

LIVINGSTON PARISH CLERK OF COURT

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

JUNE 30, 2004

LIVINGSTON, LOUISIANA

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.

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July 30, 2004

INDEPENDENT AUDITOR'S REPORT

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, the General Fund (major fund) and each fiduciary fund of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2004, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Livingston 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 Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

As described in Note 1 to the basic financial statements, the Livingston Parish Clerk of Court adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments; and Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of July 1, 2003. This results in a change in the format and content of the basic financial statements.

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

In accordance with Government Auditing Standards, we have also issued a report dated July 30, 2004, on our consideration of the Livingston 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 our audit performed in accordance with Government Auditing Standards and should be used in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 14 and on page 34 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on them.

Respectfully submitted,

Hannis T. Bourgeois, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis (MD&A) for the Livingston Parish Clerk of Court is designed to:

- assist the reader in focusing on significant financial issues;
- provide an overview of the Livingston Parish Clerk of Court's financial activities;
- identify changes in the Livingston Parish Clerk of Court's overall financial position and results of operations and assist the user in determining whether financial position has improved or deteriorated as a result of the year's operations;
- identify any significant variations from the original, amended, and final budget amounts and include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity; and
- identify individual fund issues or concerns.

This is the first year that the Livingston Parish Clerk of Court has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board (GASB) Statement Number 34. Because this new reporting model changes significantly not only the presentation of financial data, but also the manner in which the information is recorded, prior year comparative information for this reporting period's MD&A has not been included. The omission of this comparative information is unavoidable and unfortunately puts the reader in a less than desirable position. In preparing the information summarized below, we have tried to keep in mind this disadvantage by providing explanations of the major components of the government-wide financial statements, and when possible the reasons for changes in significant financial statement categories.

The information contained within this MD&A should be considered only as part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and other Required Supplemental Information (RSI) that are provided in addition to this MD&A.

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OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is required supplementary information that introduces the reader to the basic financial statements and provides an overview of the Livingston Parish Clerk of Court's financial activities. The Clerk of Court's basic financial statements consist of the following components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

Other required supplementary information, including the required budgetary comparison schedule(s) are presented immediately following the notes to the financial statements. A general description of the components of the basic financial statements follows below, with a more detailed analysis of the government-wide statements included in a later section entitled "Government-Wide Financial Analysis" and for fund financial statements included in the "Analysis of Fund Financial Statements" section.

A. Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 15 through 16) are designed to present the financial operations of the Livingston Parish Clerk of Court as a whole in a format similar to private sector companies. Under this format, all governmental and business-type activities are consolidated into columns which add to a total for the governmental entity. For the Clerk of Court, only governmental activities are included in the presentation.

The focus of the government-wide (entity-wide) "Statement of Net Assets" and "Statement of Activities" is to give the reader a broad overview of the Clerk of Court's financial position and results of operations.

- a. The Statement of Net Assets presents information on the Clerk of Court's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets (and changes in the components of net assets) may serve as a useful indicator of whether the financial position of the Clerk of Court is improving or weakening.
- b. The Statement of Activities presents information showing how the Clerk of Court's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The format for the Statement of Activities presents the

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expenses for each function (salaries, office expenditures and insurance, travel and auto allowances, other expenditures, and depreciation on capital assets) reduced by the Program Revenues (charges for services, operating grants and contributions, and capital grants and contributions) directly related to each respective function, to determine net costs of each function. The net costs of each function are normally covered by general revenues. For the Clerk of Court, the only program (function) is "Judicial." Additionally, the Clerk does not receive any operating or capital grants or contributions. All revenues are generated from fees, charges and commissions for services.

B. Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Livingston Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Clerk of Court uses two categories of funds to account for financial transactions: governmental funds, and fiduciary funds.

Governmental funds are used to account for most of the basic services and projects reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances available for spending at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements (included on pages 17 through 20) provide a detailed short-term view of the Clerk of Court's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk of Court's programs. The Livingston Parish Clerk of Court has only one governmental fund - the General Fund - which is used to account for the Clerk of Court's basic services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for governmental funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Clerk of Court's more immediate decisions on the current use of financial resources. The governmental funds columns of the Fund Financial Statements require and include a reconciliation following the Balance Sheet (reconciliation on page 18) and the Statement of Revenues, Expenditures and Changes in Fund Balances (reconciliation on page 20).

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The Fiduciary Funds financial statements can be found on pages 21 through 22 of this report. The only type of fiduciary fund accounted for by the clerk is "agency" funds. Agency funds are custodial in nature and represent assets held by the clerk as an agent for litigants pending court action. Under applicable standards of GASB 34, agency funds are not included in the government-wide financial statements. We exclude these activities from the Clerk of Court's other financial statements because the Clerk of Court cannot use these assets to finance its operations. The Clerk of Court is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

C. Notes to the Financial Statements

The Notes to the Financial Statements, in particular "Note 1 - Organization, Nature of Operations, and Summary of Significant Accounting Policies", present the changes in presentation and reporting required under the GASB 34 standard, and under GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. When reviewing this MD&A, the reader should refer to and review the Notes to the Financial Statements (beginning on page 23), as well as the Government-Wide and Fund Financial Statements (included on pages 15 through 22).

FINANCIAL HIGHLIGHTS

- ❖ At June 30, 2004, the Livingston Parish Clerk of Court maintained an Unrestricted Net Assets balance of \$1,946,615. Unrestricted Net Assets represents the net balance of all types of assets accumulated by the Clerk of Court in excess of the amount invested in "capital assets" (minus any associated debt) and any "restricted assets." Restricted Assets are those which are constrained by creditors, grantors, contributors, or by laws and regulations. As of June 30, 2004, the Livingston Parish Clerk of Court does not have any "restricted assets."
- ❖ At fiscal year-end, the total Investment in Capital Assets, Net of Related Debt increased to \$977,001.
- ❖ Total assets at June 30, 2004, were \$3,025,812, while total liabilities amounted to \$102,196. In accordance with statutory requirements, the Clerk of Court has no bonded indebtedness or long-term notes.
- ❖ The most significant continuing revenue sources for governmental activities were \$1,869,333 in revenues from document recording fees, \$1,165,060 in charges and court costs for suits and successions, and \$151,850 in photocopy fees. The clerk also recorded \$224,708 in interest income and other general revenues.
- ❖ Total revenues of the Livingston Parish Clerk of Court exceeded the total expenses for the fiscal year, resulting in an increase in Net Assets in the amount of \$101,999.

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Government-Wide Financial Analysis

Statement of Net Assets

Included below is a condensed Statement of Net Assets for the Livingston Parish Clerk of Court. The condensed format allows the reader to view the overall financial position of the Clerk of Court. Although information for comparison will not be available until the 2005 financial statements are completed, explanation of the components of this statement, and the Condensed Statement of Activities, are included immediately following the tables.

Condensed Statement of Net Assets - Governmental Activities

		Total Governmental Activities
Current and Other Assets	\$	2,048,811
Capital Assets, Net		977,001
Total Assets		3,025,812
Other Liabilities		102,196
Total Liabilities		102,196
Net Assets:		
Invested in Capital Assets, Net of Related Debt		977,001
Unrestricted Net Assets		1,946,615
Total Net Assets	\$	2,923,616

See page 15 for a more detailed Statement of Net Assets for the Livingston Parish Clerk of Court.

Government-Wide Review of Condensed Statement of Net Assets

The composition of net assets and the changes in net assets over time serve as a useful indicator of a government's financial position. The Livingston Parish Clerk of Court's assets at fiscal year-end exceed liabilities by \$2,923,616 (net assets), with the Clerk of Court reporting positive balances in all categories of net assets. Of the total net assets, \$1,946,615 are Unrestricted Net Assets. The balance of net assets consists of \$977,001 Invested in Capital Assets, Net of Related Debt.

The largest component of the "Current and Other Assets" category is Cash and Cash Equivalents with a combined total of \$1,858,631 representing funds segregated per court

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order and excess revenues from state-mandated charges for services. Also included within the "Current and Other Assets" category are \$163,440 in receivables due from attorneys and other customers utilizing clerk of court services on a monthly basis, and \$26,740 in Prepaid Insurance.

Capital Assets, totaling \$977,001, represent the investment in equipment and facilities for the Livingston Parish Clerk of Court and are more fully described in a later section.

The "Other Liabilities" category consists of accounts and payroll taxes payable at year-end and accrued employee leave.

Statement of Activities

A condensed Statement of Activities for the Livingston Parish Clerk of Court is presented below listing the major categories of revenues and expenses for the fiscal year ended June 30, 2004. An explanation of the components of this statement are included immediately following the table.

Condensed Statement of Activities - Governmental Activities

	<u>Total Governmental Activities</u>
Program Revenues:	
Charges for Services	\$ 3,349,664
General Revenues:	
Interest Income	40,378
Other Revenues	184,330
Total Revenues	<u>3,574,372</u>
Program Expenses:	
Salaries	1,611,923
Office Expenditures and Insurance	1,111,252
Travel and Auto Allowances	23,985
Other Expenditures	601,576
Depreciation	123,637
Total Program Expenses	<u>3,472,373</u>
Change in Net Assets	<u>\$ 101,999</u>

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See page 16 for a more detailed Statement of Activities for the Livingston Parish Clerk of Court.

Government-Wide Review of Condensed Statement of Activities

The Condensed Statement of Activities presents revenues, expenses, and changes in net assets separately for governmental activities. The condensed format allows for presentation of Program Revenues (Charges for Services) followed by a listing of General Revenues (Interest Income and Miscellaneous Revenues) to support the Livingston Parish Clerk of Court's overall governmental activities. Expenses are presented on a functional basis (Salaries, Office Expenditures and Insurance, Travel and Auto Allowances, and Other Expenditures), with depreciation on fixed assets listed separately since the assets serve essentially all functions. For the fiscal year ending June 30, 2004, the Livingston Parish Clerk of Court reported a positive overall change in net assets (revenues less expenses) of \$101,999.

There are two categories of revenues on the Statement of Activities - "Program Revenues" and "General Revenues." "Program Revenues" derive directly from the program itself or from parties outside the Clerk of Court's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's "General Revenues." "Program Revenues" total \$3,349,664 for the fiscal year ending June 30, 2004, with the major components as listed in the table below:

<u>Components of Program Revenue</u>	<u>Amount</u>	<u>Percentage</u>
Recordings, Cancellations, and Mortgage Certificates	\$ 1,932,092	57.68%
Suits and Successions	1,165,060	34.78%
Court Attendance and Bond Forfeits	76,764	2.29%
Photocopies	151,850	4.53%
Other Program Revenues	23,898	0.72%
Total Program Revenues	<u>\$ 3,349,664</u>	<u>100.00%</u>

"General Revenues" totaling \$224,708 consisted of \$40,378 in interest income earned on cash and investments, and \$184,330 for Other Revenues consisting of various fees and reimbursements for services of the Clerk of Court's office.

"Program Expenses" are presented in the Condensed Statement of Activities by function and total \$3,472,373 for the current fiscal year. The major categories of "Program Expenses" are Salaries totaling \$1,611,923 (46.42% of "Program Expenses") and Office Expenditures and Insurance totaling \$1,111,252 (32.00% of "Program Expenses).

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Analysis of Fund Financial Statements

The Livingston Parish Clerk of Court maintains only one "governmental fund" - the General Fund (formerly reported as the Salary Fund). Its statements are presented as follows:

<u>Description of Financial Statement</u>	<u>Page Numbers</u>
Balance Sheet	17
Statement of Revenues, Expenditures, and Changes in Fund Balance	19

Governmental Funds

Under the modified-accrual basis for Fund Financial Statements, the emphasis is on accounting for current financial resources of the Livingston Parish Clerk of Court. The analysis in this section includes a discussion of components of the Fund Financial Statements, but concentrates on differences not discussed previously for the Government-Wide Financial Statements. At fiscal year-end, the General Fund reported an Unreserved Fund Balance of \$1,919,875. Cash and Cash Equivalents and Receivables totaling \$1,962,094 are identical to the Government-Wide presentation. Capital Assets of \$977,001 are presented only in the Government-Wide presentation. The Fund Financial Statements only account for current financial resources; therefore, current year capital expenditures are accounted for in the current year operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance). Current liabilities included in the Fund Financial Statements consist of the same \$21,159 in Accounts Payable, \$56,235 in Payroll Taxes and Related Employee Benefits, and \$24,802 in Accrued Employee Leave.

The fund reporting format presents in the Statement of Revenues, Expenditures, and Changes in Fund Balance all revenue types followed by the expenses of the Livingston Parish Clerk of Court, also presented on a functional basis but in more detail than the Government-Wide Financial Statements. The major revenue and expenditure sources are similar to the government-wide presentation. The differences in total expenditures are in the reporting of capital expenditures, depreciation and cash expended for insurance. As previously noted, in the Fund Financial Statements capital expenditures are reported on the operating statement (Statement of Revenues, Expenditures, and Changes in Fund Balance); whereas the Government-Wide Financial Statements report capital assets on the Statement of Net Assets with depreciation expense recorded on the Statement of Activities in a manner similar to a private business enterprise.

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Required Supplementary Information

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplementary information. For the Livingston Parish Clerk of Court, this Required Supplementary Information is included for the General Fund as "Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget (GAAP Basis) and Actual-General Fund" which can be found on page 34. The presentation under the GASB 34 standard requires disclosure of both the original and the final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Analysis of Significant Budget Variations in the General Fund

The Livingston Parish Clerk of Court demonstrated legal compliance by amending its budget in accordance with provisions of the Local Government Budget Act. Actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures did not exceed budgeted expenditures and other uses by 5%.

The only significant variations from the original budgeted revenues and expenditures for the General Fund were as follows:

- ❖ The original budgeted revenues were increased by \$385,130 to allow for an increase in revenues from Recordings and a downturn in Cancellations and Mortgage Certificates.
- ❖ The original budgeted expenditure for Salary for Deputies was increased by \$214,273.
- ❖ The original budgeted expenditure for Insurance was increased by \$83,400.
- ❖ The original budgeted expenditures for Other Expenditures were increased and Office Expenditures were decreased to reflect reclassification of certain computer-related costs from Repairs and Maintenance into the Other Expenditures category since the expenditures for consulting fees, software licensing, and data conversion were related to Technology Update projects rather than normal office operations. The net increase in these budgeted expenditures was \$133,020.
- ❖ Actual revenues fell below the amended budget by \$36,626. Expenditures were below the amended budget by \$17,469.

Budgets for other revenue and expenditure categories were amended in the normal course of operations.

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Capital Assets and Long-Term Debt

Capital Assets at Year-End

	Governmental Activities
Beginning Balance (as restated)	\$ 1,273,325
Plus Additions	264,926
Less Deletions	(32,891)
Less Accumulated Depreciation	(528,359)
Ending Balance	\$ <u>977,001</u>

For governmental activities, major capital additions and deletions consisted of:

- ❖ Purchases of computers, software and related peripherals and related consulting, engineering, and data conversion fees of approximately \$250,000 in connection with the Clerk's Strategic Technology Plan.
- ❖ The "write-down" of equipment in the amount of \$416,025 in connection with the restatement of the beginning balance of capital assets is a book adjustment in conformance with requirements of Governmental Accounting Standards Board (GASB) Statement No. 34, and does not represent a disposal of assets. GASB Statement No. 34 requires adoption of a capitalization "threshold" policy. "Threshold" policy means that a policy must be adopted indicating the bottom limit at which a purchased asset must be capitalized (added to the capital asset listing) and depreciated in accordance with requirements of GASB Statement No. 34. The Livingston Parish Clerk of Court maintains a "threshold" of \$1,000 or more for capitalizing and depreciating assets. Moveable assets costing \$500 or more are "tagged" and monitored for stewardship purposes.

Long-Term Debt

The debt structure is simple for the Livingston Parish Clerk of Court since Clerks of Court are not allowed to incur long-term indebtedness for bonds or notes payable. At year-end, the Livingston Parish Clerk of Court had no long-term debt outstanding.

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Economic Factors

In calendar year 1999, the Clerk began a comprehensive modernization of the office computer systems as a part of his *Strategic Technology Implementation Plan*. The Plan embraces multiple modern-day office technologies - computers for data processing and office productivity; digital imaging of documents for archival storage and reproduction; telephone and other communications systems; and internet-based customer services.

With respect to the data processing and productivity aspects of the Plan, market forces in the industry have necessitated the purchase of new workstation PCs and network servers and peripherals. Specifically, vendors of the software employed in indexing, recording, and archiving documents and civil suits, issuing marriage licenses, processing civil suits, and managing the jury selection functions have all re-designed their products to operate on PCs running under the Windows XP Professional desktop and network operating systems. Five years ago, these applications ran exclusively on an HP3000 minicomputer system. Since 1999, they have run in a hybrid environment. By the end of FYE June 30, 2005, it is anticipated that the then-obsolete HP3000 will have been completely replaced.

In the latter half of FYE June 30, 2004, the Clerk purchased several new PC file servers, workstations, backup devices, and related network and peripheral hardware and software that will become the infrastructure for the new Windows XP-based application software. In the early part of FYE June 30, 2005, the Clerk's technology consultants and IT staff will upgrade the network operating systems and remaining infrastructure in anticipation of Cott Systems' (the software vendor) installation of the *Verdict* Civil Suit and Advance Deposit, Jury Management, and Minute modules. These modules will join the *Resolution* (Cashiering, Indexing, Imaging, and Marriage License) modules installed over the last two fiscal years.

In addition to *Verdict*, by the end of calendar year 2004, the Clerk should have almost 25,000 plat maps digitized, indexed under the *Resolution* system, and available for on-line viewing via his internet-based eCommerce and Data Mining system. Conversion of the plat maps is currently underway. In the fiscal year just ended, the internet-based Data Mining system was completed and became operational. It is anticipated that the eCommerce module (the part that allows for secure internet-based sale and payment for downloadable copies) will "go live" by the end of October 2004.

The clerk estimates that the infrastructure costs (hardware, software, project management fees and integration fees) attributable to the above-described projects to be expended in FYE June 30, 2005, will approximate \$250,000.

Another part of the Strategic Technology Implementation Plan concerned the modernization of the telephone system. This has been budgeted for FYE June 30, 2005 and is scheduled for full implementation by the end of the Summer.

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Requests for Information

This financial report is designed to provide a general overview of the Livingston Parish Clerk of Court's finances and to demonstrate the Clerk of Court's accountability. If you have questions regarding this report or need additional information, contact Thomas L. Sullivan, Jr., Clerk of Court, Livingston Parish Clerk of Court, First Floor Courthouse Building, P.O. Box 1150, Livingston, LA 70454; phone number (225) 686-2216.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF NET ASSETS

JUNE 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,858,631
Receivables, Net	163,440
Prepaid Insurance	26,740
Capital Assets (Net of Accumulated Depreciation)	<u>977,001</u>
Total Assets	<u><u>\$ 3,025,812</u></u>
LIABILITIES	
Accounts Payable	\$ 21,159
Payroll Taxes and Related Benefits Payable	56,235
Accrued Employee Leave	<u>24,802</u>
Total Liabilities	102,196
NET ASSETS	
Investment in Capital Assets Unrestricted	977,001 <u>1,946,615</u>
Total Net Assets	<u>2,923,616</u>
Total Liabilities and Net Assets	<u><u>\$ 3,025,812</u></u>

The accompanying notes constitute an integral part of this statement.

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STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

Governmental Activities:

Expenses:

Judicial:

Salaries	\$ 1,611,923
Office Expenditures	558,388
Insurance	552,864
Auto/Travel	14,727
Clerk's Allowance	9,258
Other Expenditures	601,576
Depreciation	<u>123,637</u>
Total Expenses	3,472,373

Program Revenues:

Fees, Charges & Commissions for Services:

Recordings	1,869,333
Cancellations	46,528
Mortgage Certificates	16,231
Court Attendance	11,300
Photocopies	151,850
Bond Forfeits	65,464
Suits and Successions	1,165,060
Licenses and Permits	<u>23,898</u>
Net Program Revenues	3,349,664

General Revenues:

Interest Revenue	40,378
Other Revenue	<u>184,330</u>
Total General Revenues	<u>224,708</u>

Change in Net Assets 101,999

Net Assets - Beginning of Year, as Restated 2,821,617

Net Assets - End of Year \$ 2,923,616

The accompanying notes constitute an integral part of this statement.

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BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2004

	<u>General</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,858,631
Receivables	103,463
Insurance Deposit	19,694
Due from Other Funds	39,627
Due from Other Governments	<u>20,350</u>
Total Assets	<u>\$ 2,041,765</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 21,159
Payroll Taxes and Related Benefits Payable	56,235
Accrued Employee Leave	<u>24,802</u>
Total Liabilities	102,196
Fund Balances:	
Reserved for Insurance Deposit	19,694
Unreserved	<u>1,919,875</u>
Total Fund Balances	<u>1,939,569</u>
Total Liabilities and Fund Balances	<u>\$ 2,041,765</u>

The accompanying notes constitute an integral part of this statement.

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH CLERK OF COURT
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2004

Fund Balances - Total Governmental Fund		\$ 1,939,569
 Amounts reported for governmental activities in the statement of net assets are different because:		
Cost of Capital Assets at June 30, 2004	1,505,360	
Less: Accumulated Depreciation as of June 30, 2004	<u>(528,359)</u>	
		977,001
 Prepaid Insurance		 <u>7,046</u>
 Net Assets of Governmental Activities		 \$ <u><u>2,923,616</u></u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>
Revenues:	
Fees, Charges & Commissions for Services:	
Recordings	\$ 1,869,333
Cancellations	46,528
Mortgage Certificates	16,231
Court Attendance	11,300
Photocopies	151,850
Bond Forfeits	65,464
Suits and Successions	1,165,060
Licenses and Permits	23,898
Interest Revenue	40,378
Other Revenue	<u>189,812</u>
Total Revenues	3,579,854
Expenditures:	
Judicial:	
Salaries	1,611,923
Office Expenditures	558,388
Insurance	554,876
Auto/Travel	14,727
Clerk's Allowance	9,258
Other Expenditures	<u>601,576</u>
	3,350,748
Capital Outlay	<u>264,926</u>
Total Expenditures	<u>3,615,674</u>
Excess of Expenditures Over Revenues	(35,820)
Fund Balance - Beginning of Year	<u>1,975,389</u>
Fund Balance - End of Year	<u>\$ 1,939,569</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON 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

JUNE 30, 2004

Net Change in Fund Balance - Total Governmental Fund \$ (35,820)

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

Governmental funds report capital outlays as expenditures. In the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period:

Capital Outlay	264,926	
Depreciation Expense	<u>(123,637)</u>	141,289
Add accumulated depreciation on capital assets retired during the year	27,409	
Less cost basis of capital assets retired during the year	<u>(32,891)</u>	(5,482)

Some Expenditures reported in the Governmental Funds do not Require the use of Current Financial Resources and are not reported as expenses in the Statement of Activities.

Change in Prepaid Insurance	<u>2,012</u>
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Change in Net Assets of Governmental Activities \$ 101,999

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2004

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 1,806,186	\$ 1,045,437	\$ 2,851,623
Accounts Receivable	855	-	855
Total Assets	<u>\$ 1,807,041</u>	<u>\$ 1,045,437</u>	<u>\$ 2,852,478</u>
LIABILITIES			
Due to General Fund	\$ 39,499	\$ 128	\$ 39,627
Due to Taxing Bodies and Others	1,767,542	1,045,309	2,812,851
Total Liabilities	<u>1,807,041</u>	<u>1,045,437</u>	<u>2,852,478</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

STATEMENT OF CHANGES IN FIDUCIARY UNSETTLED DEPOSITS
FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	Agency Funds		
	Advance Deposit Fund	Registry of Court Fund	Total
Unsettled Deposits, Beginning of Year	\$ 1,643,642	\$ 1,407,571	\$ 3,051,213
Additions:			
Suits and Successions	1,932,628	-	1,932,628
Judgments	-	754,922	754,922
Interest Earned	-	11,185	11,185
Total Additions	1,932,628	766,107	2,698,735
Reductions:			
Clerk's Costs (Transferred to General Fund)	1,165,060	-	1,165,060
Settlements to Litigants	332,376	1,128,220	1,460,596
Sheriff's Fees	122,713	-	122,713
Other Reductions	188,579	149	188,728
Total Reductions	1,808,728	1,128,369	2,937,097
Unsettled Deposits, End of Year	\$ 1,767,542	\$ 1,045,309	\$ 2,812,851

The accompanying notes constitute an integral part of this statement.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2004

Note 1 - Organization, Nature of Operations, and Summary of Significant Accounting Policies

A. Organization and Nature of Operations

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

B. Reporting Entity

The Clerk of Court is an independently elected official; however, the Clerk of Court is fiscally dependent on the Livingston Parish Council. The council maintains and operates the parish courthouse in which the Clerk of Court's office is located and provides funds for equipment and furniture for the Clerk of Court's office. Because the Clerk of Court is fiscally dependent on the council, the Clerk of Court was determined to be a component unit of the Livingston Parish Council, 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 council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Basis of Statement Presentation

The accompanying component unit financial statements of the Livingston Parish Clerk of Court have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has 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.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

D. Fund Accounting

The Clerk of Court uses fund accounting to maintain its financial records and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain governmental functions or activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental fund (General Fund) and fiduciary (Agency Funds).

General Fund

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

Agency Funds

The Advance Deposit and Registry of Court Funds account for assets held as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

E. Measurement Focus/Basis of Accounting

Basic Financial Statements - Government-Wide Financial Statements (GWFS)

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 Livingston Parish Clerk of Court.

The GWFS 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*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from *general revenues*.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

The Clerk of Court does not allocate indirect expenses.

Basic Financial Statements - Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by Governmental Funds. 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 (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

Revenues from recordings, copies, and other services are recognized when they become measurable and available as net current assets (i.e. when the service is performed). Substantially 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.

F. Budgetary Policy and Accounting

The proposed budget for the 2004 fiscal year was made available for public inspection at the Clerk's office on June 26, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal prior to the public hearing. The budget hearing was held at the Clerk's office on June 30, 2003. The budget is legally adopted and amended, as necessary, by the Clerk. All appropriations lapse at year-end. The final amended budget was approved June 21, 2004.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

G. Encumbrances

The Clerk of Court does not use an encumbrance accounting system.

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Clerk of Court 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.

I. Prepaid Items

Payments made to vendors for general insurance that will benefit periods beyond June 30th are recorded as prepaid expenditures. These amounts are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

J. Capital Assets and Depreciation

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$1,000 or more for capitalizing.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. 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. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

<u>Assets</u>	<u>Estimated Lives</u>
Office Equipment	5 Years
Furniture and Fixtures	5 to 7 Years
Automobiles	5 Years
Leasehold Improvements	30 Years

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

K. Compensated Absences

Employees earn vacation leave of ten days per year after one year of employment. Sick leave is earned at the rate of twelve days per year after one year of employment. Only the vacation leave is paid to the employees upon termination of employment and any accrued sick leave is forfeited. In accordance with GASB 16, Accounting for Compensated Absences, the liability for accrued unused employee vacation is included in these financial statements as Accrued Employee Leave.

L. Interfund Activities

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

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

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

N. 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.

R.S. 13:785 requires that every four years (at the close of the term of office) the clerk of court must pay the parish treasurer the portion of the General Fund's fund balance that exceeds one-half of the revenues of the clerk's last year of his term of office. The amount owed to the parish treasurer under R.S. 13:785 is limited to the funds provided by the parish treasurer under provisions of R.S. 13:784 to help defray the costs of capital assets and record books during the clerk of court's four year term. The parish treasurer did not provide any funding under the provisions of R.S. 13:784 during the clerk of court's four year term; therefore, a liability is not owed to the parish treasurer under the provisions of R.S. 13:785 at June 30, 2004.

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

P. Change in Accounting Principles and Restatement of Prior Year Fund Equity -

For the fiscal year ended June 30, 2004, the Clerk of Court implemented the following GASB Standards:

- Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*
- Statement No. 36 - *Recipient Reporting for Certain Shared Nonexchange Revenues*
- Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*
- Statement No. 38 - *Certain Financial Statement Note Disclosures*
- Interpretation No. 6 - *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*

The transition from governmental fund balances total equity to net assets for June 30, 2003, is presented below:

	<u>Governmental Activities</u>
Total Fund Balances/Fund Equity, as Previously Reported	\$ 1,975,389
Prepaid Insurance	5,034
Capital Assets, Net of Depreciation	<u>841,194</u>
Restated Net Assets, June 30, 2003	<u>\$ 2,821,617</u>

Note 2 - Cash and Cash Equivalents

At June 30, 2004, the carrying amount of the Clerk of Court's Cash and Cash Equivalents totaled \$4,710,254, and the confirmed bank balances totaled \$4,898,688. Cash and Cash Equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of cash and cash equivalents at June 30, 2004, with the related federal deposit insurance and pledged securities:

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

	<u>Confirmed Bank Balances</u> <u>at June 30, 2004</u>			<u>FDIC/FSLIC</u> <u>Insurance</u>	<u>Balances</u> <u>Uninsured</u>
	<u>Governmental</u> <u>Funds</u>	<u>Agency</u> <u>Funds</u>	<u>Total</u>		
Cash and Cash Equivalents	\$ 1,975,457	\$ 2,923,231	\$ 4,898,688	\$ 202,784	\$ 4,695,904
Uncollateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent					<u>5,744,073</u>
Deficiency of FDIC/FSLIC Insurance and Pledged Securities over Cash and Cash Equivalents					<u>\$ NONE</u>

Note 3 - Investments

At June 30, 2004, all investments held by the Clerk of Court are classified as cash equivalents.

Note 4 - Receivables

The receivables of \$163,440 at June 30, 2004, are as follows:

	<u>General</u> <u>Fund</u>
Accounts	\$ 103,463
Intergovernmental	20,350
Due from Fiduciary Funds	<u>39,627</u>
	<u>\$ 163,440</u>

LIVINGSTON PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Note 5 - Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>June 30, 2003</u>	<u>Reclassifications/</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2003</u> <u>(As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Governmental Activities:</u>						
Capital Assets being Depreciated:						
Buildings Additions	670,824	1	670,825	-	-	670,825
Vehicles	57,547	-	57,547	30,823	32,891	55,479
Equipment	<u>960,978</u>	<u>(416,025)</u>	<u>544,953</u>	<u>234,103</u>	<u>-</u>	<u>779,056</u>
Total Capital Assets being Depreciated	1,689,349	(416,024)	1,273,325	264,926	32,891	1,505,360
Less: Accumulated Depreciation for:						
Buildings	-	69,290	69,290	22,361	-	91,651
Vehicles	-	42,065	42,065	11,234	27,409	25,890
Equipment	<u>-</u>	<u>320,776</u>	<u>320,776</u>	<u>90,042</u>	<u>-</u>	<u>410,818</u>
Total Accumulated Depreciation	-	432,131	432,131	123,637	27,409	528,359
Total Capital Assets being Depreciated, Net	<u>1,689,349</u>	<u>(848,155)</u>	<u>841,194</u>	<u>141,289</u>	<u>5,482</u>	<u>977,001</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 1,689,349</u>	<u>\$(848,155)</u>	<u>\$841,194</u>	<u>\$141,289</u>	<u>\$ 5,482</u>	<u>\$977,001</u>

Depreciation expense of \$123,637 was charged to the Judicial Operations function in the Statement of Activities.

Note 6 - Changes in General Long-Term Debt

The Clerk has no general long-term obligations at June 30, 2004.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Note 7 - Retirement Plans

Plan Description: Substantially all employees of the Livingston Parish Clerk of Court are members of the Louisiana Clerk 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 that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

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

Funding Policy: Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Livingston Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.50 percent of annual covered payroll.

In addition, the Louisiana Legislature passed R.S. 11:1562(C) which allows the Clerk of Court to pay out of the Clerk's operating funds all or any portion of the employee required contributions which would otherwise be deducted from the employee's salary. In December 1999, the Clerk elected to pay 100% of all retirement system contributions to the Louisiana Clerk of Court Retirement and Relief Fund.

Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collected by the tax rolls of each parish. The contributions requirements of plan members and the Livingston 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 results of the valuation for the prior fiscal year. The Livingston Parish Clerk of Court contributions to the System for the years ended June 30, 2004, 2003, and 2002, were \$264,541 (normal employer portion \$108,229 and employees portion \$156,312) \$220,429, and \$203,988, respectively, equal to the required contribution for each year.

LIVINGSTON PARISH CLERK OF COURT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Note 8 - Other Postemployment Benefits

The Clerk of Court offers all retired employees health insurance benefits. The Clerk of Court pays the premiums. At June 30, 2004, six retired employees were covered under the Clerk's health insurance plan. The cost to the Clerk of Court for the year ended June 30, 2004, was \$26,344.

Note 9 - Compensated Absences

At June 30, 2004, employees of the Clerk of Court have accumulated and vested \$24,802 of employee leave benefits, computed in accordance with GASB Codification Section C60. The entire amount is recorded as an obligation of the General Fund.

Note 10 - Leases

The Clerk of Court records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 2004, the Clerk of Court had no capital leases in effect.

The Clerk of Court has entered into various operating leases for machinery, office space and warehouse on various dates. The lease terms range from one year to sixty months. These leases require a total monthly payment of \$5,462. Total rent expense under these leases for the year ended June 30, 2004 is \$65,118.

Future minimum lease payments under these leases by year and in the aggregate are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amounts</u>
2005	\$ 65,541
2006	32,840
2007	16,426
2008	10,422
2009	<u>190</u>
Total Minimum Lease Payments	<u>\$125,419</u>

LIVINGSTON PARISH CLERK OF COURT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Note 11 - Changes in Fiduciary Fund Balances

A summary of changes in agency fund unsettled deposits follows:

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
Advance Deposit Fund	\$1,643,642	\$ 1,932,628	\$ 1,808,728	\$ 1,767,542
Registry of Court Fund	<u>1,407,571</u>	<u>766,107</u>	<u>1,128,369</u>	<u>1,045,309</u>
	<u>\$ 3,051,213</u>	<u>\$ 2,698,735</u>	<u>\$ 2,937,097</u>	<u>\$ 2,812,851</u>

Note 12 - Income Taxes

The Clerk of Court is exempt from all Federal and Louisiana income taxes.

Note 13 - Litigation and Claims

Claims and litigation costs of \$9,043 were incurred in the current year. The entire amount is recorded as a current year expenditure in the General Fund.

At June 30, 2004, the Clerk of Court was not involved in any litigation.

REQUIRED SUPPLEMENTAL INFORMATION

LIVINGSTON PARISH CLERK OF COURT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Fees, Charges & Commissions for Services:				
Recordings	\$ 1,575,000	\$ 1,980,800	\$ 1,869,333	\$ (111,467)
Cancellations	40,000	18,300	46,528	28,228
Mortgage Certificates	14,800	5,350	16,231	10,881
Court Attendance	10,650	10,100	11,300	1,200
Photocopies	137,000	133,300	151,850	18,550
Bond Forfeits	45,000	56,800	65,464	8,664
Suits and Successions	1,180,000	1,179,400	1,165,060	(14,340)
Licenses and Permits	22,000	23,000	23,898	898
Interest Revenue	49,500	32,500	40,378	7,878
Other Revenue	157,400	176,930	189,812	12,882
Total Revenues	3,231,350	3,616,480	3,579,854	(36,626)
Expenditures:				
Judicial:				
Salaries	1,390,850	1,605,123	1,611,923	(6,800)
Office Expenditures	677,900	644,020	558,388	85,632
Insurance	434,900	518,300	554,876	(36,576)
Auto/Travel	8,600	15,050	14,727	323
Clerk's Allowance	9,000	9,300	9,258	42
Other Expenditures	556,950	723,850	601,576	122,274
	3,078,200	3,515,643	3,350,748	164,895
Capital Outlay	76,000	117,500	264,926	(147,426)
Total Expenditures	3,154,200	3,633,143	3,615,674	17,469
Excess (Deficit) of Revenues Over Expenditures	77,150	(16,663)	(35,820)	(19,157)
Fund Balance - Beginning of Year	1,975,389	1,975,389	1,975,389	-
Fund Balance - End of Year	\$ 2,052,539	\$ 1,958,726	\$ 1,939,569	\$ (19,157)

The accompanying notes constitute an integral part of this statement.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



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R. David Wascom, CPA

* A Professional Accounting Corporation

July 30, 2004

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court
Livingston, Louisiana

We have audited the financial statements of the Livingston Parish Clerk of Court (a component unit of the Livingston Parish Council), as of and for the year ended June 30, 2004, and have issued our report thereon dated July 30, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

To the Honorable Thomas L. Sullivan, Jr.
Livingston Parish Clerk of Court

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Livingston Parish Clerk of Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management and the Louisiana Legislative Auditor, and should not be used for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannia T. Bourgeois, LLP