

**VERMILION PARISH CLERK OF COURT**

Financial Report

Year Ended June 30, 2005

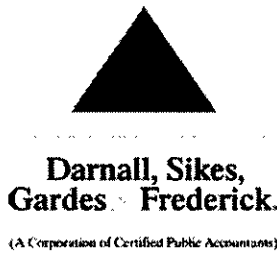
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the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

Release Date

12/7/05

TABLE OF CONTENTS

|  | Page  |
|--|-------|
| Independent Auditors' Report   | 1-2   |
| <b>BASIC FINANCIAL STATEMENTS</b>  |       |
| <b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>   |       |
| Statement of net assets  | 5     |
| Statement of activities  | 6     |
| <b>FUND FINANCIAL STATEMENTS (FFS)</b>   |       |
| Balance sheet - governmental fund  | 8     |
| Reconciliation of the governmental fund balance sheet<br>to the statement of net assets  | 9     |
| Statement of revenues, expenditures, and changes in fund balance -<br>governmental fund  | 10    |
| Reconciliation of the statement of revenues, expenditures, and<br>changes in fund balance of governmental fund to the statement of activities  | 11    |
| Statement of agency assets and liabilities - fiduciary funds   | 12    |
| Notes to basic financial statements  | 13-24 |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>  |       |
| Budgetary comparison schedule:<br>General Fund   | 26    |
| <b>OTHER SUPPLEMENTARY INFORMATION</b>   |       |
| <b>OTHER FINANCIAL INFORMATION</b>   |       |
| Major Governmental Fund -  |       |
| General Fund - budgetary comparison schedule - revenues  | 29    |
| General Fund - budgetary comparison schedule - expenditures  | 30-32 |
| Fiduciary Funds -  |       |
| Combining statement of assets and liabilities  | 33    |
| Combining statement of changes in assets and liabilities   | 34    |
| <b>COMPLIANCE AND INTERNAL CONTROL</b>   |       |
| Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of<br>Financial Statements Performed in Accordance with<br><i>Government Auditing Standards</i> | 36-37 |
| Summary schedule of current year audit findings<br>and corrective action plan  | 38    |
| Summary schedule of prior year audit findings  | 39    |



Eugene H. Damall, CPA, Retired 1990  
Paula D. Bihm, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™  
Danny P. Frederick, CPA  
Clayton E. Damall, CPA, CVA  
Eugene H. Damall, III, CPA  
Stephanie M. Higginbotham, CPA  
John P. Armato, CPA  
J. Stephen Gardes, CPA, CVA  
Jennifer S. Ziegler, CPA, CFP™  
Chris A. Miller, CPA, CVA  
Stephen R. Dischler, MBA, CPA  
Steven G. Moosa, CPA  
M. Rebecca Gardes, CPA  
Pamela Mayeaux Bonin, CPA, CVA  
Joan B. Moody, CPA

**INDEPENDENT AUDITORS' REPORT**

The Honorable Diane Meaux Broussard  
Vermilion Parish Clerk of Court  
Abbeville, Louisiana

Erich G. Loewer, Jr., CPA, CVA  
Kathleen T. Damall, CPA  
Erich G. Loewer, III, MTX, CPA  
Tamera T. Landry, CPA  
Raegan D. Maggio, CPA  
Barbara A. Clark, CPA  
Lauren F. Verret, CPA  
Michelle B. Borrello, CPA  
Jeremy C. Meaux, CPA  
Kevin S. Young, CPA  
Barbara Ann Waits, CPA  
Adam J. Curry, CPA  
Chad M. Bailey, CPA  
Carol C. Guillory, CPA  
Christy S. Dew, CPA  
Heather N. Clement, CPA  
Victoria M. LaPrairie, CPA  
Emily J. LeBoeuf, CPA

We have audited the accompanying financial statements of the governmental activities and major fund of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2005, 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 Vermilion 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 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 of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Vermilion Parish Clerk of Court as of June 30, 2005, 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 July 22, 2005, on our consideration of the Vermilion Parish Clerk of Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The budgetary comparison information on page 26 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

125 Rue Beauregard  
Lafayette, LA 70508  
Phone: 337.232.3312  
Fax: 337.237.3614

1231 E. Laurel Avenue  
Eunice, LA 70535  
Phone: 337.457.4164  
Fax: 337.457.5060

1201 Brashear Avenue  
Suite 301  
Morgan City, LA 70380  
Phone: 985.384.6264  
Fax: 985.384.8140

203 S. Jefferson Street  
Abbeville, LA 70510  
Phone: 337.893.5470  
Fax: 337.893.5470

Member of:  
American Institute of  
Certified Public Accountants  
  
Society of Louisiana  
Certified Public Accountants

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vermilion Parish Clerk of Court's basic financial statements. The other supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

*Dannall, Sikes, Gardes & Frederick*

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
July 22, 2005

**BASIC FINANCIAL STATEMENTS**

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Statement of Net Assets  
June 30, 2005

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                   |                                    |
| Current assets:                                 |                                    |
| Cash and cash equivalents                       | \$ 368,513                         |
| Receivables                                     | 49,148                             |
| Prepaid expenditures                            | <u>4,941</u>                       |
| Total current assets                            | 422,602                            |
| Noncurrent assets:                              |                                    |
| Capital assets, net                             | <u>90,981</u>                      |
| Total assets                                    | <u>\$ 513,583</u>                  |
| <b>LIABILITIES</b>                              |                                    |
| Current liabilities:                            |                                    |
| Accounts payable                                | \$ 17,641                          |
| Capital lease payable - due within one year     | <u>2,473</u>                       |
| Total current liabilities                       | 20,114                             |
| <b>NET ASSETS</b>                               |                                    |
| Invested in capital assets, net of related debt | 88,508                             |
| Unrestricted                                    | <u>404,961</u>                     |
| Total net assets                                | <u>\$ 493,469</u>                  |

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Statement of Activities  
Year Ended June 30, 2005

| Activities                                 | Expenses         | Program Revenues<br>Charges for Operating Grants<br>Services and Contributions | Net (Expense) Revenues<br>and Changes in Net Assets<br>Total<br>Governmental Activities |
|--|------------------|--|---|
| Governmental activities:                   |                  |  |   |
| General government                         | \$ 1,489,535     | \$ 52,189  | \$ (132,668)  |
| Interest on long-term debt                 | <u>636</u>       | <u>-</u>   | <u>(636)</u>  |
| Total primary government                   | <u>1,490,171</u> | <u>52,189</u>  | <u>(133,304)</u>  |
|  |                  |  |   |
| General revenues:                          |                  |  |   |
| Investment earnings                        |                  |  | 6,115   |
| Appropriation from Clerk's Supplement Fund |                  |  | 15,850  |
| Transfers from primary government          |                  |  | 38,500  |
| Loss on sale of capital assets             |                  |  | <u>(416)</u>  |
| Total general revenues and transfers       |                  |  | <u>60,049</u>   |
| Change in net assets                       |                  |  | <u>(73,255)</u>   |
| Net assets - beginning of year             |                  |  | <u>566,724</u>  |
| Net assets - end of year                   |                  |  | <u>493,469</u>  |

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



**FUND FINANCIAL STATEMENTS (FFS)**

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Balance Sheet – Governmental Fund  
June 30, 2005

|                                     | <u>General<br/>Fund</u> |
|-------------------------------------|-------------------------|
| <b>ASSETS</b>                       |                         |
| Cash and cash equivalents           | \$ 368,513              |
| Receivables                         | 49,148                  |
| Prepaid expenditures                | <u>4,941</u>            |
| Total assets                        | <u>\$422,602</u>        |
| <b>LIABILITIES AND FUND BALANCE</b> |                         |
| Liabilities:                        |                         |
| Accounts payable                    | <u>\$ 17,641</u>        |
| Total liabilities                   | <u>17,641</u>           |
| Fund balance:                       |                         |
| Reserved for prepaid expenditures   | 4,941                   |
| Unreserved:                         |                         |
| Undesignated                        | <u>400,020</u>          |
| Total fund balance                  | <u>404,961</u>          |
| Total liabilities and fund balance  | <u>\$422,602</u>        |

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
To the Statement of Net Assets  
June 30, 2005

|   |                  |                   |
|---|------------------|-------------------|
| Total fund balance for the governmental fund at June 30, 2005 |                  | \$ 404,961        |
| Cost of capital assets at June 30, 2005                       | \$ 695,390       |                   |
| Less: Accumulated depreciation                                | <u>(604,409)</u> | 90,981            |
| Capital lease payable:  |                  |                   |
| Due within one year   |                  | <u>(2,473)</u>    |
| Total net assets of governmental activities at June 30, 2005  |                  | <u>\$ 493,469</u> |

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance –  
Governmental Fund  
Year Ended June 30, 2005

|  | General<br>Fund   |
|--|-------------------|
| Revenues:                                |                   |
| Licenses and permits                     | \$ 12,880         |
| Fees, charges and commissions -          |                   |
| Court costs, fees and charges            | 322,527           |
| Fees for recording legal documents       | 920,956           |
| Fees for certified copies                | 46,846            |
| Intergovernmental                        | 90,689            |
| Miscellaneous                            | <u>26,934</u>     |
| Total revenues                           | <u>1,420,832</u>  |
| Expenditures:                            |                   |
| Current -                                |                   |
| General government -                     |                   |
| Salaries                                 | 784,877           |
| Employee benefits                        | 364,349           |
| Insurance                                | 16,899            |
| Operation and maintenance                | 171,370           |
| Advertising                              | 638               |
| Vehicle                                  | 13,340            |
| Professional services                    | 30,055            |
| Miscellaneous                            | 44,683            |
| Police jury expenditures                 | 36,595            |
| Capital outlay                           | 27,630            |
| Debt service -                           |                   |
| Principal                                | 4,987             |
| Interest                                 | <u>636</u>        |
| Total expenditures                       | <u>1,496,059</u>  |
| Deficiency of revenues over expenditures | <u>(75,227)</u>   |
| Fund balance, beginning of year          | <u>480,188</u>    |
| Fund balance, end of year                | <u>\$ 404,961</u> |

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
To the Statement of Activities  
Year Ended June 30, 2005

|  |                    |
|--|--------------------|
| Total net change in fund balance per Statement of Revenues,<br>Expenditures and Changes in Fund Balance                                  | \$ (75,227)        |
| Add: Capital outlay costs which are reported as expenditures in the Statement<br>of Revenues, Expenditures, and Changes in Fund Balance  | 27,630             |
| Principal payments on long-term debt reported as expenditures in the<br>Statement of Revenues, Expenditures, and Changes in Fund Balance | 4,987              |
| Less: Loss on sale of capital assets net of sales proceeds   | (3,916)            |
| Less: Depreciation expense not recognized as an expenditure in the<br>governmental funds   | <u>(26,729)</u>    |
| Total change in net assets per Statement of Activities   | <u>\$ (73,255)</u> |

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Statement of Agency Assets and Liabilities – Fiduciary Funds

June 30, 2005

|                             | <u>Agency<br/>Funds</u> |
|-----------------------------|-------------------------|
| ASSETS                      |                         |
| Cash                        | <u>\$3,705,412</u>      |
| LIABILITIES                 |                         |
| Due to litigants and others | <u>\$3,705,412</u>      |

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

Financial Reporting Entity

As the governing authority of the Parish, for reporting purposes, the Vermilion Parish Police Jury is the financial reporting entity for Vermilion Parish. The financial reporting entity consists of the primary government (Police Jury), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Vermilion Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

Appointing a voting majority of an organization's governing body, and

The ability of the Police Jury to impose its will on that organization and/or

The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.

Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.

Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Policy Jury provides the Vermilion Parish Clerk of Court (Clerk) with office space, operational expenditures and certain capital purchases, the Clerk was determined to be a component unit of the Vermilion Parish Policy Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Clerk and do not present information on the Police Jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Clerk as a whole. These statements include all the financial activities of the Clerk. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

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

Fund Financial Statements (FFS)

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Clerk are classified into two categories: governmental and fiduciary. Since the resources in the fiduciary funds cannot be used for Clerk operations, they are not included in the government-wide statements. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or



VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Clerk is considered to be a major fund. The funds of the Clerk are described below:

Governmental Fund –

General Fund – This fund is the primary operating fund of the Clerk and it accounts for the operations of the Clerk’s office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Clerk’s policy.

Fiduciary Funds –

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Clerk are agency funds. The agency funds account for cash held by the clerk of court as an agent for litigants 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 agency funds are as follows:

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 the Court Fund – The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Non-Support Fund – The Non-Support Fund, as provided by Louisiana Revised Statute 13:848, accounts for the collection and disbursement of fees in criminal cases that have been sent by the Department of Social Services.

Measurement Focus/Basis of Accounting

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilize 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 when 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.

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The clerk has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the clerk may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Prepaid items

The clerk's policy regarding prepaid expenditures is to record the portion of insurance premiums and maintenance agreements that is paid during the current fiscal year for future periods.

Capital assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided using the straight-line method of depreciation over the following estimated useful lives:

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|--------------------|-------------------------------|
| Office furniture   | 5-10                          |
| Equipment          | 5-10                          |

Compensated absences

Employees of the Clerk of Court's office earn 5 to 20 days of leave each year depending on length of service. Such leave is to be used for vacation, sickness, or emergencies. Employees are allowed to carryover a maximum of 15 days of unused leave to the following year. Because the estimated amount that could be paid for leave at year-end is not material, no accruals have been made for such absences.

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, grantors, contributors, or laws or regulations of other governments; and
2. Imposed by law through constitutional provisions or enabling legislation.

Fund equity

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.

Revenues, Expenditures and Expenses

Operating revenues and expenses

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

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

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function and in the funds financial statements, expenditures are classified by type.

Budgetary and Budgetary Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court. Such amendments were not material in relation to the original appropriations.

The following procedures apply to establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.

Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts utilizing the direct write-off method. Although this 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, 2005. Bad debt expense for the year ended June 30, 2005 was \$804.

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Clerk may deposit funds with 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 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, 2005, the Clerk of Court has cash and cash equivalents (book balances) totaling \$4,073,925 as follows:

|                                      | Governmental<br>Fund Type | Fiduciary<br>Fund Type | Total       |
|--------------------------------------|---------------------------|------------------------|-------------|
| Cash                                 | \$ 425                    | \$ -                   | \$ 425      |
| Demand deposits                      | 3,191                     | 11,484                 | 14,675      |
| Money market and<br>savings accounts | 364,897                   | 3,693,928              | 4,058,825   |
|                                      | \$ 368,513                | \$3,705,412            | \$4,073,925 |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2005, and the related federal insurance and pledged securities:

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (Continued)

|  |                   |
|--|-------------------|
| Bank balances                                | \$4,143,049       |
| Federal insurance                            | 553,288           |
| Pledged securities (Category 3)              | <u>4,259,328</u>  |
| Excess pledged securities over bank balances | <u>\$ 669,567</u> |

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Clerk of Court's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005 was as follows:

|                                | Balance<br>7/1/2004 | Additions     | Deletions         | Balance<br>6/30/2005 |
|--------------------------------|---------------------|---------------|-------------------|----------------------|
| Governmental activities:       |                     |               |                   |                      |
| Computer equipment             | \$ 335,880          | \$ 8,995      | \$ (7,196)        | \$ 337,679           |
| Office equipment               | 210,359             | 6,635         | -                 | 216,994              |
| Microfilm equipment            | <u>148,114</u>      | <u>12,000</u> | <u>(19,397)</u>   | <u>140,717</u>       |
| Total                          | <u>694,353</u>      | <u>27,630</u> | <u>(26,593)</u>   | <u>695,390</u>       |
| Less: accumulated depreciation |                     |               |                   |                      |
| Computer equipment             | 278,415             | 16,827        | (3,281)           | 291,961              |
| Office equipment               | 173,828             | 8,331         | -                 | 182,159              |
| Microfilm equipment            | <u>148,114</u>      | <u>1,571</u>  | <u>(19,396)</u>   | <u>130,289</u>       |
| Total                          | <u>600,357</u>      | <u>26,729</u> | <u>(22,677)</u>   | <u>604,409</u>       |
| Net capital assets             | <u>\$ 93,996</u>    | <u>\$ 901</u> | <u>\$ (3,916)</u> | <u>\$ 90,981</u>     |

Included in the above balances at June 30, 2005 are assets acquired through capital leases.

Capital leases included in the capital asset listing:

|                    |                   |
|--------------------|-------------------|
| Computer equipment | \$ 139,177        |
| Office equipment   | 27,808            |
| Other equipment    | <u>60,067</u>     |
|                    | <u>\$ 227,052</u> |

Depreciation expense of \$26,729 was charged to the general government function.

VERMILIN PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 4 PENSION PLAN

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

Funding Policy – Plan members are required to contribute 8.25% of their annual covered salary and the Vermilion Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 14.5% of annual covered payroll. The contribution requirements of plan members and the Vermilion Parish Clerk of Court are established and may be amended by the Clerk of Court Retirement and Relief Fund. The Vermilion Parish Clerk of Court's contributions to the Retirement System for the years ended June 30, 2005, 2004, and 2003 were \$109,474, \$86,826, and \$73,927.

NOTE 5 DEFERRED COMPENSATION PLAN

The Vermilion Parish Clerk of Court offers its employees participation in the Louisiana Public Employees Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Clerk of Court employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or proof of hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.



VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 6 CHANGES IN AGENCY FUND BALANCES

|                            | Advanced<br>Deposit<br>Fund | Registry<br>of Court<br>Fund | Non-<br>Support<br>Fund |
|----------------------------|-----------------------------|------------------------------|-------------------------|
| Balance, beginning of year | \$ 414,176                  | \$ 712,957                   | \$ 23,649               |
| Additions                  | 900,294                     | 3,531,025                    | 36,069                  |
| Reductions                 | (806,415)                   | (1,050,807)                  | (55,536)                |
| Balance, end of year       | \$ 508,055                  | \$3,193,175                  | \$ 4,182                |

NOTE 7 POST RETIREMENT BENEFITS

The Vermilion Parish 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 the premiums) as expenditures when the monthly premiums are due.

NOTE 8 CAPITAL LEASE PAYABLE

The Clerk records items under capital leases as an asset and an obligation in the accompanying financial statements. Assets under capital leases totaled \$227,052 at June 30, 2005, as detailed in Note 3. The obligation under capital leases are due December 5, 2005, with an implied interest rate of 13.24% per annum, with monthly payments of \$511. Interest expense totaled \$636 for the year ended June 30, 2005. 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, 2005.

|   |          |
|---|----------|
| <u>Year Ending June 30,</u>                 |          |
| 2006  | \$ 2,557 |
| Less: Amount representing interest          | 84       |
| Present value of net minimum lease payments | \$ 2,473 |

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Notes to Basic Financial Statements

NOTE 9 OPERATING LEASES

The Clerk is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and the results of the lease agreements are not reflected in the Clerk's account groups.

The following is a schedule, by years, of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2005.

| <u>Year Ending June 30,</u>     |                  |
|---------------------------------|------------------|
| 2006                            | \$ 10,132        |
| 2007                            | <u>2,632</u>     |
| Total minimum payments required | <u>\$ 12,764</u> |

NOTE 10 EXPENDITURES OF CLERK'S OFFICE PAID BY THE VERMILION PARISH POLICE JURY

Certain operating expenditures of the Clerk's office are paid by the Vermilion Parish Police Jury and are included in the accompanying financial statements. These expenditures are summarized as follows:

|                 |                  |
|-----------------|------------------|
| Book binding    | \$ 12,526        |
| Film processing | 990              |
| Maintenance     | 18,056           |
| Supplies        | <u>5,023</u>     |
|                 | <u>\$ 36,595</u> |

NOTE 11 RISK MANAGEMENT

The Clerk 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Budgetary Comparison Schedule  
General Fund  
Year Ended June 30, 2005

|  | Budget            |                   | Actual<br>Amounts | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|--|-------------------|-------------------|-------------------|--|
|  | Original          | Final             |                   |  |
| <b>Revenues:</b>                                     |                   |                   |                   |  |
| Licenses and permits                                 | \$ 11,000         | \$ 12,500         | \$ 12,880         | \$ 380   |
| Fees, charges and commissions -                      |                   |                   |                   |  |
| Court costs, fees and charges                        | 291,500           | 320,250           | 322,527           | 2,277  |
| Fees for recording legal document                    | 948,000           | 921,500           | 920,956           | (544)  |
| Fees for certified copies                            | 50,000            | 47,000            | 46,846            | (154)  |
| Intergovernmental                                    | 30,000            | 68,000            | 90,689            | 22,689   |
| Miscellaneous  | 23,250            | 27,700            | 26,934            | (766)  |
| Total revenues                                       | <u>1,353,750</u>  | <u>1,396,950</u>  | <u>1,420,832</u>  | <u>23,882</u>  |
| <b>Expenditures:</b>                                 |                   |                   |                   |  |
| Current -  |                   |                   |                   |  |
| General government -                                 |                   |                   |                   |  |
| Salaries   | 760,900           | 780,900           | 784,877           | (3,977)  |
| Employee benefits                                    | 353,000           | 366,300           | 364,349           | 1,951  |
| Insurance  | 14,550            | 14,100            | 16,899            | (2,799)  |
| Operation and maintenance                            | 132,500           | 180,100           | 171,370           | 8,730  |
| Advertising  | 500               | 650               | 638               | 12   |
| Vehicle  | 13,100            | 13,200            | 13,340            | (140)  |
| Professional services                                | 31,500            | 28,500            | 30,055            | (1,555)  |
| Miscellaneous  | 29,100            | 39,975            | 44,683            | (4,708)  |
| Police jury expenditures                             | -                 | 38,000            | 36,595            | 1,405  |
| Capital outlay                                       | 10,000            | 27,000            | 27,630            | (630)  |
| Debt service -                                       |                   |                   |                   |  |
| Principal  | 5,000             | 4,500             | 4,987             | (487)  |
| Interest   | 1,000             | 650               | 636               | 14   |
| Total expenditures                                   | <u>1,351,150</u>  | <u>1,493,875</u>  | <u>1,496,059</u>  | <u>(2,184)</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>2,600</u>      | <u>(96,925)</u>   | <u>(75,227)</u>   | <u>21,698</u>  |
| Fund balance, beginning of year                      | <u>480,188</u>    | <u>480,188</u>    | <u>480,188</u>    | <u>-</u>   |
| Fund balance, end of year                            | <u>\$ 482,788</u> | <u>\$ 383,263</u> | <u>\$ 404,961</u> | <u>\$ 21,698</u>   |

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
General Fund

Budgetary Comparison Schedule – Revenues  
Year Ended June 30, 2005

|  | Budget             |                    | Actual<br>Amounts  | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|--|--------------------|--------------------|--------------------|--|
|  | Original           | Final              |                    |  |
| <b>Licenses and permits:</b>             |                    |                    |                    |  |
| Marriage licenses                        | \$ 6,000           | \$ 6,000           | \$ 5,575           | \$ (425)   |
| Passports                                | 5,000              | 6,500              | 7,305              | 805  |
| Total licenses and permits               | <u>11,000</u>      | <u>12,500</u>      | <u>12,880</u>      | <u>380</u>   |
| <b>Fees, charges and commissions:</b>    |                    |                    |                    |  |
| Court costs, fees, and charges -         |                    |                    |                    |  |
| Criminal costs                           | 20,000             | 29,000             | 29,185             | 185  |
| Court attendance reporting               | 11,000             | 11,500             | 10,620             | (880)  |
| Fax fees                                 | 6,500              | 7,500              | 7,379              | (121)  |
| Copy card fees                           | 225,000            | 230,000            | 235,331            | 5,331  |
| Jury summons fees                        | 25,000             | 30,000             | 28,145             | (1,855)  |
| Other                                    | 4,000              | 12,250             | 11,867             | (383)  |
| Total court costs, fees and charges      | <u>291,500</u>     | <u>320,250</u>     | <u>322,527</u>     | <u>2,277</u>   |
| Fees for recording legal documents:      |                    |                    |                    |  |
| Recordings                               | 500,000            | 460,000            | 463,784            | 3,784  |
| Cancellations                            | 3,000              | 1,500              | 1,450              | (50)   |
| Mortgage certificates                    | 45,000             | 40,000             | 39,772             | (228)  |
| Suits and successions                    | 400,000            | 420,000            | 415,950            | (4,050)  |
| Total fees for recording legal documents | <u>948,000</u>     | <u>921,500</u>     | <u>920,956</u>     | <u>(544)</u>   |
| Fees for certified copies                | <u>50,000</u>      | <u>47,000</u>      | <u>46,846</u>      | <u>(154)</u>   |
| <b>Intergovernmental:</b>                |                    |                    |                    |  |
| Appropriation from Police Jury           | -                  | 38,000             | 38,500             | 500  |
| Federal grant - non-support              | 30,000             | 30,000             | 52,189             | 22,189   |
| Total intergovernmental                  | <u>30,000</u>      | <u>68,000</u>      | <u>90,689</u>      | <u>22,689</u>  |
| <b>Miscellaneous:</b>                    |                    |                    |                    |  |
| Interest earned                          | 6,000              | 6,500              | 6,115              | (385)  |
| Clerks supplement                        | 16,250             | 16,250             | 15,850             | (400)  |
| Other                                    | 1,000              | 4,950              | 4,969              | 19   |
| Total miscellaneous                      | <u>23,250</u>      | <u>27,700</u>      | <u>26,934</u>      | <u>(766)</u>   |
| Total revenues                           | <u>\$1,353,750</u> | <u>\$1,396,950</u> | <u>\$1,420,832</u> | <u>\$ 23,882</u>   |

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
General Fund

Budgetary Comparison Schedule – Expenditures  
Year Ended June 30, 2005

|                                    | Budget         |                | Actual<br>Amounts | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|------------------------------------|----------------|----------------|-------------------|--|
|                                    | Original       | Final          |                   |  |
| <b>Expenditures:</b>               |                |                |                   |  |
| <b>Salaries -</b>                  |                |                |                   |  |
| Clerk                              | \$ 95,900      | \$ 97,900      | \$ 96,890         | \$ 1,010   |
| Deputies                           | 650,000        | 660,000        | 663,992           | (3,992)  |
| Others                             | 15,000         | 23,000         | 23,995            | (995)  |
| Total salaries                     | <u>760,900</u> | <u>780,900</u> | <u>784,877</u>    | <u>(3,977)</u>   |
| <b>Employee benefits -</b>         |                |                |                   |  |
| Pension fund                       | 87,000         | 110,000        | 109,474           | 526  |
| Uniforms & related items           | 10,000         | 8,500          | 7,200             | 1,300  |
| Payroll taxes                      | 8,000          | 7,800          | 7,931             | (131)  |
| Deferred compensation              | 23,000         | 20,000         | 21,228            | (1,228)  |
| Hospitalization insurance          | 225,000        | 220,000        | 218,516           | 1,484  |
| Total employee benefits            | <u>353,000</u> | <u>366,300</u> | <u>364,349</u>    | <u>1,951</u>   |
| <b>Insurance -</b>                 |                |                |                   |  |
| Deputy liability                   | 300            | 300            | 315               | (15)   |
| Errors and omissions               | 10,000         | 9,500          | 11,400            | (1,900)  |
| Fire and casualty                  | 250            | 300            | 349               | (49)   |
| Workers' compensation              | 4,000          | 4,000          | 4,835             | (835)  |
| Total insurance                    | <u>14,550</u>  | <u>14,100</u>  | <u>16,899</u>     | <u>(2,799)</u>   |
| <b>Operation and maintenance -</b> |                |                |                   |  |
| <b>Office:</b>                     |                |                |                   |  |
| Supplies                           | 23,000         | 44,000         | 41,014            | 2,986  |
| Printing                           | 7,500          | 10,000         | 11,422            | (1,422)  |
| Postage/box rental                 | 18,000         | 19,000         | 19,315            | (315)  |
| Maintenance                        | 1,000          | 5,000          | 4,945             | 55   |
| Book binding                       | 2,000          | 1,000          | 987               | 13   |
| Rental - microfilm storage         | 1,000          | 2,000          | 2,088             | (88)   |
| Telephone/fax                      | 11,500         | 13,500         | 13,249            | 251  |
| Equipment maintenance              | 22,000         | 26,600         | 23,818            | 2,782  |
| Equipment rental                   | 7,500          | 12,000         | 11,822            | 178  |
| Software maintenance               | 22,000         | 39,000         | 36,534            | 2,466  |
| Supplies - computer                | 15,000         | 7,500          | 5,689             | 1,811  |
| Supplies - copy card               | 1,500          | -              | -                 | -  |
| Shipping                           | 500            | 500            | 487               | 13   |
| Total operation and maintenance    | <u>132,500</u> | <u>180,100</u> | <u>171,370</u>    | <u>8,730</u>   |

(continued)



VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
Year Ended June 30, 2005

|                                   | Budget        |               | Actual<br>Amounts | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|-----------------------------------|---------------|---------------|-------------------|--|
|                                   | Original      | Final         |                   |  |
| Advertising -                     |               |               |                   |  |
| General                           | -             | 150           | 150               | -  |
| Public notice                     | 500           | 500           | 488               | 12   |
| Total advertising                 | <u>500</u>    | <u>650</u>    | <u>638</u>        | <u>12</u>  |
| Automobile -                      |               |               |                   |  |
| Rental                            | 9,500         | 8,000         | 8,122             | (122)  |
| Operation and maintenance         | 2,000         | 3,500         | 4,287             | (787)  |
| Insurance                         | 1,600         | 1,700         | 931               | 769  |
| Total automobile                  | <u>13,100</u> | <u>13,200</u> | <u>13,340</u>     | <u>(140)</u>   |
| Professional services -           |               |               |                   |  |
| Accounting                        | 16,000        | 17,000        | 17,185            | (185)  |
| Legal                             | 500           | 1,500         | 1,500             | -  |
| Scanning                          | 15,000        | 10,000        | 11,370            | (1,370)  |
| Total professional services       | <u>31,500</u> | <u>28,500</u> | <u>30,055</u>     | <u>(1,555)</u>   |
| Miscellaneous -                   |               |               |                   |  |
| Dues and subscriptions            | 2,100         | 2,175         | 2,108             | 67   |
| Clerk's supplemental compensation | 18,500        | 18,500        | 19,833            | (1,333)  |
| Election costs                    | -             | 7,500         | 7,342             | 158  |
| Travel and conventions            | 8,000         | 10,950        | 14,060            | (3,110)  |
| Other                             | 500           | 850           | 1,340             | (490)  |
| Total miscellaneous               | <u>29,100</u> | <u>39,975</u> | <u>44,683</u>     | <u>(4,708)</u>   |
| Police jury expenditures -        |               |               |                   |  |
| Book binding                      | -             | 11,000        | 12,526            | (1,526)  |
| Film processing                   | -             | 1,000         | 990               | 10   |
| Equipment maintenance             | -             | 18,000        | 18,056            | (56)   |
| Purchase of supplies              | -             | 8,000         | 5,023             | 2,977  |
| Total police jury expenditures    | <u>-</u>      | <u>38,000</u> | <u>36,595</u>     | <u>1,405</u>   |

(continued)

VERMILION PARISH CLERK OF COURT  
 Abbeville, Louisiana  
 General Fund

Budgetary Comparison Schedule – Expenditures (Continued)  
 Year Ended June 30, 2005

|                           | Budget             |                    | Actual<br>Amounts  | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---------------------------|--------------------|--------------------|--------------------|--|
|                           | Original           | Final              |                    |  |
| Capital outlay -          |                    |                    |                    |  |
| Computer equipment        | 5,000              | 21,000             | 20,995             | 5  |
| Office equipment          | <u>5,000</u>       | <u>6,000</u>       | <u>6,635</u>       | <u>(635)</u>   |
| Total capital outlay      | <u>10,000</u>      | <u>27,000</u>      | <u>27,630</u>      | <u>(630)</u>   |
| Debt service -            |                    |                    |                    |  |
| Principal - capital lease | 5,000              | 4,500              | 4,987              | (487)  |
| Interest - capital lease  | <u>1,000</u>       | <u>650</u>         | <u>636</u>         | <u>14</u>  |
| Total debt service        | <u>6,000</u>       | <u>5,150</u>       | <u>5,623</u>       | <u>(473)</u>   |
| Total expenditures        | <u>\$1,351,150</u> | <u>\$1,493,875</u> | <u>\$1,496,059</u> | <u>\$ (2,184)</u>  |

VERMILION PARISH CLERK OF COURT  
 Abbeville, Louisiana  
 Agency Funds

Combining Statement of Assets and Liabilities  
 June 30, 2005

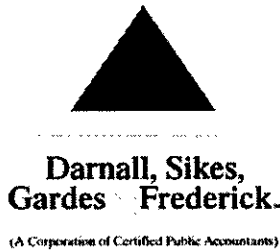
|                             | Advance<br>Deposit | Registry<br>of Court | Non-<br>Support | Total               |
|-----------------------------|--------------------|----------------------|-----------------|---------------------|
| ASSETS                      |                    |                      |                 |                     |
| Cash                        | <u>\$ 508,055</u>  | <u>\$ 3,193,175</u>  | <u>\$ 4,182</u> | <u>\$ 3,705,412</u> |
| LIABILITIES                 |                    |                      |                 |                     |
| Due to litigants and others | <u>\$ 508,055</u>  | <u>\$ 3,193,175</u>  | <u>\$ 4,182</u> | <u>\$ 3,705,412</u> |

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2005

|  | Advance<br>Deposit | Registry<br>of Court | Non-<br>Support | Total        |
|--|--------------------|----------------------|-----------------|--------------|
| <b>ASSETS</b>                                  |                    |                      |                 |              |
| Balances, beginning of year                    | \$ 414,176         | \$ 712,957           | \$ 23,649       | \$ 1,150,782 |
| Additions:                                     |                    |                      |                 |              |
| Deposits in civil suits                        | 854,216            | -                    | -               | 854,216      |
| Security bond deposits                         | 46,078             | -                    | -               | 46,078       |
| Deposits by order of the court                 | -                  | 3,513,966            | -               | 3,513,966    |
| Interest earnings                              | -                  | 17,059               | -               | 17,059       |
| Deposits in non-support suits                  | -                  | -                    | 36,069          | 36,069       |
| Total additions                                | 900,294            | 3,531,025            | 36,069          | 4,467,388    |
| Total  | 1,314,470          | 4,243,982            | 59,718          | 5,618,170    |
| Reductions:                                    |                    |                      |                 |              |
| Payments by order of the court                 | -                  | 1,050,705            | -               | 1,050,705    |
| Refund of deposits                             | 150,069            | -                    | -               | 150,069      |
| Clerk's fees transferred to general fund       | 415,848            | 102                  | 52,189          | 468,139      |
| Sheriff's fees - local                         | 59,041             | -                    | 2,436           | 61,477       |
| Sheriff's fees - other parishes                | 54,925             | -                    | 911             | 55,836       |
| Commissioner of insurance - report fee         | 260                | -                    | -               | 260          |
| Court reporter fees                            | 231                | -                    | -               | 231          |
| Attorney fees                                  | 3,660              | -                    | -               | 3,660        |
| Battered women's fees                          | 2,600              | -                    | -               | 2,600        |
| Curator fees                                   | 1,521              | -                    | -               | 1,521        |
| Secretary of state fees                        | 4,165              | -                    | -               | 4,165        |
| Court of appeal fees                           | 2,781              | -                    | -               | 2,781        |
| Witness and other fees                         | 451                | -                    | -               | 451          |
| Law library fees                               | 6,216              | -                    | -               | 6,216        |
| Judges support compensation fees               | 26,838             | -                    | -               | 26,838       |
| Judicial costs                                 | 21,400             | -                    | -               | 21,400       |
| Payments to police jury                        | 56,409             | -                    | -               | 56,409       |
| Total reductions                               | 806,415            | 1,050,807            | 55,536          | 1,912,758    |
| Balances, end of year                          | \$ 508,055         | \$ 3,193,175         | \$ 4,182        | \$ 3,705,412 |
| <b>LIABILITIES</b>                             |                    |                      |                 |              |
| Due to litigants and others, beginning of year | \$ 414,176         | \$ 712,957           | \$ 23,649       | \$ 1,150,782 |
| Additions                                      | 900,294            | 3,531,025            | 36,069          | 4,467,388    |
| Reductions                                     | 806,415            | 1,050,807            | 55,536          | 1,912,758    |
| Due to litigants and others, end of year       | \$ 508,055         | \$ 3,193,175         | \$ 4,182        | \$ 3,705,412 |

**COMPLIANCE  
AND  
INTERNAL CONTROL**



Eugene H. Darnall, CPA, Retired 1990  
 Paula D. Bihn, CPA, Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™  
 Danny P. Frederick, CPA  
 Clayton E. Darnall, CPA, CVA  
 Eugene H. Darnall, III, CPA  
 Stephanie M. Higginbotham, CPA  
 John P. Armato, CPA  
 J. Stephen Gardes, CPA, CVA  
 Jennifer S. Ziegler, CPA, CFP™  
 Chris A. Miller, CPA, CVA  
 Stephen R. Dischler, MBA, CPA  
 Steven G. Moosa, CPA  
 M. Rebecca Gardes, CPA  
 Pamela Mayeaux Bonin, CPA, CVA  
 Joan B. Moody, CPA

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*

Erich G. Loewer, Jr., CPA, CVA  
 Kathleen T. Darnall, CPA  
 Erich G. Loewer, III, MTX, CPA  
 Tamara T. Landry, CPA  
 Raegan D. Maggio, CPA  
 Barbara A. Clark, CPA  
 Lauren F. Verrett, CPA  
 Michelle B. Borrello, CPA  
 Jeremy C. Meaux, CPA  
 Kevin S. Young, CPA  
 Barbara Ann Watts, CPA  
 Adam J. Curry, CPA  
 Chad M. Bailey, CPA  
 Carol C. Guillory, CPA  
 Christy S. Dew, CPA  
 Heather N. Clement, CPA  
 Victoria M. LaPrairie, CPA  
 Emily J. LeBoeuf, CPA

The Honorable Diane Meaux Broussard  
 Vermilion Parish Clerk of Court  
 Abbeville, Louisiana

We have audited the financial statements of the Vermilion Parish Clerk of Court, a component unit of the Vermilion Parish Police Jury, as of and for the year ended June 30, 2005, and have issued our report thereon dated July 22, 2005. 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 Vermilion Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Vermilion Parish Clerk of Court's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current year audit findings and corrective action plan as item 05-1.

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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is a material weakness.

125 Rue Beauregard  
 Lafayette, LA 70508  
 Phone: 337.232.3312  
 Fax: 337.237.3614

1231 E. Laurel Avenue  
 Eunice, LA 70535  
 Phone: 337.457.4164  
 Fax: 337.457.5060

1201 Brashear Avenue  
 Suite 301  
 Morgan City, LA 70380  
 Phone: 985.384.6264  
 Fax: 985.384.8140

203 S. Jefferson Street  
 Abbeville, LA 70510  
 Phone: 337.893.5470  
 Fax: 337.893.5470

Member of:  
 American Institute of  
 Certified Public Accountants  
 Society of Louisiana  
 Certified Public Accountants

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Vermilion 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 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*.

This report is intended solely for the information and use of the Vermilion Parish Clerk of Court's management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dannall, Sikes, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Abbeville, Louisiana  
July 22, 2005

VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Summary Schedule of Current Year Audit Findings  
and Corrective Action Plan  
Year Ended June 30, 2005

05 -1 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of accounting personnel, the Vermilion Parish Clerk of Court did not have adequate segregation of accounting functions within the accounting system.

Corrective Action Plan: The Vermilion Parish Clerk of Court will segregate accounting functions to the extent possible.



VERMILION PARISH CLERK OF COURT  
Abbeville, Louisiana

Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2005

04 -1 Inadequate Segregation of Accounting Functions

Finding: Due to the small number of accounting personnel, the Vermilion Parish Clerk of Court did not have adequate segregation of accounting functions within the accounting system.

Status: This finding is unresolved. See finding 05-1.

04-2 Unsecured Registry of Court Deposits

Finding: Louisiana Revised Statute 39:1225 requires that funds on deposit be secured by federal deposit insurance or the pledge of securities. As of June 30, 2004, the Vermilion Parish Clerk of Court had certain Registry of Court funds on deposit at a local financial institution which exceeded FDIC insurance but were not fully secured by pledged securities.

Status: This finding is resolved.