

04 02 0 9

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA  
ANNUAL FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED 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 12-29-04

**CADDO PARISH CLERK OF COURT  
Shreveport, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2004  
With Supplemental Information Schedules**

**Table of Contents**

	<b>Page</b>
<b>Independent Auditor’s Report</b> .....	1-2
<b>Management’s Discussion and Analysis</b> .....	3-10
<b>Basic Financial Statements:</b>	
Government Wide Financial Statements:	
Statement of Net Assets .....	11
Statement of Activities .....	12
Fund Financial Statements:	
Balance Sheet – Governmental Fund.....	13
Reconciliation of Fund Balance on the Balance Sheet for Governmental Fund to Net Assets of Governmental Activities on the Statement of Net Assets .....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Fund .....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities .....	16
Statement of Fiduciary Net Assets.....	17
Statement of Changes in Fiduciary Unsettled Deposits.....	18
Notes to the Financial Statements.....	19 - 31
<b>Required Supplemental Information:</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (GAAP Basis) and Actual- General Fund.....	32
<b>Independent Auditor’s Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b> .....	33-34
<b>Supplemental Information Schedules:</b>	
Schedule of Findings .....	35
Summary Schedule of Audit Findings.....	36
Summary Schedule of Prior Year Audit Findings.....	37



Certified Public Accountants • Management Consultants • Business Advisors

## INDEPENDENT AUDITOR'S REPORT

The Honorable Gary Loftin  
Caddo Parish Clerk of Court  
Shreveport, Louisiana

We have audited the accompanying financial statements of the governmental activities, the General Fund (major fund) and each fiduciary fund of the Caddo Parish Clerk of Court, Shreveport, Louisiana, a component unit of the Caddo Parish Commission, 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 Caddo Parish Clerk of Court's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Caddo Parish Clerk of Court, as of June 30, 2004, and the respective changes in financial position for year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2004, on our consideration of the Caddo Parish Clerk of Court's internal control over financial reporting and on 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 budgetary comparison information on pages 3 through 10 and 32, respectively, 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 it.

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

*Smith Pugh & Company, LLP*

Smith Pugh & Company, LLP  
Certified Public Accountants  
Shreveport, Louisiana  
November 18, 2004

# Gary Loftin, Clerk of Court



Caddo Parish  
501 Texas Street, Room 108  
Shreveport, LA 71101-5408  
www.caddoclerk.com

Civil Suits: 318-226-6776  
Criminal: 318-226-6786  
Land Records: 318-226-6780  
Fax: 318-227-9080

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Caddo Parish Clerk of Court's (hereafter referred to as the Clerk) annual financial report presents our discussion and analysis of the Clerk's financial performance during the fiscal year that ended on June 30, 2004. Please read it in conjunction with the Clerk's financial statements, which follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999.

### FINANCIAL HIGHLIGHTS

During the year ended June 30, 2004, the Clerk purchased \$375,428 of computer equipment and \$86,530 of office furniture to complete the implementation of a "less paper" office operation.

The Clerk also completed major renovations to the office building costing \$42,581.

The Clerk added two (2) employees to the staff during the year ended 2004.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

## ***Basic Financial Statements***

The basic financial statements include two kinds of financial statements that present different views of the Caddo Parish Clerk of Court - the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

### **Government-wide Financial Statements**

The government-wide financial statements provide a broad view of the Clerk's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Clerk's financial position, which assists users in assessing the Clerk's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid. The government-wide financial statements include two statements:

- **The *statement of net assets*** presents all of the Clerk's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Clerk's net assets may serve as a useful indicator of whether the financial position of the Clerk is improving or deteriorating.
- **The *statement of activities*** presents information showing how the Clerk's net assets changed during the most recent 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. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

The government-wide financial statements can be found immediately following this discussion and analysis.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clerk, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- ***Governmental funds financial statements.*** The services provided by the Clerk are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Clerk's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Clerk's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Clerk.

### **Fund Financial Statements (continued):**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Clerk's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Clerk has one governmental fund; the General Fund (Salary Fund).

The governmental funds financial statements can be found immediately following the government-wide financial statements.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the government funds financial statements.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule, which includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance of the General Fund as presented in the governmental fund financial statements.

## **FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES**

### ***Net Assets***

Net assets may serve over time as a useful indicator of the Clerk's financial position. The Clerk's assets exceeded liabilities by \$2,976,119 and \$3,494,880 as of June 30, 2004 and 2003 respectively.

The Clerk continues to maintain a high level of liquidity with \$775,000 (26%) of the Clerk's net assets invested in certificates of deposit with various financial institutions as of June 30, 2004 compared to \$975,000 (28%) of net assets in the prior period. The Clerk also had deposits with the Louisiana Asset Management Pool, Inc. totaling \$1,675,000 (56%) of net assets at June 30, 2004 compared to similar deposits of \$1,750,000 (50%) of net assets as of June 30, 2003. All certificates of deposit have maturities of one year or less when purchased and deposits with the Louisiana Asset Management Pool, Inc. may be withdrawn at any time without penalty. The Clerk had combined cash and investments of \$2,450,000 (82%) of net assets and \$2,725,000 (78%) of net assets at June 30, 2004 and 2003, respectively.

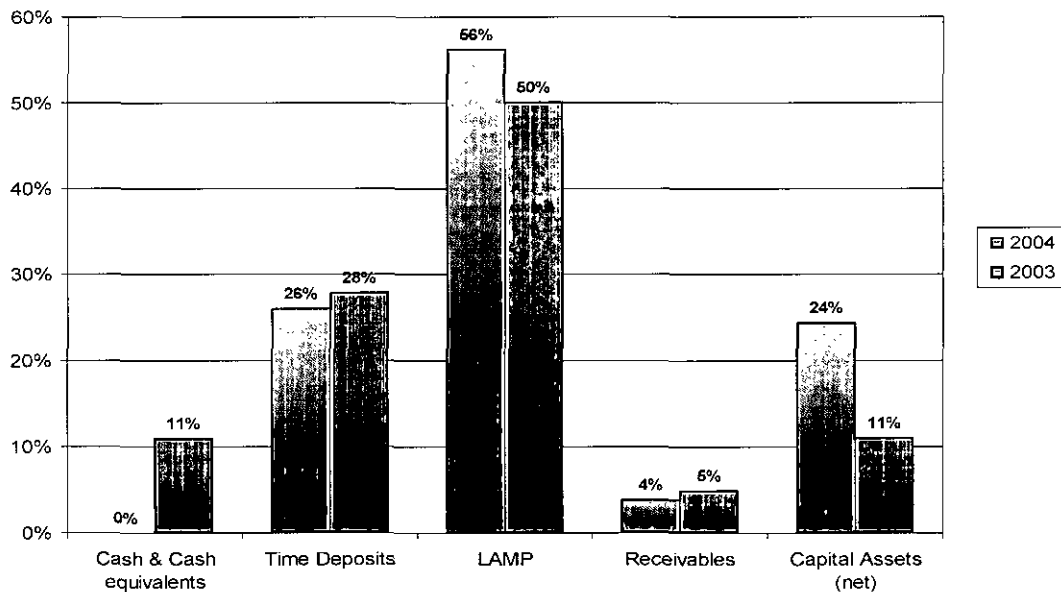
At June 30, 2004, \$725,095 (24%) of the of the Clerk's net assets reflects capital assets with a historical cost of \$1,077,160 and accumulated depreciation of \$352,065 compared to \$386,496 (11%) of net assets with a historical cost of \$804,564 and accumulated depreciation of \$418,068 for the prior year.

**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES (Continued)**

*Net Assets (Continued)*

The largest portion of the Clerk's net assets, \$2,251,024 (76%) as of June 30, 2004 and \$3,108,384 (89%) as of June 30, 2003, is unrestricted and may be used to meet the Clerk's ongoing obligations to the citizens of Caddo Parish.

**Net Assets of Governmental Activities**



**Caddo Parish Clerk of Court's Net Assets**

	<u>2004</u>	<u>2003</u>
Current assets	\$ 114,678	\$ 555,084
Investments	2,450,000	2,725,000
Capital assets, net of accumulated depreciation	725,095	386,496
Total assets	<u>3,289,773</u>	<u>3,666,580</u>
Current liabilities	<u>313,654</u>	<u>171,700</u>
Invested in capital assets, net of related debt	725,095	386,496
Unrestricted	<u>2,251,024</u>	<u>3,108,384</u>
Total net assets	<u><u>\$ 2,976,119</u></u>	<u><u>\$ 3,494,880</u></u>



**FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES (Continued)**

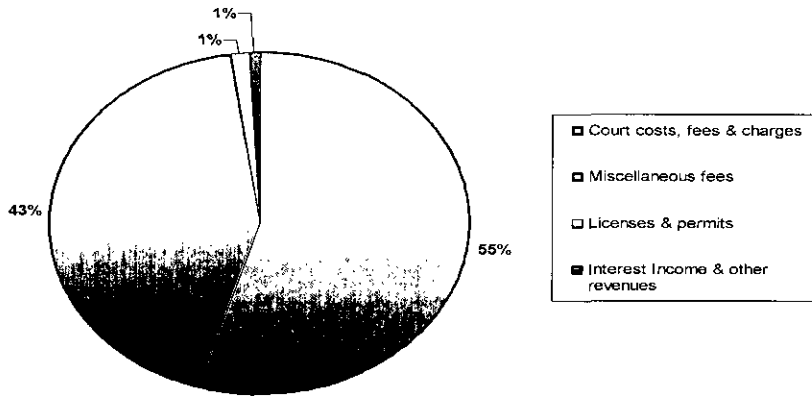
***Changes in Net Assets***

The Clerk's net assets decreased by \$518,761 or 15% during the year ended June 30, 2004 compared to an increase of \$584,422 or 20% during the prior year. Approximately 99% (\$4,908,897) of the Clerk's total revenues were derived through charges for services and licenses and permits in 2004 compared to 97% (\$4,766,403) in 2003. Revenues were generally consistent with the prior year. Expenses incurred by the Clerk are primarily for the provision of legal recordings for the citizens of the First Judicial District, Caddo Parish, Louisiana. Approximately 67% (\$3,678,258) of the Clerk's expenses are for salaries and related payroll taxes and employee benefits during the year ended June 30, 2004 compared to 76% (\$3,283,852) during the prior year. In 2004, governmental activity expenses exceeded, program revenues by \$559,697, resulting in a decrease in unrestricted net assets.

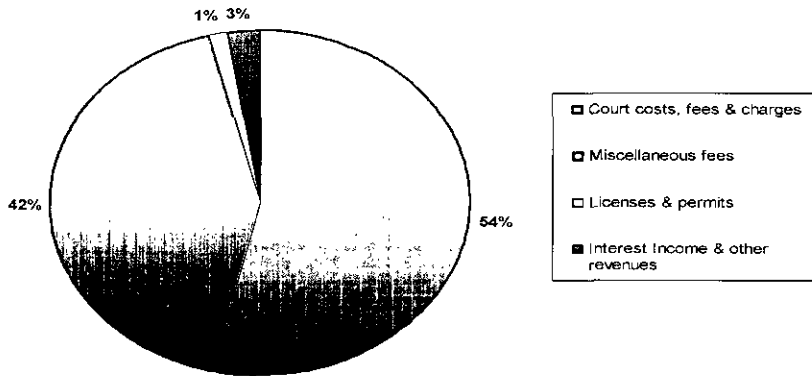
**Caddo Parish Clerk of Court's Changes in Net Assets  
Governmental Activities**

	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 4,845,598	\$ 4,701,938
Licenses and permits	63,299	64,465
General revenues:		
Interest	75,075	111,587
Miscellaneous (Loss)	(34,139)	16,059
Total revenues	<u>4,949,833</u>	<u>4,894,049</u>
<b>Expenses:</b>		
Judiciary	<u>5,468,594</u>	<u>4,309,627</u>
Increase in net assets	(518,761)	584,422
Net assets, beginning of year	<u>3,494,880</u>	<u>2,910,458</u>
Net assets, end of year	<u>\$ 2,976,119</u>	<u>\$ 3,494,880</u>

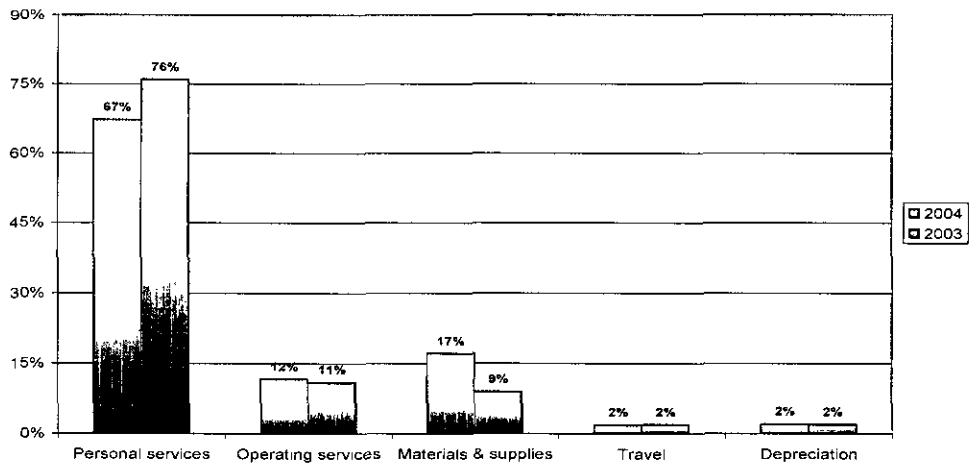
**Total 2004 Revenues of Governmental Activities**



**Total 2003 Revenues of Governmental Activities**



**Total Expenses of Governmental Activities**



## **FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS**

As noted earlier, the Clerk uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### ***Governmental Funds***

The focus of the Clerk's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Clerk's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Clerk's net resources available for spending at the end of the year.

As of the end of the year, the Clerk's governmental fund (General Fund) reported an ending fund balance of \$2,251,024, a decrease of \$857,359 compared to the prior year.

The ending fund balance, \$2,251,024 is unreserved and available for spending in the coming year.

The general fund is the operating fund of the Clerk. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. Unreserved general fund balance as of June 30, 2004, (\$2,251,024) represents 38% of the total general fund expenditures (\$5,858,886) for the year ended June 30, 2004. The fund balance of the general fund decreased by \$857,359 (28%) during the year ended June 30, 2004.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Clerk complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.).

The Clerk's budget was amended on June 14, 2004 because the amounts actually paid for deputies' salaries, group insurance, contract computer services, office supplies, and capital outlays were significantly more than anticipated in the original budget. Expenditures were \$1,670,284 more than the amount originally budgeted.

The actual expenditures were \$18,960 less than the final budgeted amounts.

Revenues available for expenditure were \$169,867 above the final budgeted amounts.

## **CAPITAL ASSET ADMINISTRATION**

### ***Capital Assets***

The Clerk's investment in capital assets for its governmental activities as of June 30, 2004, totaled \$1,077,160, net of accumulated depreciation of \$352,065, leaving a book value of \$725,095. This investment in capital assets consists of improvements to the office building, office equipment and furniture and fixtures.

## **CAPITAL ASSET ADMINISTRATION**

### ***Capital Assets (continued)***

In terms of historical cost, the Clerk's investment in capital assets increased \$272,596, about 30%, during 2004. Actual costs to construct and purchase capital assets were \$504,539 in 2004 compared to \$153,570 in 2003. Assets with a historical cost of \$231,943 were retired during the year ended June 30, 2004.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors were considered when the budget for the fiscal year ended June 30, 2004 was prepared:

- The Clerk does not expect the volume of legal document recordings to change significantly.
- The Clerk's employer contribution for retirement increased from 11.5% to 14.5%. The Clerk expects this rate to be effective (or possibly increase) during 2005.
- The clerk expects to hire one (1) new full-time employee during the year ended June 30, 2005.
- Health insurance costs are expected to increase significantly during 2005.
- The Clerk expects to continue capital expenditures in computer technology to increase the efficiency and effectiveness of the office.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the finances of the Caddo Parish Clerk of Court, Shreveport, Louisiana, and seeks to demonstrate the Clerk's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Honorable Gary Loftin, Clerk of Court for Caddo Parish, 501 Texas Street, Room 103, Shreveport, Louisiana, 71101-5408, or by calling (318) 226-6775.

## **BASIC FINANCIAL STATEMENTS**

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Statement of Net Assets – Governmental Activities  
June 30, 2004

---

<b>Assets</b>	
Investments	\$ 2,450,000
Receivables	114,678
Capital assets, net of accumulated depreciation	725,095
<b>Total Assets</b>	<u>3,289,773</u>
<b>Liabilities</b>	
Bank overdraft	152,183
Accounts payable	27,102
Payroll deductions payable	4,591
Compensated absences payable	129,778
<b>Total Liabilities</b>	<u>313,654</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	725,095
Unrestricted	2,251,024
<b>Total Net Assets</b>	<u><u>\$ 2,976,119</u></u>

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Statement of Activities – Governmental Activities  
For the Year Ended June 30, 2004

---

<b>Expenses:</b>	
Judiciary:	
Personal services and related benefits	\$ 3,678,258
Operating services	636,642
Materials and supplies	936,732
Travel and other charges	102,715
Depreciation	114,247
Total Expenses	<u>5,468,594</u>
<b>Program Revenues:</b>	
Fees, charges, and commissions for services:	
Court costs, fees and charges	2,703,664
Fees for recording legal documents	1,910,393
Fees for certified copies of documents	231,541
Licenses and permits	63,299
Total Program Revenues	<u>4,908,897</u>
Net Program Expenses	<u>(559,697)</u>
<b>General Revenues:</b>	
Miscellaneous	17,555
Use of money and property-interest income	75,075
Loss on disposal of capital assets	<u>(51,694)</u>
Total General Revenues	<u>40,936</u>
<b>Change in Net Assets</b>	<u>(518,761)</u>
<b>Net Assets - June 30, 2003</b>	<u>3,494,880</u>
<b>Net Assets - June 30, 2004</b>	<u><u>\$ 2,976,119</u></u>

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Balance Sheet – Government Fund  
June 30, 2004

---

	General Fund
<b>Assets</b>	
Investments	\$ 2,450,000
Receivables	114,678
<b>Total Assets</b>	<u>\$ 2,564,678</u>
<b>Liabilities and Fund Equity</b>	
Liabilities:	
Bank overdraft	\$ 152,183
Accounts payable	27,102
Payroll deductions payable	4,591
Compensated absences payable	129,778
Total liabilities	<u>313,654</u>
Fund Equity:	
Fund balance - unreserved - undesignated	2,251,024
<b>Total Liabilities and Fund Equity</b>	<u>\$ 2,564,678</u>

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**



**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Reconciliation of Fund Balance on the Balance Sheet for Governmental Fund  
To Net Assets of Governmental Activities on the Statement of Net Assets  
June 30, 2004

---

<b>Fund Balance - Governmental Fund</b>	<b>\$2,251,024</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Add - capital assets	1,077,160
Deduct - accumulated depreciation	<u>(352,065)</u>
<b>Net Assets of Governmental Activities</b>	<b><u><u>\$2,976,119</u></u></b>

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund – General Fund  
June 30, 2004

---

<b>Revenues</b>	
Licenses and permits	\$ 63,299
Fees, charges, and commissions for services:	
Court costs, fees and charges	2,703,664
Fees for recording legal documents	1,910,393
Fees for certified copies of documents	231,541
Miscellaneous	17,555
Use of money and property-interest income	75,075
Total Revenues	<u>5,001,527</u>
<b>Expenditures</b>	
<b>Judiciary:</b>	
Personal services and related benefits	3,678,258
Operating services	636,642
Materials and supplies	936,732
Travel and other charges	102,715
Capital outlay	504,539
Total Expenditures	<u>5,858,886</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(857,359)</u>
Fund Balance at Beginning of Year	3,108,383
<b>Fund Balance at End of Year</b>	<u><u>\$ 2,251,024</u></u>

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Fund to the Statement of Activities  
For the Year Ended June 30, 2004

---

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

Net Change in Fund Balances - Governmental Fund \$ (857,359)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period:

Capital Outlay	\$ 504,539	
Depreciation Expense	(114,247)	
Loss on Disposal of Capital Assets	<u>(51,694)</u>	
		<u>338,598</u>

Change in Net Assets of Governmental Activities \$ (518,761)

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Statement of Fiduciary Net Assets  
June 30, 2004

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 34,893	\$ 508,137	\$ 2,000,408	\$ 14,081	\$ 2,557,519
Investments	804,000	3,785,000	286,807	162,914	5,038,721
<b>Total Assets</b>	<u>\$ 838,893</u>	<u>\$ 4,293,137</u>	<u>\$ 2,287,215</u>	<u>\$ 176,995</u>	<u>\$ 7,596,240</u>
<b>Liabilities</b>					
Unsettled deposits	\$ 838,893	\$ 4,293,137	\$ 2,287,215	\$ 176,995	\$ 7,596,240
<b>Total Liabilities</b>	<u>\$ 838,893</u>	<u>\$ 4,293,137</u>	<u>\$ 2,287,215</u>	<u>\$ 176,995</u>	<u>\$ 7,596,240</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**CADDO PARISH CLERK OF COURT  
SHREVEPORT, LOUISIANA**

Statement of Changes in Fiduciary Unsettled Deposits  
For the Year Ended June 30, 2004

	Jury Cost Fund	Advance Deposit Fund	Registry of Court Fund	Court Reporter Fund	Total
<b>ADDITIONS:</b>					
Deposits:					
Suits and successions	\$ 294,837	\$ 4,230,275	\$ 1,088,650	\$ 312,177	\$5,925,939
Interest earned on investments	3,343	421	12,389	2,146	18,299
Total additions	<u>298,180</u>	<u>4,230,696</u>	<u>1,101,039</u>	<u>314,323</u>	<u>5,944,238</u>
<b>DEDUCTIONS:</b>					
Clerk's costs (transferred to General Fund)	-	1,908,861	42	21,852	1,930,755
Court reporter costs (transferred to Court Reporter Fund)	-	312,177	-	-	312,177
Judge's Compensation Fund	-	128,383	-	-	128,383
Judicial Court Expense Fund	-	104,683	-	-	104,683
Settlements to litigants	-	494,187	1,065,348	-	1,559,535
Attorney, curator, and notary fees	-	110,121	-	-	110,121
Witnesses, appraisers, keepers, etc.	-	8,329	-	-	8,329
Stenographer's Fees	-	-	-	269,357	269,357
Juror fees	22,148	-	-	-	22,148
Sheriff's fees	44,246	598,574	-	-	642,820
Bond refunds	107,106	23,000	-	-	130,106
Other reductions	62,410	44,547	-	30,966	137,923
Total Deductions	<u>235,910</u>	<u>3,732,862</u>	<u>1,065,390</u>	<u>322,175</u>	<u>5,356,337</u>
<b>CHANGE IN UNSETTLED DEPOSITS</b>	62,270	497,834	35,649	(7,852)	587,901
Unsettled Deposits - Beginning	776,623	3,795,303	2,251,566	184,847	7,008,339
<b>Unsettled Deposits - Ending</b>	<u>\$ 838,893</u>	<u>\$ 4,293,137</u>	<u>\$ 2,287,215</u>	<u>\$ 176,995</u>	<u>\$7,596,240</u>

**The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.**

## **NOTES TO THE FINANCIAL STATEMENTS**

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

## INTRODUCTION

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.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Caddo 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 34, *Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments*, issued in June 1999.

#### B. REPORTING ENTITY

The Caddo Parish Clerk of Court is an independently elected official; however, the clerk of court is fiscally dependent on the Caddo Parish Commission. The Commission maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the Commission, the clerk of court was determined to be a component unit of the Caddo Parish Commission, the financial reporting entity.

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

#### C. FUND ACCOUNTING

The clerk of court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the clerk of court are classified into two categories: governmental (General Fund) and fiduciary (agency funds). These funds are described as follows:

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### C. FUND ACCOUNTING (continued):

#### Governmental Funds

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the clerk of court. The following is the clerk's governmental fund:

*General Fund-* The General Fund (Salary Fund), as provided by Louisiana Revised Statute (R.S.) 13:781, is the principal fund of the clerk of court and accounts for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

#### Fiduciary Funds

Fiduciary 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 Civil Jury Cost, Advance Deposit, Registry of Court, and Court Reporter agency funds account for assets held by the clerk as an agent for litigants pending court action. Agency 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.

### D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

#### Fund Financial Statements (FFS)

The amounts reflected in the General Fund 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 balance 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 is then reconciled, through adjustment, to a government-wide view of the clerk's operations.



# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

### D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

#### **Fund Financial Statements (FFS) (Continued)**

The amounts reflected in the General 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 clerk 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 interest and principal payments on general long-term debt which is *recognized when due, and certain compensated absences and claims and judgments* which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

#### **Revenues**

Recordings, cancellations, court attendance, criminal costs, and other fees, charges and commissions for services are recorded in the year in which they are earned

Interest income on time deposits is recorded when the time deposits have matured and the *income is available*.

Substantially all other revenues are recorded when received by the clerk of court.

Based on the above criteria, recordings, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

#### **Expenditures**

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

Salaries and related payroll taxes and benefits are recorded when employee services are provided to the clerk.

Capital outlays are reported at the time purchased.

#### **Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted as other *financing sources (uses) and are recognized when the underlying events occur*.

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

### D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING – (Continued)

#### Government-wide Financial Statements (GWFS)

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

**Program Revenues** – Program revenues included in the Statement of Activities are derived directly from clerk users as a fee for services; program revenues reduce the cost of the function to be financed from the clerk's general revenues.

### E. BUDGET PRACTICES

The proposed budget for the June 30, 2004, fiscal year was made available for public inspection at the clerk's office on June 2, 2003. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal fifteen days before the public hearing. The budget hearing was held at the clerk's office on June 16, 2003. The budget is legally adopted and amended, as necessary, by the clerk. The final amended budget was adopted on June 14, 2004. All appropriations lapse at year-end.

Formal budget integration is employed as a management control device during the year. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

### F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriations, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded.

### G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposit 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.

**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

Notes to Financial Statements  
June 30, 2004

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**H. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the clerk of court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less when purchased, they are classified as cash equivalents.

**I. CAPITAL ASSETS AND DEPRECIATION**

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and the 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 are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Lives</u>
Office equipment	5 years
Furniture & fixtures	7 years
Building improvements	7 years

**J. COMPENSATED ABSENCES**

The clerk of court has the following policy relating to vacation and sick leave:

Employees of the clerk's office earn from one to five weeks of annual leave each year, depending on length of service. Annual leave must be used in the year earned. Upon voluntary resignation or retirement, an employee is compensated for annual leave accumulated during the year of resignation or retirement. Authorized time off (ATO) leave (i.e. sick leave) is granted at the discretion of the clerk. Upon retirement, resignation, or termination of employment, all unused ATO leave shall be forfeited.

The clerk's recognition and measurement criteria for compensated absences follows GASB Statement No. 16 which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if *both* of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.

**CADDO PARISH CLERK OF COURT**

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**J. COMPENSATED ABSENCES (Continued)**

- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payment at termination or retirement.

**K. USE OF ESTIMATES**

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

**L. 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 no more than the funds provided by the parish treasurer under provisions of R.S. 13:784 (A) 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(A) 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.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2004, the clerk of court has cash and cash equivalents (book balances) totaling \$ 2,405,336 as follows:

Petty Cash	\$ 1,200
Cash items	41,042
Demand deposits	2,363,094
Total cash and cash equivalents	<u>\$2,405,336</u>

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

## 2. CASH AND CASH EQUIVALENTS (Continued):

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed 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.

At June 30, 2004, the clerk has \$2,959,474 in demand deposits (collected bank balances). These deposits are secured from risk by \$106,324 of federal deposit insurance and \$2,853,150 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

## 3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the clerk of court or its agent in the clerk of court's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the clerk of court's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the clerk of court's name.

**CADDO PARISH CLERK OF COURT**

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

**3. INVESTMENTS (Continued):**

At June 30, 2004, the clerks of court's investment balances were as follows:

Type of Investment	Category			Fair Value	Amortized Cost	Carrying Value
	1	2	3			
Time Deposits	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 3,213,721</u>	\$3,513,721	\$3,513,721	\$3,513,721
Investment in LAMP				<u>3,975,000</u>	<u>3,975,000</u>	<u>3,975,000</u>
Totals				<u>\$7,488,721</u>	<u>\$7,488,721</u>	<u>\$7,488,721</u>

The time deposits all have maturity dates within the next year; therefore, the market value of this particular type of investment is not materially different from its carrying amount. 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 or exceed 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand.

Investments held at June 30, 2004 include \$3,975,000 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at June 30, 2004 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

### 3. INVESTMENTS (Continued):

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA – R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA – R. S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

### 4. RECEIVABLES

The General Fund receivables of \$114,678 at June 30, 2004 are as follows:

Fees, charges and commissions for services:	
Court costs, fees and charges	\$ 20,057
Fees for recording legal documents	79,743
Fees for certified copies of documents	13,523
Miscellaneous	<u>1,355</u>
Total	<u>\$ 114,678</u>

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

## 5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004, is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<i>Governmental activities:</i>				
Capital assets being depreciated:				
Office equipment	\$ 189,211	\$ 72,050	\$ (3,051)	\$ 258,210
Furniture & fixtures	519,673	389,908	(226,392)	683,189
Office improvements	95,680	42,581	(2,500)	135,761
Total	<u>804,564</u>	<u>504,539</u>	<u>(231,943)</u>	<u>1,077,160</u>
Less accumulated depreciation:				
Office equipment	(93,342)	(19,761)	1,634	(111,469)
Furniture & fixtures	(282,933)	(81,990)	177,931	(186,992)
Office improvements	(41,793)	(12,496)	685	(53,604)
Total	<u>(418,068)</u>	<u>(114,247)</u>	<u>180,250</u>	<u>(352,065)</u>
Net capital assets	<u>\$ 386,496</u>	<u>\$ 390,292</u>	<u>\$ (51,693)</u>	<u>\$ 725,095</u>

## 6. PENSION PLAN

*Plan Description.* Substantially all employees of the Caddo 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% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.



# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

## 6. PENSION PLAN (Continued):

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

*Funding Policy:* Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Caddo Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 11.50% of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Caddo Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Caddo Parish Clerk of Court's contributions to the System for the years ending June 30, 2004, 2003 and 2002 were \$248,074, \$196,700, and \$183,111, respectively, equal to the required contributions for each year.

## 7. OTHER POST EMPLOYMENT BENEFITS

The Caddo Parish Clerk of Court provides certain health care and life benefits for retired employees. Substantially all of the clerk's employees become eligible for these benefits if they reach normal retirement age while working for the clerk of court. These benefits for retirees and similar benefits for active employees are provided through insurance company whose monthly premiums are paid jointly by the employee and the clerk of court. The clerk of court recognizes the cost of providing these benefits as expenditure when the monthly premiums are due. The monthly premiums paid by the clerk to the insurance companies for healthcare and related coverage during the year ended June 30, 2004, were \$588,627. Of this expenditure, \$49,318 was for twelve retirees.

## 8. COMPENSATED ABSENCES

At June 30, 2004, employees of the clerk of court have accumulated and vested \$129,778 of employee leave benefits, computed in accordance with GASB Codification Section C60. This amount is due and payable within the next year and is recorded as an obligation of the General Fund.

# CADDO PARISH CLERK OF COURT

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

## 9. LEASES

The Caddo Parish Clerk of Court leases office equipment and vehicles under operating leases. Expense incurred through these operating leases during the year ended June 30, 2004, was \$26,443. The minimum annual commitments under noncancelable operating leases are as follows:

<u>Fiscal Year</u>	
2004-2005	\$ 21,138
2005-2006	14,840
2006-2007	3,174
	<u>\$ 39,152</u>

## 10. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	<u>Jury Cost</u>	<u>Advance</u>	<u>Registry of</u>	<u>Court</u>	<u>Total</u>
	<u>Fund</u>	<u>Deposit</u>	<u>Court Fund</u>	<u>Reporter</u>	
		<u>Fund</u>		<u>Fund</u>	
Balance, June 30, 2003	\$ 776,623	\$3,795,303	\$2,251,566	\$184,847	\$7,008,339
Additions	298,180	4,230,696	1,101,039	314,323	5,944,238
Reductions	(235,910)	(3,732,862)	(1,065,390)	(322,175)	(5,356,337)
Balance, June 30, 2004	<u>\$ 838,893</u>	<u>\$4,293,137</u>	<u>\$2,287,215</u>	<u>\$176,995</u>	<u>\$7,596,240</u>

## 12. RISK MANAGEMENT

The Caddo Parish Clerk of Court is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The clerk purchases commercial insurance to provide workers compensation coverage, general liability, error and omission, and property insurance. There were no significant reductions in insurance coverage from the previous year.

## **CADDO PARISH CLERK OF COURT**

Shreveport, Louisiana

Notes to Financial Statements

June 30, 2004

---

### **13. LITIGATION AND CLAIMS**

At June 30, 2004, the Caddo Parish Clerk of Court was involved in litigation concerning several matters, which in the estimation of the legal advisor of the clerk of court, an estimate of the ultimate resolution of the suits cannot be made. However, it is of the opinion of legal counsel that an unfavorable outcome is unlikely in the pending lawsuits.

### **14. EXPENDITURES OF THE CLERK OF COURT PAID BY THE PARISH COMMISSION**

The Caddo Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715 is paid by the Caddo Parish Commission and are not included in the accompanying financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**

**CADDO PARISH CLERK OF COURT**

Shreveport, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual  
Governmental Fund – General Fund  
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
<b>Revenues</b>				
Licenses and permits	\$ 59,088	\$ 60,494	\$ 63,299	\$ 2,805
Fees, charges, and commissions for services:				
Court costs, fees and charges	2,304,975	2,617,737	2,703,664	85,927
Fees for recording legal documents	1,494,892	1,825,900	1,910,393	84,493
Fees for certified copies of documents	206,610	229,096	231,541	2,445
Miscellaneous	15,354	19,336	17,555	(1,781)
Use of money and property-interest income	107,683	79,097	75,075	(4,022)
Total Revenues	<u>4,188,602</u>	<u>4,831,660</u>	<u>5,001,527</u>	<u>169,867</u>
<b>Expenditures</b>				
General government:				
Personal services and related benefits	3,193,436	3,594,473	3,678,258	(83,785)
Operating services	393,454	859,902	636,642	223,260
Materials and supplies	356,289	700,212	936,732	(236,520)
Travel and other charges	79,576	97,515	102,715	(5,200)
Capital outlay	165,847	625,744	504,539	121,205
Total Expenditures	<u>4,188,602</u>	<u>5,877,846</u>	<u>5,858,886</u>	<u>18,960</u>
<b>Excess Revenues Over (Under) Expenditures</b>	-	(1,046,186)	(857,359)	188,827
<b>Fund Balance at Beginning of Year</b>	3,108,384	3,108,384	3,108,384	-
<b>Fund Balance at End of Year</b>	<u>\$3,108,384</u>	<u>\$2,062,198</u>	<u>\$2,251,025</u>	<u>\$ 188,827</u>

The notes to the financial statements are an integral part of this statement.  
See the accompanying independent auditor's report.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



*Certified Public Accountants • Management Consultants • Business Advisors*

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

The Honorable Gary Loftin  
Caddo Parish Clerk of Court  
Shreveport, Louisiana

We have audited the basic financial statements of the Caddo Parish Clerk of Court, Shreveport, Louisiana, as of and for the year ended June 30, 2004, and have issued our report thereon dated November 18, 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 Caddo Parish Clerk of Court's basic 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 Caddo 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 basic 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 basic 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 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 management of the Caddo Parish Clerk of Court and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Smith Pugh & Company, LLP*

Smith, Pugh & Company, LLP

*Certified Public Accountants*

Shreveport, Louisiana

November 18, 2004



**SUPPLEMENTAL INFORMATION SCHEDULES**

**CADDO PARISH CLERK OF COURT**

Shreveport, Louisiana

Schedule of Findings

For the Year Ended June 30, 2004

---

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	<u>Unqualified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u>    </u> Yes	<u>  X  </u> No
Reportable condition(s) identified not considered to be material weaknesses?	<u>    </u> Yes	<u>  X  </u> No
Noncompliance material to the financial statements noted?	<u>    </u> Yes	<u>  X  </u> No

**Section II - Financial Statement Findings**

See Summary Schedule of Audit Findings

**CADDO PARISH CLERK OF COURT**

Shreveport, Louisiana

Summary Schedule of Audit Findings

For the Year Ended June 30, 2004

---

**FINDINGS RELATED TO COMPLIANCE**

None

**FINDINGS RELATED TO INTERNAL CONTROL**

None

**CADDO PARISH CLERK OF COURT**  
Shreveport, Louisiana

Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2004

---

**PRIOR AUDIT FINDINGS RELATED TO COMPLIANCE**

None

**PRIOR AUDIT FINDINGS RELATED TO INTERNAL CONTROL**

None