

**NATCHITOCHE PARISH CLERK OF COURT  
NATCHITOCHE, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2004**

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

Release Date 2/2/05

Natchitoches Parish Clerk of Court  
Natchitoches, Louisiana

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# Natchitoches Parish Clerk of Court

P. O. Box 485  
Natchitoches, LA 71457

## MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2004

The Management's Discussion and Analysis is an element of the new reporting model adopted by the *Governmental Accounting Standards Board (GASB)* in their Statement No. 34. As this is the first year the Clerk of Court will be reporting under this new model, certain comparative information with the previous year, which is by design included in this model, will not be presented in the analysis, as permitted by GASB No. 34 with respect to first year reporting.

### Financial Highlights

This annual report consists of a series of new financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Clerk of Court as a whole and present a longer-term view of the Clerk of Court finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

- 1) The Natchitoches Parish Clerk of Court had cash and investments of \$955,827 at June 30, 2004, which represents an increase of \$153,795 over the previous year.
- 2) The Natchitoches Parish Clerk of Court had accounts receivable of \$61,903 at June 30, 2004, which represents a decrease of \$435 from the prior year end.
- 3) The Natchitoches Parish Clerk of Court had accounts payable and accruals of \$12,666 at June 30, 2004, which represents an increase of \$6,317 from prior year end.
- 4) The Natchitoches Parish Clerk of Court had total revenues of \$1,061,803 for the year ended June 30, 2004, which represents an increase of \$49,949 from the prior year.
- 5) The Natchitoches Parish Clerk of Court had personal services expense of \$674,890 for the year ended June 30, 2004, which represents an increase of \$38,158 from the prior year.
- 6) The Natchitoches Parish Clerk of Court had operating services expense of \$122,335 for the year ended June 30, 2004, which represents an increase of \$1,441 from the prior year.
- 7) The Natchitoches Parish Clerk of Court had supplies expense of \$91,062 for the year ended June 30, 2004, which represents a decrease of \$33,051 from the prior year.
- 8) The Natchitoches Parish Clerk of Court had capital asset purchases of \$7,852 for the year ended June 30, 2004, which represents a decrease of \$6,287 from the prior year.

## Overview of the Financial Statements

The following graphic illustrates the minimum requirements for the Natchitoches Parish Clerk of Court as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(Other than MD&A)

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

### Basic Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Assets (on pages 10) and the Statement of Activities (on page 11) provide information about the activities of the Natchitoches Parish Clerk of Court as a whole and present a longer-term view of the Fund's finances. 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.

The Statement of Net Assets and the Statement of Activities report the Fund's net assets and changes in them. You can think of the Fund's net assets, the difference between assets and liabilities, as one way to measure the Fund's financial health, or financial position. Over time, increase or decreases in the Fund's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 13. All of the Fund's 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 into cash. The governmental fund statements provide a detailed short term view of the Fund's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Fund's activities as well as what remains for future spending.

Financial Analysis of the EntityStatement of Net Assets  
As of Year End

	<u>2004</u>	<u>2003</u>
Current and Other Assets	\$1,045,650	\$ 899,278
Capital Assets, Net	<u>94,746</u>	<u>111,739</u>
Total Assets	<u>\$1,140,396</u>	<u>\$1,011,017</u>
Other Liabilities	\$ 12,666	\$ 6,349
Compensated Absences Payable	<u>11,419</u>	<u>7,113</u>
Total Liabilities	<u>\$ 24,085</u>	<u>\$ 13,462</u>
Net Assets		
Investment in Capital Assets, Net of Related Debt	\$ 94,746	\$ 111,739
Unrestricted	<u>1,021,565</u>	<u>885,816</u>
Total Net Assets	<u>\$1,116,311</u>	<u>\$ 997,555</u>
Total Liabilities and Net Assets	<u>\$1,140,396</u>	<u>\$1,011,017</u>

Net assets of the Natchitoches Parish Clerk of Court increased by \$118,756 or 11.90% from the previous fiscal year.

Statement of Activities  
For the Year Ended

	<u>2004</u>	<u>2003</u>
General Government Expenses	\$ 943,047	\$915,218
Program Revenues		
Fees and Charges for Services	<u>1,007,318</u>	<u>955,331</u>
Subtotal	\$ 64,271	\$ 40,113
General Revenues	<u>54,485</u>	<u>56,523</u>
Changes in Net Assets	<u>\$ 118,756</u>	<u>\$ 96,636</u>

The Natchitoches Parish Clerk of Court's total revenues increased by \$49,949 or 4.94% from the previous year. The total cost of all programs and services increased by \$27,829 or 3.04% from the previous year.

Capital Assets and Debt AdministrationCapital Assets

At the end of 2004, the Natchitoches Parish Clerk of Court had \$94,746 net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$16,993 or 15.21% from the previous year.

*Capital Assets at Year End  
(Net of Depreciation)*

	<u>2004</u>	<u>2003</u>
Furniture, Fixtures and Equipment	\$ <u>94,746</u>	\$ <u>111,739</u>
Total	\$ <u>94,746</u>	\$ <u>111,739</u>

This year's major additions included:

Furniture, Fixtures and Equipment    \$7,852

This year's major retirements included:

None.

Debt

The Natchitoches Parish Clerk of Court had \$11,419 in compensated absences payable outstanding at year end and compared to \$7,113 at the previous year end, and increase of \$4,306, as shown in the table below.

*Outstanding Debt at Year End*

	<u>2004</u>	<u>2003</u>
Compensated Absences Payable	\$ <u>11,419</u>	\$ <u>7,113</u>
Totals	\$ <u>11,419</u>	\$ <u>7,113</u>

New debt during the year included:

None.

Variations between Original and Final Budgets

Actual revenues were \$6,747 less than budgeted amounts due to fees being less than expected.

Actual expenditures were \$9,652 less than budgeted amount due to personal services and supplies being less than expected.

Economic Factors and Next Year's Budget

The Natchitoches Parish Clerk of Court's elected official considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Fees
- 2) Interest Income
- 3) Miscellaneous Revenues

The Natchitoches Parish Clerk of Court does not expect any significant changes in next year's results as compared to the current year.

Contacting the Natchitoches Parish Clerk of Court's Management

This financial is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Natchitoches Parish Clerk of Court's finances and to show the Natchitoches Parish Clerk of Court's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact, Mr. Louie Bernard, Natchitoches Parish Clerk of Court, P.O. Box 476, Natchitoches, LA 71457.

# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### INDEPENDENT AUDITORS' REPORT

Honorable Louie Bernard  
Natchitoches Parish Clerk of Court  
P. O. Box 485  
Natchitoches, Louisiana 71457

We have audited the accompanying basic financial statements of the Natchitoches Parish Clerk of Court, Natchitoches, Louisiana, as of and for the year ended June 30, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of management of the Natchitoches Parish Clerk of Court. Our responsibility is to express an opinion on these financial statements based on our audit.

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

*In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Clerk of Court as of June 30, 2004, and the results of its operations 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 December 20, 2004, on our consideration of the Natchitoches 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 Management's Discussion and Analysis and the budgetary information on pages 1 through 5 and 28, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was made for the purpose of forming an opinion on the basic financial statements of the Natchitoches Parish Clerk of Court taken as a whole. The accompanying supplemental schedules listed in the Table of Contents are presented for purposes of additional analysis and are 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 stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

December 20, 2004

Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Natchitoches Parish Clerk of Court  
Statement of Net Assets  
June 30, 2004

	Governmental <u>Activities</u>
<b>ASSETS:</b>	
Current Assets:	
Cash	\$ 717,680
Investments	238,147
Accounts receivable	61,903
Other assets	<u>27,920</u>
Total Current Assets	\$1,045,650
Noncurrent Assets	
Capital assets, net	<u>94,746</u>
Total Assets	<u>\$1,140,396</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts payable and accruals	\$ 12,666
Noncurrent Liabilities:	
Compensated absences payable	<u>11,419</u>
Total Liabilities	<u>\$ 24,085</u>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	\$ 94,746
Unrestricted	<u>1,021,565</u>
Total Net Assets	<u>\$1,116,311</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court  
Statement of Activities  
June 30, 2004

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Personnel	\$ 674,890	\$ 740,391	\$0	\$0	\$ 65,501
Travel	16,806	18,437	0	0	1,631
Operating Services	122,335	134,208	0	0	11,873
Supplies	91,062	99,900	0	0	8,838
Professional Services	13,109	14,382	0	0	1,273
Depreciation	<u>24,845</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(24,845)</u>
Total Governmental Activities	<u>\$943,047</u>	<u>\$1,007,318</u>	<u>\$0</u>	<u>\$0</u>	\$ 64,271
General Revenues:					
Interest					15,228
Miscellaneous					<u>39,257</u>
Change in Net Assets					\$ 118,756
Net Assets June 30, 2003 (Restated - See note 12)					<u>997,555</u>
Net Assets June 30, 2004					<u>\$1,116,311</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

Natchitoches Parish Clerk of Court  
Balance Sheet-Governmental Funds  
June 30, 2004

ASSETS:

Cash	\$ 717,680
Investments	238,147
Accounts Receivable	61,903
Other Assets	<u>27,920</u>
Total Assets	<u>\$1,045,650</u>

LIABILITIES:

Accounts Payable and Accruals	\$ 12,666
-------------------------------	-----------

FUND BALANCES:

Unreserved	<u>1,032,984</u>
Total Liabilities & Fund Balances	<u>\$1,045,650</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Assets  
June 30, 2004

Total Fund Balance for the Governmental Fund at June 30, 2004	\$1,032,984
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Furniture, Fixtures, and Equipment, <i>Net of Accumulated Depreciation</i>	94,746
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the fund liabilities:	
Compensated Absences	<u>(11,419)</u>
Total Net Assets of Governmental Activities at June 30, 2004	<u>\$1,116,311</u>

The accompanying notes are an integral part of this statement.



Natchitoches Parish Clerk of Court  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
June 30, 2004

Revenues:	
Fees, Fines & Charges for Services	\$1,007,318
Interest	15,228
Miscellaneous	<u>39,257</u>
Total Revenues	<u>\$1,061,803</u>
Expenditures:	
General Government:	
Personal Services	\$ 670,584
Travel	16,806
Operating Services	122,335
Supplies	91,062
Professional Services	13,109
Capital Outlay	<u>7,852</u>
Total Expenditures	<u>\$ 921,748</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 140,055
Fund Balance-Beginning of Year	<u>892,929</u>
Fund Balance-End of Year	<u>\$1,032,984</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2004

Total Net Change in Fund Balance  
at June 30, 2004, per Statement of Revenues,  
Expenditures and Changes in Fund Balance \$140,055

The Change in Net Assets  
reported for Governmental Activities  
in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures.  
However, in the statement of activities the cost of those  
assets is allocated over their estimated useful lives and  
reported as depreciation expense. This is the amount by  
which depreciation (\$24,845) exceeds capital outlay (\$7,852)  
in the current period. (16,993)

Some expense reported in the Statement of  
Activities, such as compensated absences, do  
not require the use of current financial resources  
and therefore are not reported as expenditures  
in governmental funds. (4,306)

Total changes in Net Assets at June 30, 2004,  
per Statement of Activities \$118,756

See accountant's notes to financial statements.

Natchitoches Parish Clerk of Court  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2004

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$333,169	\$156,525	\$ 489,694
Investments	640,609	194,096	834,705
Receivables	<u>13,785</u>	<u>0</u>	<u>13,785</u>
Total Assets	<u>\$987,563</u>	<u>\$350,621</u>	<u>\$1,338,184</u>
LIABILITIES:			
Due to Others	<u>\$987,563</u>	<u>\$350,621</u>	<u>\$1,338,184</u>

The accompanying notes are an integral part of this statement.

Natchitoches Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2004

**Introduction:**

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the Natchitoches Parish 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.

**1. Summary of Significant Accounting Policies:**

**A. BASIS OF PRESENTATION-**

*The accompanying financial statements of the Natchitoches Parish Clerk of Court 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.*

**B. REPORTING ENTITY-**

The Natchitoches Parish Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Natchitoches Parish Police Jury. The police jury maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for other expenses of the Clerk of Court's office, as necessary. In addition, the police jury's financial statements would be incomplete or misleading without inclusion of the Clerk of Court. For these reasons, the Clerk of Court was determined to be a component unit of the Natchitoches Parish Police Jury, the financial reporting entity.

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

**C. FUND ACCOUNTING-**

The Natchitoches Parish Clerk of Court 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 of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary, as follows:

Natchitoches Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2004

Governmental Funds

Governmental funds account for all or most of the Clerk of Court'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 which may be used to finance future period programs or operations of the Clerk of Court. The following are the Clerk of Court's governmental funds:

1. General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the Natchitoches Parish 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 his fund.*
2. Fiduciary Funds - Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The Advance Deposit, Registry of Court - Agency Funds account for assets held as an agent for others.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-**

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Natchitoches Parish Clerk of Court, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets and in other supplementary information.

The government-wide financial statements were prepared using 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.

Natchitoches Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2004

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Natchitoches Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits are recorded when the time deposits have matured and the income is available. Interest receivables are accrued in the Advance Deposit Fund; all other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Natchitoches Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2004

**E. BUDGETARY ACCOUNTING-**

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

**F. CASH AND CASH EQUIVALENTS-**

*Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.*

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

**G. INVESTMENTS-**

Investments are limited by R. S. 33:2955 and the Natchitoches Parish 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 are 90 days or less, they are classified as cash equivalents.

**H. RECEIVABLES-**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

Natchitoches Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2004

**I. BAD DEBTS-**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2004, \$1,000 was considered uncollectible.

**J. CAPITAL ASSETS-**

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 for building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

**K. COMPENSATED ABSENCES-**

Full-time employees of the Natchitoches Parish Clerk of Court earn ten days of vacation and sick leave each year. At June 30, 2004, a total of \$11,419 in accrued leave remained unpaid.

**L. 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. Deposits with Financial Institutions and Investments:**

**A. DEPOSITS WITH FINANCIAL INSTITUTIONS-**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Natchitoches Parish Clerk of Court may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.



Natchitoches Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2004

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts mutually acceptable to both parties. The deposits at June 30, 2004, were secured as follows:

Cash	\$1,207,374
Certificates of Deposit	<u>1,072,852</u>
Pledged Securities	<u>\$2,280,226</u>
 Cash-	
Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 207,346
Collateralized with securities held by the pledging Institution's trust department or agent in the entity's name	<u>1,018,776</u>
	<u>\$1,226,122</u>
 Certificates of Deposit-	
Insured or collateralized with securities held by the entity or its agency in the entity's name	\$ 200,000
Collateralized with securities held by the pledging Institution's trust department or agent in the entity's name	<u>872,852</u>
	<u>\$1,072,852</u>
Total	<u>\$2,298,974</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Bank One	\$ 142,127
Exchange Bank & Trust	1,583,293
First Federal Bank of LA	<u>573,554</u>
Total	<u>\$2,298,974</u>

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June 30, 2004

**B. INVESTMENTS-**

At June 30, 2004, the Natchitoches Parish Clerk of Court had investments of \$238,147.

**3. Accounts Receivable:**

The following is a summary of receivables at June 30, 2004:

<u>Class of Receivable</u>	<u>Total</u>
Fees, fines & charges for services	\$ <u>61,903</u>

**4. Capital Assets:**

Capital asset balances and activity for the year ended June 30, 2004, is as follows:

	<u>Balance</u> <u>06-30-03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-04</u>
Equipment, fixtures, and equipment	\$197,048	\$ 7,852	\$0	\$ 204,900
Less, accumulated depreciation	<u>(85,309)</u>	<u>(24,845)</u>	<u>0</u>	<u>(110,154)</u>
Total Capital Assets, net	<u>\$111,739</u>	<u>\$(16,993)</u>	<u>\$0</u>	<u>\$ 94,746</u>

**5. Accounts Payable and Accruals:**

The following is a summary of accounts payable at June 30, 2004:

<u>Class of Receivable</u>	<u>Total</u>
Vendor	\$ <u>12,666</u>

**6. Pension Plan:**

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

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months

Natchitoches Parish Clerk of Court  
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that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B, Baton Rouge, Louisiana 70816, or by calling (225) 2931162.

**Funding Policy.** Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Natchitoches Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.5 percent of annual covered payroll. Of the 8.25 percent of the member contributions, the Natchitoches Parish Clerk of Court pays all. Contributions to the System, also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of a plan member and the Natchitoches Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions' are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The Natchitoches Parish Clerk of Court's contribution to the System for the years ending June 30, 2004, 2003, and 2002, were \$84,169, \$74,113 and \$70,639, respectively, equal to the required contribution for each year.

**7. Leases:**

The Natchitoches Parish Clerk of Court is obligated under several lease agreements accounted for as an operating leases. Operating leases do not give rise to property rights of lease obligations, and therefore, the results of the lease agreements are not reflected in the Capital Assets. These leases are for copiers and a vehicle.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms as of June 30, 2004:

Fiscal Year Ending <u>June 30, 2004</u>	<u>Equipment</u>
2005	\$ 8,095
2006	5,005
2007	5,005
2008	<u>0</u>
Total	<u>\$18,105</u>

The Natchitoches Parish Clerk of Court was not obligated under any capital leases agreements at June 30, 2004.

Natchitoches Parish Clerk of Court  
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**8. Risk Management:**

The Natchitoches Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

**9. Litigation and Claims:**

There was no outstanding litigation against the Natchitoches Parish Clerk of Court at June 30, 2004.

**10. Expenditures of the Clerk of Court Paid by the Parish Police Jury:**

Certain expenses of the Natchitoches Parish Clerk of Court's office are paid by the Natchitoches Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

**11. Excess Fund Balance:**

Louisiana Revised Statute 13:785 requires that every four years (at the close of the term of office) the Natchitoches Parish 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. This 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 of office. At June 30, 2004, the amount due the parish treasurer was waived by the Natchitoches Parish Police Jury.

**12. Prior Year Restatement of Net Assets:**

The following adjustments were made to restate beginning net assets for June 30, 2003.

Fund Balance, beginning of year as previously reported	\$892,929
Adjustments: Investments in Capital Assets, beginning of year	197,048
Accumulated Depreciation, beginning of year	(85,309)
Compensated absence payable, beginning of year	<u>(7,113)</u>
Net assets, beginning of year as restated	<u>\$997,555</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

Natchitoches Parish Clerk of Court  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>REVENUES</b>				
Fees, Fines & Charges for Services	\$942,200	\$1,009,300	\$1,007,318	\$(1,982)
Interest Income	20,000	17,000	15,228	(1,772)
Miscellaneous	<u>29,800</u>	<u>42,250</u>	<u>39,257</u>	<u>(2,993)</u>
Total Revenues	<u>\$992,000</u>	<u>\$1,068,550</u>	<u>\$1,061,803</u>	<u>\$(6,747)</u>
<b>EXPENDITURES:</b>				
<i>General Government-</i>				
Personal Services	\$670,500	\$ 675,400	\$ 670,584	\$ 4,816
Travel	17,500	18,300	16,806	1,494
Operating Services	112,600	121,300	122,335	(1,035)
Supplies	114,000	94,400	91,062	3,338
Professional Services	19,000	14,000	13,109	891
Capital Outlay	<u>50,000</u>	<u>8,000</u>	<u>7,852</u>	<u>148</u>
Total Expenditures	<u>\$983,600</u>	<u>\$ 931,400</u>	<u>\$ 921,748</u>	<u>\$ 9,652</u>
Excess (Deficiency) Revenues over Expenditures	\$ 8,400	\$ 137,150	\$ 140,055	\$ 2,905
Fund Balance-Beginning of Year	<u>892,929</u>	<u>892,929</u>	<u>892,929</u>	<u>0</u>
Fund Balance-End of Year	<u>\$901,329</u>	<u>\$1,030,079</u>	<u>\$1,032,984</u>	<u>\$ 2,905</u>

**OTHER SUPPLEMENTARY INFORMATION**

Natchitoches Parish Clerk of Court  
Statement of Changes in Fiduciary Net Assets  
for the Year Ended June 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Suits and Successions	\$560,936	\$ 33,842	\$ 594,778
Interest Income	<u>0</u>	<u>5,215</u>	<u>5,215</u>
Total Additions	<u>\$560,936</u>	<u>\$ 39,057</u>	<u>\$ 599,993</u>
<b>DEDUCTIONS:</b>			
Clerk's Costs (transferred to general fund)	\$291,253	\$ 0	\$ 291,253
Settlements to Litigants	110,068	281,143	391,211
Sheriff's Fees	58,118	0	58,118
Court Reporters	5,419	0	5,419
Attorneys, Curators, Notary	8,304	0	8,304
Judges' Supplemental Fund	19,854	0	19,854
Judicial Supplemental Fund	16,058	0	16,058
Other Reductions	<u>17,825</u>	<u>0</u>	<u>17,825</u>
Total Deductions	<u>\$526,899</u>	<u>\$ 281,143</u>	<u>\$ 808,042</u>
Change in Net Assets	\$ 34,037	\$(242,086)	\$ (208,049)
Net Assets - Beginning	<u>953,526</u>	<u>592,707</u>	<u>1,546,233</u>
Net Assets - Ending	<u>\$987,563</u>	<u>\$ 350,621</u>	<u>\$1,338,184</u>



## INTERNAL CONTROL AND COMPLIANCE

**Johnson, Thomas & Cunningham**  
**Certified Public Accountants**

Eddie G. Johnson, CPA – A Professional Corporation (1962-1996)

Mark D. Thomas, CPA – A Professional Corporation

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

Honorable Louis Bernard  
Natchitoches Parish Clerk of Court  
P.O. Box 485  
Natchitoches, LA 71457

We have audited the financial statements of the Natchitoches Parish Clerk of Court, Natchitoches, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 20, 2004. We conducted our audit in accordance with auditing standards accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

**Compliance**

As part of obtaining reasonable assurance about whether the Natchitoches Parish Clerk of Court's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Natchitoches 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 general purpose 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 general purpose 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.

This report is intended solely for the information and use of the management of the Natchitoches Parish Clerk of Court and the Legislative Auditor of the State of Louisiana 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.

**Johnson, Thomas & Cunningham**

Johnson, Thomas & Cunningham, CPA's

December 20, 2004

Natchitoches, Louisiana