</u>	<u>-3.7%</u>
End of the year	<u>\$ 792,805</u>	<u>\$ 1,070,690</u>	<u>\$(277,885)</u>	<u>-26.0%</u>

The Clerk of Court's total revenues for the year in governmental activities were \$1,408,584 (\$1,380,308 in program revenues and \$28,276 in general revenues). This represents a decrease of approximately \$240,000 in revenues from last year. The total cost of all programs and services was \$1,686,469 with no new programs added this year. Program expenses remained approximately the same; however the decrease in revenues resulted in a negative change in net assets of \$277,885.

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 an unreserved fund balance of \$478,731. This reflects a decrease of \$441,547 from last year. This decrease is primarily the result of the events and programs described within the analysis of the governmental activities.

**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised by approximately \$262,340 this fiscal year. Supplemental appropriations or authorized budget amendments were approved as follows:

Original Budgeted Revenues and Other Financing Sources	\$ 1,795,200
Amendments were made for:	
Decrease Transfer from Advanced Deposit	(130,370)
Decrease Recording Fees	(197,549)
Decrease Fees in Criminal Cases	(37,499)
Decrease in Certified Copies	(40,927)
Increase in Interest	5,483
Decrease in Mortgage Certificates	(8,565)
Decrease in Court Attendance	(1,380)
Decrease in Cancellations	(20,393)
Decrease in Marriage Licenses	(582)
Decrease in Notary Fees	(12,524)
Decrease in Computer Rental	(3,600)
Increase in Clerk's Supplemental	1,150
Increase in Copies – Birth Certificates	4,273
Decrease in Other	(9,492)
Increase in Proceeds from sale of assets	275
Increase in Proceeds from capital leases	27,060
Total revenue and other financing sources amendments	(424,640)
Amended Budgeted Revenues	\$ 1,370,560

Original Budgeted Expenditures	\$ 1,793,954
Amendments were made for:	
Decrease in Personnel Services and benefits	(57,208)
Increase in Professional Services	5,545
Decrease in Office Expense	(45,414)
Increase in Telephone	1,680
Decrease in Insurance	(14,340)
Decrease in Travel & Conventions	(1,874)
Decrease in Clerk's Supplement	(655)
Decrease in Election Expenditures	(2,455)
Decrease in Automobile Expenses	(441)

**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

Increase in Birth Certificates	8,413
Increase in Association Dues	149
Increase in Uniform Commercial Code	72
Decrease in Uniforms	(188)
Decrease in Other	(1,000)
Increase in Capital Outlay	90,004
Increase in Debt Service Payments	1,459
Total expenditure amendments	(16,273)
Amended Budgeted Expenditures	\$ 1,777,681
Original Budgeted Beginning Fund Balance	\$ 893,114
Increase in Beginning Fund Balance	27,164
Amended Budgeted Beginning Fund Balance	\$ 920,278

CAPITAL ASSETS

Capital assets included furniture, office equipment and automobiles recorded at historical cost of \$795,828. Accumulated depreciation as of June 30, 2006 of \$441,666 recorded from the cost of assets resulted in an ending book balance of assets of \$354,162.

This year there were \$260,534 of additions and \$67,974 of deletions recorded to capital assets. Depreciation expense of \$79,559 was recorded for the year. More detailed information about the capital assets is presented in Note 4 to the financial statements.

LONG TERM OBLIGATIONS

The Clerk of Court entered into lease agreements for financing the acquisition of three copy machines, a telephone system and a voice mail system. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term), and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception in the governmental fund. The amount due on capital lease obligations at the end of last year was \$11,555. During the year, additions to capital leases were \$27,060, payments and write-offs for trade-ins on capital leases were \$14,170 resulting in an ending balance of \$24,445. Of the ending balance \$4,406 is due in the current year and \$20,039 was considered long term.

Other obligations include accrued personal leave – compensated absences. The long-term balance recorded for compensated absences at the end of last year was \$20,208.

**ST. CHARLES PARISH CLERK OF COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2006**

The net decrease during the year of \$4,565 resulted in an ending balance of \$15,643. More detailed information about the capital leases and long-term obligations can be found in Notes 5 and 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Clerk of Court considered many factors when preparing the budget for the next fiscal year. The current or possible increasing or decreasing of rates and fees that would be charged and new laws or possible regulations were all considered.

Condensed Summary of Budgeted Finances

	<u>FY 2007</u>
Total revenues	\$ 1,634,570
Expenditures:	
Current	1,588,765
Capital outlay	35,000
Debt service	<u>7,571</u>
Total expenditures	<u>1,631,336</u>
Excess of revenues	3,234
Fund Balance:	
Beginning of the year	<u>513,157</u>
End of the year	<u>\$ 516,391</u>

Historically, the office staff and costs remain stable and should continue to do so. The St. Charles Parish Clerk of Court is anticipating a decrease in budgeted capital outlay in 2007 of approximately \$225,000 from those budgeted for this fiscal year. If these estimates remain consistent, the St. Charles Parish Clerk of Court's General Fund balance is expected to increase slightly by the close of the fiscal year ending June 30, 2007.

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 Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
P.O. Box 424
Hahnville, LA 70057
985-783-6632

Financial Section



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Hahnville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Charles Parish Clerk of Court as of and for the year ended June 30, 2006, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. Charles 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 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 St. Charles Parish Clerk of Court as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 4, 2006, on our consideration of the St. Charles Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

Honorable Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Hahnville, Louisiana
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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 *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and 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. 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.

Stagni & Company

Thibodaux, LA
October 4, 2006



ST. CHARLES PARISH CLERK OF COURT
Statement of Net Assets
June 30, 2005

ASSETS	General Fund
Cash and cash equivalents	\$ 10,880
Investments	455,000
Accounts receivable	37,672
Prepaid expenses	2,426
Due from agency funds	98
Capital assets, net of accumulated depreciation	354,162
Total assets	860,238
LIABILITIES	
Current:	
Accounts payable	7,321
Compensated absences	20,024
Capital leases, due in one year	4,406
Total current liabilities	31,751
Non-current:	
Capital leases	20,039
Compensated absences	15,643
Total non-current liabilities	35,682
Total liabilities	67,433
NET ASSETS	
Invested in capital assets, net of related debt	329,717
Unrestricted	463,088
Total net assets	\$ 792,805

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT

Statement of Activities

For the Year Ended June 30, 2006

EXPENSES

Judiciary:	
Personal services and benefits	\$ 1,155,689
Office operations	236,995
Professional services	17,045
Insurance	179,560
Travel and training	6,040
Interest expense	2,592
Depreciation	79,559
Loss on disposal of asset	8,989
Total program expenses	<u>1,686,469</u>

PROGRAM REVENUES

Charges for services	<u>1,380,308</u>
Total program revenues	<u>1,380,308</u>

Net Program Income (Expense) (306,161)

GENERAL REVENUES

Proceeds from the sale of fixed assets	275
Gain from trade-in of assets	9,513
Interest earned	18,488
Total general revenues	<u>28,276</u>

Change in Net Assets (277,885)

NET ASSETS

Beginning of year	<u>1,070,690</u>
End of year	<u>\$ 792,805</u>

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT

Balance Sheet - Governmental Fund

June 30, 2006

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 10,880
Investments	455,000
Accounts receivable	35,372
Other receivables	2,300
Prepaid expenses	2,426
Due from other funds	98
	<hr/>
Total assets	<u>\$ 506,076</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Accounts payable and accrued expenses	\$ 7,321
Compensated absences	20,024
Total liabilities	<hr/> 27,345
Fund Balance :	
Unreserved - undesignated	478,731
Total fund balance	<hr/> 478,731
	<hr/>
Total liabilities and fund balances	<u>\$ 506,076</u>

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT
Reconciliation of the Balance Sheet- Governmental Fund
to the Statement of Net Assets
June 30, 2006

Total fund balance - governmental fund (fund financial statement)		\$ 478,731
Amounts reported for <i>governmental activities</i> in the statement of net assets (government-wide financial statements) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		354,162
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Capital leases payable - current year	\$ (4,406)	
Capital leases payable - noncurrent	(20,039)	
Compensated absences payable-noncurrent	<u>(15,643)</u>	
		(40,088)
		<hr/>
Total net assets of governmental activities (government-wide financial statements)		<u>\$ 792,805</u>

See notes to the financial statements.

ST. CHARLES PARISH CLERK OF COURT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund - General Fund
For the Year Ended June 30, 2006

Revenues	General Fund
Suits and successions transferred from the Advance Deposit Fund	\$ 422,177
Recording fees	531,488
Fees in criminal cases	198,429
Certified copies	111,168
Interest earned	18,488
Mortgage certificates	16,495
Court attendance	13,160
Cancellations	19,533
Marriage licenses	5,193
Notarial fees	6,150
Computer rental	3,900
Clerk's supplemental	17,650
Copies - birth certificates	29,371
Other	7,596
Total revenues	1,398,796
Expenditures	
Current-Judiciary:	
Salaries and benefits:	911,970
Retirement contributions	248,284
Professional services	17,045
Office expense	166,237
Telephone	13,212
Insurance	179,560
Travel and convention	4,926
Clerk's supplement	19,694
Clerk's election compensation	2,400
Election expenditures	2,045
Auto	1,114
Birth certificates	19,575
Association dues	2,349
Uniform commercial code	3,946
Uniforms	7,537
Total current expenditures	1,599,894
Capital outlay	260,534
Debt service:	
Principal payments	4,658
Interest	2,592
Total expenditures	1,867,678
Excess (deficiency) of revenues over expenditures	(468,882)
Other Financing Sources (Uses)	
Proceeds from sale of asset	275
Proceeds from capital leases	27,060
Total other financing sources (uses)	27,335
Net change in fund balance	(441,547)
Fund Balances	
Beginning of year	920,278
End of year	\$ 478,731

See notes to financial statements.

ST. CHARLES 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, 2006

Net change in fund balance - governmental fund (fund financial statements) \$ (441,547)

Amounts reported for *governmental activities* in the statement of activities
 (government-wide financial statements) 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	\$ 260,534	
Depreciation expense	(79,559)	
Loss on disposal of capital assets	<u>(8,989)</u>	171,986

Repayment of long-term debt is reported as an expenditure in governmental
 funds, but the repayment reduces long-term liabilities in the statement of net assets.
 In the current year, these amounts consists of:

Capital lease payments	4,658	
Write-off of capital leases for trade in	9,513	
Proceeds from issuance of capital leases	(27,060)	(12,889)

Some items reported in the statement of activities do not require the use of
 current financial resources and therefore are not reported as expenditures
 in governmental funds. These activities consist of:

Decrease in long-term compensated absences		4,565
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Change in net assets of governmental activities (government -wide financial statements) \$ (277,885)

ST. CHARLES PARISH CLERK OF COURT

Combinbing Statement of Fiduciary Net Assets

June 30, 2006

	Advance Deposit Fund	Registry of the Court Fund	Total
<hr/> ASSETS <hr/>			
Cash and cash equivalents	\$ 259,251	\$ 43,363	\$ 302,614
Investments	370,000	4,049,887	4,419,887
Accounts receivable	426		426
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 629,677</u>	<u>\$ 4,093,250</u>	<u>\$ 4,722,927</u>
<hr/> LIABILITIES <hr/>			
Due to general fund	\$ 98		\$ 98
Due to others	629,579	\$ 4,093,250	4,722,829
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>\$ 629,677</u>	<u>\$ 4,093,250</u>	<u>\$ 4,722,927</u>

See notes to financial statements.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

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 St. Charles 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 by the Clerk are discussed below.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

These financial statements present the St. Charles Parish Clerk of Court as the primary government. As defined by GASBS No. 14, component units are legally separate entities that are included in the reporting entity because of the significance of their operating or financial relationships. The GASB has established several criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since, the St. Charles Parish Clerk of Court (Clerk of Court) is an independently elected official, and is legally separate and fiscally independent; the Clerk of Court is a separate governmental reporting entity.

There are unrecorded financial transactions between the St. Charles Parish Council (the Council) and the Clerk of Court where the Council provides office space and utilities for the Clerk of Court. These transactions between the Clerk of Court and the Parish Council are mandated by state statute and do not reflect fiscal dependency; thereby, they do not reflect financial accountability.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

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*.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2006

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Financial Statements (FFS)

B. Basic Financial Statements (Continued)

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.

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 fund 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, **Continued**

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.

Modified Accrual: The governmental fund 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 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,**
Continued

F. Capital Assets

Capital assets purchased or acquired 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 cost 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:

<u>Description</u>	<u>Estimated Lives</u>
Office Equipment	5 - 7 years
Furniture & Fixtures	7 - 10 years
Automobiles	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

The Clerk of Court annually adopts a budget for the General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget. Any amendments to the budget are published in the Clerk of Court's official journal. Budgetary integration is employed as a management tool.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is not utilized in the funds of the Clerk of Court.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Compensated Absences

The Clerk of Court accrues accumulated personal leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Employees of the Clerk of Court's office are granted from 16 to 30 days of personal leave each calendar year, depending on their length of service. Any "comp-time" earned due to employees working overtime is added to the personal leave time. At resignation or retirement, employees receive one day's pay for every two days of personal leave earned.

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. 13:784 (A) during said term in office. At June 30, 2006, there was no amount due the parish treasurer although 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2006

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

Note 2 DEPOSITS

The Clerk of Court's cash and cash equivalents and investments are considered deposits. Deposits (demand deposits, interest bearing demand deposits, time deposits, and certificates of deposit) are recorded at cost, which approximates fair value. At June 30, 2006, the carrying amount and bank balances of deposits are as follows:

	Balances	
	Book	Bank
Interest bearing demand deposits	\$ 258,185	\$ 401,397
Non-interest bearing demand deposits	54,609	87,381
Time deposits	4,874,887	4,874,887
Cash on hand	700	
Total deposits	\$ 5,188,381	\$ 5,363,665
Insured by FDIC		\$ 798,258
Uninsured and collateral held by pledging bank's trust department not in the city's name		\$ 4,565,407

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned. 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

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2006

must, at all times, equal the amount on deposit with the fiscal agent bank.

Note 2 **DEPOSITS (continued)**

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. FDIC of \$798,258 and pledged securities valued at June 30, 2006 of \$5,314,643 secure these deposits from risk. The collateral must be held at pledging bank's trust department or other banks acting as the pledging bank's agent, in the Clerk of Court's name.

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.

As noted in the above table, \$4,565,407 of the clerk's bank balance as of June 30, 2006 of \$5,363,665 was exposed to custodial credit risk.

Note 3 **RECEIVABLES**

The accounts receivable in the governmental fund of \$35,372 consists of amounts due from attorneys for recording court fees and expenses related to cases in progress, and from abstractors for certified copies.

Note 4 **CAPITAL ASSETS**

Capital assets and depreciation activity for the year follows:

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements

For the Year Ended June 30, 2006

	Balance June 30, 2005	Additions/ Adjustment	Deletions	Balance June 30, 2006
Furniture & fixtures	\$ 249,386			\$ 249,386
Office equipment	327,100	\$260,534	\$(67,974)	519,660
Automobiles	26,782			26,782
TOTAL	\$603,268	\$260,534	\$(67,974)	\$795,828
Less accumulated depreciation	\$421,093	\$79,559	\$(58,986)	\$441,666
NET CAPITAL ASSETS	\$ 182,175			\$ 354,162

Depreciation charged for governmental functions for the year was \$79,559.

Note 5 CAPITAL LEASES

The Clerk of Court, St. Charles Parish, Louisiana entered into lease agreements for financing the acquisition of three copy machines, telephone system and voice mail system. These lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term), and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception. During the year 2006, the Clerk traded two older copy machines under capital lease for three new ones and paid off the telephone and voice mail system. The amount written off of capital leases for the trade-in of the older copy machines for the new copy machines was \$9,513.

The clerk records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 5

CAPITAL LEASES, Continued

Type	Recorded Amount
Telephone and Voice Mail	29,073
Xerox 430 Copier	5,470
Xerox Copycentre 255	14,235
Xerox Copycentre 238	7,355
Total Office Equipment	\$56,133

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2006:

Year ending June 30,	Xerox 430 Copier	Xerox Copycentre 255	Xerox Copycentre 238	Total
2007	\$1,414	\$4,135	\$2,022	\$7,571
2008	1,414	4,135	2,022	7,571
2009	1,414	4,135	2,022	7,571
2010	1,414	4,134	2,021	7,569
2011	472	1,378	673	2,523
Total minimum lease payments	6,128	17,917	8,760	32,805
Less: Amount representing interest	1,232	5,000	2,128	8,360
Present value of minimum lease payments	\$4,896	\$12,917	\$6,632	\$ 24,445

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 6 LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations:

	Compensated Absences	Capital Lease	Total
Long-term debt payable at June 30, 2005	\$ 20,208	\$ 11,555	\$ 31,763
Additions		27,060	27,060
Deductions	4,565	14,170	18,735
Long-term debt payable at June 30, 2006	\$ 15,643	\$ 24,445	\$ 40,088

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations:

	Compensated Absences	Capital Lease	Total
Current-portion	\$ 20,024	\$ 4,406	\$ 24,430
Long-term portion	15,643	20,039	35,682
Total	\$ 35,667	\$ 24,445	\$ 60,112

Note 7 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 jointly by the employee and the Clerk of Court. For the year ending June 30, 2006, the cost of the benefits for 3 retirees totaled \$2,591.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 8

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 15.75 percent of annual covered payroll for the year ending June 30, 2006. 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.

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 St. Charles Parish Clerk of Court has elected to do so for the year ending June 30, 2004, 2005, and 2006.

The Clerk of Court's contribution for the years ending June 30, 2004, 2005 and 2006 were \$160,473 (19.75% of covered payroll), \$201,565 (21% of covered payroll), and \$207,789 (24% of covered payroll) respectively, which were equal to the required contributions for each year.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 9 DEFERRED COMPENSATION PLAN

Starting in October 1999, the Clerk of Court employees had the option of becoming participants in the State of Louisiana Deferred Compensation Plan. This Plan was established pursuant to IRC Section 457 and Louisiana R.S. 42:1301-1308. The Plan provides state, parish, and municipal employees with the opportunity to invest money on a before-tax basis, using payroll deduction. Participants defer federal or state income tax on their contributions. In addition, interest or earnings on the participant's account accumulate tax-deferred.

Participants can contribute up to a maximum of 100% of compensation, not to exceed \$15,000 for the 2006 calendar year. Additionally, if age 50 or older, participants may elect the Age 50+ provision to defer an additional \$5,000 in 2006 above the annual deferral limit.

During fiscal year 2002, the Deferred Compensation plan began offering a one-time only "catch-up" option. During three years prior to normal retirement age as defined by the Plan, a participant may be eligible to contribute a "catch-up" amount if the participant did not contribute the maximum allowable amount during the years of eligibility in the Plan since January 1, 1979. This provision can not be used during the calendar year if the Age 50+ provision is elected, nor may a catch-up contribution be made during the calendar year of the normal retirement age, nor may a catch-up contribution be made if the participant previously participated in catch-up under this or any other Section 457 plan.

The Clerk of Court agreed to match each participant's contribution up to a maximum of 5% for the year ending June 30, 2006.

Total contributions made by the Clerk of Court on behalf of the employees for the year ending June 30, 2006 were \$40,504. There were no employees who elected the "catch-up" option during this fiscal year.

Withdrawals from the plan occur at retirement, separation from service, death, or proven financial hardship (unforeseeable emergency as defined by the Plan).

Note 10 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.

ST. CHARLES PARISH CLERK OF COURT

Notes to Financial Statements
For the Year Ended June 30, 2006

Note 11 EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COUNCIL

The Clerk of Court's office is located in the parish courthouse. The expenditures for maintenance and operation of the parish courthouse are paid by the St. Charles Parish Council and are not included in the accompanying financial statements. The amount of these expenditures paid by the Parish Council is indeterminate.

Note 12 INTERFUND ASSETS/LIABILITIES

The balances due to/from General Fund and Advance Deposit Fund are as follows:

	June 30, 2006
General Fund Due from other funds	\$ 98
Advance Deposit Due to general fund	\$ 98

Note 13 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

ST. CHARLES PARISH CLERK OF COURT
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2006

Revenues	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Suits and successions transferred from the Advance Deposit Fund	\$ 550,000	\$ 419,630	\$ 422,177	\$ 2,547
Recording fees	695,000	497,451	531,488	34,037
Fees in criminal cases	228,000	188,501	198,429	7,928
Certified copies	148,000	107,073	111,166	4,093
Interest earned	12,000	17,483	18,488	1,005
Mortgage certificates	24,000	15,435	16,495	1,060
Court attendance	15,000	13,620	13,160	(460)
Cancellations	39,000	18,607	19,533	926
Marriage licenses	4,500	3,918	5,193	1,275
Notarial fees	18,000	5,476	6,150	674
Computer rental	7,200	3,600	3,900	300
Clerk's supplemental	16,500	17,850	17,650	-
Copies - birth certificates	25,000	29,273	29,371	98
Other	15,000	5,508	7,596	2,088
Total revenues	1,795,200	1,343,225	1,398,796	55,571
Expenditures				
Current-general government:				
Salaries and benefits	900,208	909,925	911,970	(2,045)
Retirement contributions	280,022	213,097	248,284	(35,187)
Professional services	11,000	16,545	17,045	(500)
Office expense	181,000	135,586	166,237	(30,651)
Telephone	10,500	12,160	13,212	(1,052)
Insurance	193,000	178,660	179,560	(900)
Travel and convention	6,800	4,926	4,926	-
Clerk's supplement	21,950	21,295	19,694	1,601
Clerk's election Compensation	2,400	2,400	2,400	-
Election expenditures	4,500	2,045	2,045	-
Auto	1,500	1,059	1,114	(55)
Birth certificates	13,000	21,413	19,575	1,838
Association Dues	2,200	2,349	2,349	-
Uniform Commercial Code	3,900	3,972	3,946	26
Uniforms	15,000	14,812	7,537	7,275
Other	1,000	-	-	-
Total current expenditures	1,847,980	1,640,244	1,589,894	(67,605)
Capital outlay	140,000	230,004	260,534	(30,530)
Debt service:				
Principal payments	5,361	4,851	4,658	193
Interest	613	2,582	2,592	(10)
Total expenditures	1,793,954	1,777,681	1,867,678	(87,952)
Excess (deficiency) of revenues over expenditures	1,246	(434,456)	(468,882)	(34,426)
Other Financing Sources (Uses)				
Proceeds from sale of asset	-	275	275	-
Proceeds from capital leases	-	27,080	27,080	-
Net change in fund balances	1,246	(407,121)	(441,547)	(34,426)
Fund Balances				
Beginning of year	893,114	920,278	920,278	-
End of year	\$ 894,360	\$ 513,157	\$ 478,731	\$ (34,426)

*Reports Required by
Government Auditing Standards*



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**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**

Honorable Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Hahnville, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the St Charles Parish Clerk of Court as of and for the year ended June 30, 2006, which collectively comprise the basic financial statements and have issued our report thereon dated October 4, 2006. 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 St Charles 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.

Honorable Charles J. Oubre, Jr.
St. Charles Parish Clerk of Court
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St Charles 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 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 that are required to be reported under *Government Auditing Standards*.

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 4, 2006



ST. CHARLES PARISH CLERK OF COURT

Status of Prior Audit Findings

For the Year Ended June 30, 2006

<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

ST. CHARLES PARISH CLERK OF COURT

Corrective Action Plan

For the Year Ended June 30, 2006

<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