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**ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana**

Financial Report

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 2-16-05

Royce T. Scimemi, CPA, APAC

TABLE OF CONTENTS

CONTENTS	Page
INDEPENDENT AUDITORS' REPORT	3-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	5-11
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net assets	14
Statement of activities	15
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet-governmental fund	17
Reconciliation of the balance sheet-governmental fund to the statement of net assets	18
Statement of revenues, expenditures, and changes in fund balance-governmental fund	19
Reconciliation of the statement of revenues, expenditures, and changes in fund balance-governmental fund to the statement of activities	20
Statement of fiduciary net assets	21
Statement of changes in fiduciary due to litigants and others – agency funds	22
NOTES TO BASIC FINANCIAL STATEMENTS	23-33
REQUIRED SUPPLEMENTAL INFORMATION	
Budgetary comparison schedule-general fund	35
OTHER SUPPLEMENTAL INFORMATION	
Combining statement of fiduciary net assets – agency funds	37
Combining statement of changes in fiduciary due to litigants and others – agency funds	38
INDEPENDENT AUDITORS' 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>	39-40
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	41

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INDEPENDENT AUDITOR'S REPORT

HONORABLE GERALD HARRINGTON
ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

I have audited the accompanying basic financial statements of the Allen Parish Clerk of Court, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Allen Parish Clerk of Court. My responsibility is to express an opinion on these basic financial statements based on my audit.

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

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities in the only major fund of Allen Parish Clerk of Court as of June 30, 2004, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 29, 2004, on my consideration of Allen Parish Clerk of Court's internal control over financial reporting and my tests of it's 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 my audit.

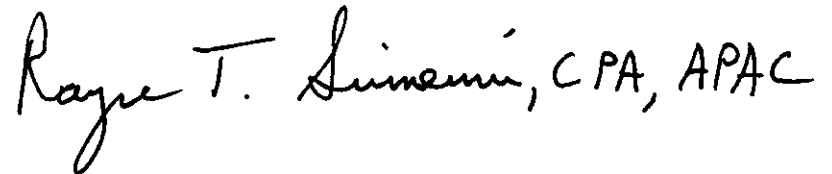
As described in Note 10 to the basic financial statements, the Allen Parish Clerk of Court. adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, Statement No. 37, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments: Omnibus, Statement No. 38 Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. This results in a change in the format and content of the basic financial statements.

Allen Parish Clerk of Court
December 29, 2004

The Management's Discussion and Analysis and the required supplemental information on pages 5 through 11 and page 35, respectively, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Clerk's basic financial statements. The other supplemental information on pages 37 through 38 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Allen Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Royce T. Scimemi, CPA, APAC
December 29, 2004

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive style with a large, prominent initial "R".

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis

Within this section of the Allen Parish Clerk of Court's (Clerk) annual financial report, the Clerk's management is pleased to provide this narrative discussion and analysis of the financial activities of the Clerk for the fiscal year ended June 30, 2004. The Clerk's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Clerk's assets exceeded its liabilities by \$644,521 (net assets) for the fiscal year reported.
- Total revenues of \$780,162 were short total expenses of \$785,324, which resulted in a current year deficit of \$5,162.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of \$254,440 include furniture and equipment, net of accumulated depreciation.
 - (2) Unrestricted net assets of \$390,081.
- The Clerk's governmental funds reported total ending fund balance of \$390,081 this year. This compares to the prior year ending fund balance of \$367,072, reflecting an increase of \$23,009 during the current year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$390,081, or 52% of total General Fund expenditures (\$757,153) and 50% of total General Fund revenues (\$780,162).
- Overall, the Clerk's office continues to maintain a strong financial position and is working to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Clerk also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Clerk's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Clerk's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the Clerk's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Clerk as a whole is improving or deteriorating. Evaluation of the overall health of the Clerk would extend to other nonfinancial factors such as diversification of the taxpayer base in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Clerk's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Clerk's distinct activities or functions on revenues provided by the Clerk's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Clerk that are principally supported by fees for recording legal documents. Governmental activities include providing services to the Thirty-Third Judicial District Court and the general public.

The government-wide financial statements are presented on pages 14 through 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Clerk uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Clerk's most significant fund, rather than the Clerk as a whole.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The Clerk uses governmental funds and fiduciary funds as follows:

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Clerk's governmental fund, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17 through 20 of this report.

Fiduciary funds are reported in the fund financial statements and report fees and charges in deposits held pending court action and other legal events. The Clerk only reports agency-type fiduciary funds.

The basic agency fund financial statements are presented on pages 21 through 22 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Clerk's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These schedules demonstrate compliance with the Clerk's adopted and final revised budget. Required supplemental information can be found on page 35 of this report.

As discussed, the Clerk reports the general fund as the only major fund in the basic financial statements.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Financial Analysis of the Clerk as a Whole

The Clerk's net assets at fiscal year-end are \$644,521. The following table provides a summary of the Clerk's net assets:

	<u>Governmental Activities</u>	<u>Percentage</u>
Assets:		
Current assets	\$ 430,296	63%
Capital assets	<u>254,440</u>	<u>37</u>
Total assets	<u>684,736</u>	<u>100%</u>
Liabilities:		
Current liabilities	40,215	100%
Long-term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>40,215</u>	<u>100%</u>
Net assets:		
Investment in capital assets, net	254,440	
Unrestricted	<u>390,081</u>	
Total net assets	<u>\$ 644,521</u>	

The Clerk continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for the Clerk overall is 10.7 to 1. This ratio is strong.

Note that approximately 39% of the governmental activities' net assets are tied up in capital assets. The Clerk uses these capital assets to provide services to the Thirty-Third Judicial District Court and the general public.

Overall, the Clerk's office reports net assets of \$644,521. This amount is \$5,162 lower than last year. The Clerk's office has a net of \$254,440 invested in capital assets. The Clerk's overall financial position remained strong during fiscal year ended June 30, 2004.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

The following table provides a summary of the Clerk's changes in net assets:

	<u>Governmental Activities</u>	<u>Percentage</u>
Revenues:		
Program:		
Fees, fines and charges for services	\$ 776,100	99%
General:		
Interest and investment earnings	<u>4,062</u>	<u>1</u>
Total Revenues	<u>780,162</u>	<u>100%</u>
Program expenses:		
Court administration	<u>785,324</u>	<u>100%</u>
Total Expenses	<u>785,324</u>	<u>100%</u>
Change in net assets	(5,162)	
Beginning net assets	<u>649,683</u>	
Ending net assets	<u>\$ 644,521</u>	

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Governmental Revenues

The Clerk is heavily reliant on fees for recording legal documents to support its operations. Fees for recording legal documents provided 80% of the Clerk's total revenues. Also, note that program revenues covered 99% of governmental operating expenses.

Governmental Functional Expenses

The total function of the Clerk's office is providing services to the Thirty-Third Judicial District Court and the general public. Of the total cost of providing such services, depreciation on the furniture and equipment was \$57,487 or 7.0% of total expenses.

Financial Analysis of the Clerk's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported an ending fund balance of \$390,081. All of which was unreserved and undesignated at June 30, 2004.

The unreserved, undesignated fund balance increased by \$23,009 from the previous year.

Major Governmental Fund

The General Fund is the Clerk's only operating fund and the entire source of day-to-day service delivery. The General Fund's fund balance increased by \$23,009. In fiscal year ended June 30, 2004, revenues increased by \$70,337 while operating expenditures increased by \$3,795. Fees for recording legal documents accounts for the largest increase in funding for the Clerk's General Fund operations. Fees for recording legal documents in the General Fund increased by \$54,660 from last year \$570,016 to \$624,676 this year.

Budgetary Highlights

The General Fund – When the original budget was adopted, it was anticipated that the total revenues were going to decrease by \$54,905. The original budget reflected a decrease in total expenditures of \$36,013 from the previous fiscal year mainly due to an anticipated decrease in capital outlay. The budget was not amended during the year. Personal services and related benefits increased by \$52,041 over last year when revenues increased by \$70,337. Also, the excess fund balance expenditure of \$22,260 was incurred during the year (See Note 8).

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administrators

Capital assets

The Clerk's investment in capital assets, net of accumulated depreciation as of June 30, 2004, was \$254,440. See Note 3 for additional information about changes in capital assets during the fiscal year and the balance at the end of the year. The following table provides a summary of capital asset activity.

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Depreciable assets:		
Furniture and equipment	<u>\$ 527,998</u>	<u>\$ 498,322</u>
Total depreciable assets	527,998	498,322
Less accumulated depreciation	<u>273,558</u>	<u>215,711</u>
Book value-depreciable assets	<u>\$ 254,440</u>	<u>\$282,611</u>
Percentage depreciated	<u>48%</u>	<u>57%</u>
Book value-all assets	<u>\$ 254,440</u>	<u>\$282,611</u>

At June 30, 2004, the depreciable capital assets for governmental activities were 48% depreciated. The book value is at 48% of the original cost.

Contacting the Clerk's Financial Management

This financial report is designed to provide a general overview of the Clerk's finances, comply with finance-related laws and regulations, and demonstrate the Clerk's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Clerk's office, Mr. Gerald Harrington, Clerk of Court at (337) 639-4351.

BASIC FINANCIAL STATEMENTS

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

ALLEN PARISH CLERK OF COURT
Statement of Net Assets
June 30, 2004

Governmental
Activities

ASSETS	
Cash - Interest bearing	\$ 392,188
Cash – Non-interest bearing	100
Accounts receivable	38,008
Capital assets, net	<u>254,440</u>
Total assets	<u>684,736</u>
 LIABILITIES	
Accounts payable	3,948
Accrued liabilities	14,007
Due to other governments	<u>22,260</u>
Total liabilities	<u>40,215</u>
 NET ASSETS	
Invested in capital assets	254,440
Unrestricted	<u>390,081</u>
Total net assets	<u>\$ 644,521</u>

The accompanying notes are an integral part of these financial statements.

ALLEN PARISH CLERK OF COURT
Statement of Activities
Year Ended June 30, 2004

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Assets
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Court Administration	\$ <u>785,324</u>	\$ <u>776,100</u>	\$ -	\$ -	\$ <u>(9,224)</u>
General Revenues:					
Interest and investment earnings					<u>4,062</u>
Total general revenues					4,062
Change in net assets					(5,162)
Net assets – June 30, 2003					<u>649,683</u>
Net assets – June 30, 2004					<u>\$644,521</u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS
(FFS)**

ALLEN PARISH CLERK OF COURT

Balance Sheet – Governmental Fund
June 30, 2004

	<u>General Fund</u>
ASSETS	
Cash	\$ 100
Interest-bearing deposits	392,188
Accounts receivable	<u>38,008</u>
Total assets	<u>\$ 430,296</u>
LIABILITIES AND FUND BALANCE	
Accounts payable	\$ 3,948
Accrued liabilities	14,007
Due to other governments (see note 8)	<u>22,260</u>
Total liabilities	<u>40,215</u>
Fund Balance:	
Fund balance - Unreserved and undesignated	<u>390,081</u>
Total fund balance	<u>390,081</u>
Total liabilities and fund balance	<u>\$ 430,296</u>

The accompanying notes are an integral part of these financial statements.

**ALLEN PARISH CLERK OF COURT
Reconciliation of the Balance Sheet – Governmental Fund
to the Statement of Net Assets
June 30, 2004**

Total fund balance for governmental funds at June 30, 2004	\$ 390,081
Total net assets reported for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Capital assets, net of \$273,558 accumulated depreciation	<u>254,440</u>
Total net assets of governmental activities at June 30, 2004	<u>\$ 644,521</u>

The accompanying notes are an integral part of these financial statements.

ALLEN PARISH CLERK OF COURT
Statement of Revenues, Expenditures, and Changes in Fund Balance -
- Governmental Fund
Year Ended June 30, 2004

Revenues:	
Licenses and permits	\$ 5,450
Fees, charges, and commission for services - Court costs, fees and charges	145,974
Fees for recording legal documents	624,676
Interest earnings	<u>4,062</u>
Total revenues	<u>780,162</u>
Expenditures:	
Current -	
Personal services and related benefits	560,194
Operating services	94,213
Materials and supplies	50,810
Intergovernmental -- excess fund balance (see note 8)	22,260
Capital Outlay	<u>29,676</u>
Total expenditures	<u>757,153</u>
Net changes in fund balance	23,009
Fund balance, beginning of year	<u>367,072</u>
Fund balance, end of year	<u>\$390,081</u>

The accompanying notes are an integral part of these financial statements

ALLEN PARISH CLERK OF COURT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance-Governmental Fund to the Statement of Activities
Year Ended June 30, 2004

Total net changes in fund balance at June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 23,009
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The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 29,676	
Depreciation expense for the year ended June 30, 2004	<u>(57,847)</u>	<u>(28,171)</u>

Total changes in net assets at June 30, 2004 per Statement of Activities	<u>\$ (5,162)</u>
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The accompanying notes are an integral part of these financial statements.

ALLEN PARISH CLERK OF COURT
Statement of Fiduciary Net Assets
June 30, 2004

ASSETS

Non-interest bearing demand deposits	\$ 21,787
Interest bearing demand deposits	570,684
Time deposits/Certificates of deposit	<u>200,000</u>
Total assets	<u>\$ 792,471</u>

LIABILITIES

Due to litigants and others	<u>\$ 792,471</u>
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The accompanying notes are an integral part of these financial statements.

ALLEN PARISH CLERK OF COURT
Statement of Changes in Fiduciary Due to Litigants and Others – Agency Funds
Year Ended June 30, 2004

REVENUES

Suits and successions	\$ 632,627
Fines and costs	34,866
Interest	<u>4,349</u>
Total revenues	<u>671,842</u>

EXPENSES

Remittance of advance deposits and costs to:	
State Agencies	2,275
Sheriffs	56,021
Allen Parish Clerk of Court – Salary Fund	315,129
Other Clerks of Court	765
Judges' Supplemental Fund	11,991
Jurors Fees and Costs	13,274
Litigants and attorneys	146,523
Other expenditures	<u>72</u>
Total expenses	<u>546,050</u>

Change in Net Assets 125,792

Due to litigants and others – beginning of year 666,679

Due to litigants and others – ending \$ 792,471

The accompanying notes are an integral part of these financial statements.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements

June 30, 2004

(1) Summary of Significant Accounting Policies

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 shall have other duties and powers provided by law. A clerk of court is elected for a term of four years.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

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

1. Appointing a voting majority of an organization's governing body, and
 - (a) the ability of the police jury to impose its will on that organization and/or
 - (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury provides financial benefits that make the clerk of court fiscally dependent, the clerk of court was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(1) Summary of Significant Accounting Policies – Continued

B. Basis of Presentation

The accompanying basic financial statements of the Allen Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Clerk as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through user fees and charges, as well as other nonexchange revenues. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

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

The Clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Clerk are classified into two categories: governmental, and fiduciary. The emphasis on fund financial statements is on the major fund. A fund is considered major if it is the primary operating fund of the Clerk or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(1) Summary of Significant Accounting Policies – Continued

Fund Financial Statements (FFS)

The Clerk reports the following governmental funds:

General Fund

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

Agency Funds

The Advance Deposits, Registry of Court, Juvenile Support and Civil Jury Agency Funds are used to account for assets held as an agent for governments, individuals, etc. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(1) Summary of Significant Accounting Policies – Continued

Governmental fund financial statements are reported using the current financial resources measurement Focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgetary Accounting

A budget for the General Fund is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally prepared or as amended by the Clerk of Court. All budgetary appropriations lapse at the end of each fiscal year. The budget was not amended during the year

E. Capital Assets

Capital assets, which include furniture and equipment, are reported in the governmental columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. 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 \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture and Equipment	5-20 years
-------------------------	------------

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

F. Cash and Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

G. Bad Debts

Uncollectible amounts due for receivables are recognized as bad debts by direct write-off at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with accounting principles generally accepted in the United States of America (GAAP), no allowance for uncollectible accounts receivable is made due to immateriality at June 30, 2004.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(1) Summary of Significant Accounting Policies – Continued

H. Vacation and Sick Leave

Employees of the Clerk of Court's office earn one to three weeks of vacation and 12 days of sick leave each year. Vacation and sick leave must be used in the year earned. At June 30, 2004, the employees of the Clerk of Court have no accumulated and vested leave benefits required to be reported in accordance with GASB No. 16.

I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Allen Parish Clerk of Court as an extension of formal budgetary integration in the funds.

J. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

K. Equity Classification

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(2) Cash and Interest-Bearing Deposits

Under state law, the Clerk of Court may deposit funds within a fiscal agent bank located in the parish or congressional district that is organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Clerk of court may also invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30 2004, the Clerk of Court has cash and cash equivalents (book balances) totaling \$1,184,859, as follows:

	First Federal Savings & Loan	Hibernia National Bank	Cameron State Bank	Total
Demand deposits:				
Non-interest-bearing \$	-	\$ -	\$ 21,787	\$ 21,787
Interest-bearing	214,855	268,147	354,897	837,899
Time deposits	<u>300,072</u>	-	<u>25,000</u>	<u>325,072</u>
Total	<u>\$ 514,927</u>	<u>\$ 268,147</u>	<u>\$ 401,684</u>	<u>\$1,184,758</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

	First Federal Savings & Loan	Hibernia National Bank	Cameron State Bank
Bank balances	<u>\$515,335</u>	<u>\$271,402</u>	<u>\$ 459,690</u>
Securities pledged (category 3)	527,602	315,543	812,055
Federal deposit insurance	<u>100,000</u>	<u>100,000</u>	<u>121,787</u>
	<u>627,602</u>	<u>415,543</u>	<u>933,842</u>
Over (Under) secured deposits	<u>\$112,267</u>	<u>\$144,141</u>	<u>\$ 474,152</u>

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

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(3) Capital Assets

A summary of changes in capital assets follows:

	Balance <u>06/30/03</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/04</u>
Governmental Activities: Furniture, fixtures and equipment	\$498,322	\$ 29,676	\$ -	\$527,998
Less: accumulated depreciation	<u>215,711</u>	<u>57,847</u>	<u>-</u>	<u>273,558</u>
Capital assets, net	<u>\$282,611</u>	<u>\$(28,171)</u>	<u>\$ -</u>	<u>\$254,440</u>

(4) Pension Plan

(a) Louisiana Clerks of Court Retirement and Relief Fund

Plan Description. Substantially all employees of the Allen 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 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 who do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The system also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162

Funding Policy. Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Allen Parish Clerk of Court is required to contribute an actuarially determined rate. During the year ended June 30, 2004, the employee contributions were not withheld from the employee's salaries and were paid by the Allen Parish Clerk of Court. 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 Allen Parish Clerk of Court are established and amended by 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.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

The following provides certain disclosures for the Clerk of Court and the retirement system that are required by GASB Codification Section P20.129 for the year ended June 30, 2004:

	<u>2004</u>		
Contribution rates:			
Employees	<u>8.25%</u>		
Employer	<u>11.50%</u>		
Total current year payroll	<u>\$ 337,937</u>		
Total current year covered payroll	<u>\$ 324,365</u>		
	<u>Percent</u>	<u>Amount</u>	<u>Actual</u>
Contributions required by statute:			
Employees	8.25 %	\$ 26,761	\$ 25,122
Employer	<u>15.73 %</u>	<u>51,023</u>	<u>37,302</u>
Total	<u>23.98 %</u>	<u>\$ 77,784</u>	<u>\$ 62,424</u>
Retirement System:			
<i>Estimated payroll for current year</i>			<u>\$ 70,699,191</u>
Dollar amount			<u>\$ 11,863,330</u>
Percent of estimated payroll			<u>15.73 %</u>
For the year ended June 30, 2004:			
Retirement System:			
Net assets available			\$ 234,052,785
Pension benefit obligation			<u>298,703,485</u>
Unfunded pension benefit obligation			<u>\$ 64,650,700</u>

The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increased and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligations for individual employers.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2004 comprehensive annual financial report. The Allen Parish Clerk of Court does not guarantee the benefits granted by the System.

(b) State of Louisiana Public Employees Deferred Compensation Plan

The Allen Parish Clerk of Court offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan was adopted January 1, 2000. The plan, available to all employees, permits them to contribute up to the lesser of (1) 25% of taxable compensation or (2) \$8,000. The Clerk matches those contributions 100%. The deferred compensation is not available to employees until retirement, total disability, unforeseeable emergency, attainment of age 70 ½, or death. Contributions to the plan during the year ended June 30, 2004 totaled \$23,839.

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

(5) Expenditures of the Clerk of Court Paid by the Parish Police Jury

The Clerk of Court's office is located in the Allen Parish Courthouse. The upkeep and maintenance of the courthouse is paid by the Allen Parish Police Jury. Certain operating expenditures of the Clerk of Court's office are paid by the parish police jury. These expenditures are summarized as follows:

Office supplies	<u>\$ 1,023</u>
-----------------	-----------------

(6) Receivables

The receivables of \$38,008 at June 30, 2004 are as follows:

Birth Certificates	\$ 24
Cancellations	88
Certified copies	840
Civil Jury fund	551
Copies	2,705
Criminal appeals	44
Mortgage Certificates	496
Juvenile support	18,177
Recordings	14,653
Uniform Commercial Code Fees	<u>430</u>
Total	<u>\$38,008</u>

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(7) Long-Term Leases

The Allen Parish Clerk of Court completed a two-year operating lease with the Head Ford Mercury Lincoln, Inc. for the use of an automobile. During the year ended June 30, 2004, monthly rental payments under this long-term lease amounted to \$895 (3 X \$298.21).

The Allen Parish Clerk of Court entered a two-year operating lease with the Premier Ford Lincoln Mercury, LLC for the use of an automobile. During the year ended June 30, 2004, monthly rental payments under this long-term lease amounted to \$3,171 (9 X \$352.38) and \$7,273 was due on signing.

The Allen Parish Clerk of Court entered into a sixty-month operating lease with Pitney Bowes for the use of mailing equipment. During the year ended June 30, 2004, monthly rental payments under this long-term lease amounted to \$4,140 (12 X \$345.00).

The Allen Parish Clerk of Court entered into a five-year operating lease with Xerox for the use of copy equipment. During the year ended June 30, 2004, monthly rental payments under this long-term lease amounted to \$2,832 (11 X \$257.51).

Future minimum lease payments, by year, and in aggregate at June 30, 2004 are:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2005	\$ 10,434
2006	5,198
2007	4,140
Thereafter	<u>0</u>
Total	<u>\$ 19,772</u>

(8) Excess Fund Balance

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. At June 30, 2004, there was \$22,260 due the parish treasurer for the amount that the General Fund's fund balance exceeded one-half of the revenues of the clerk's last year of his four-year term of office.

(9) Risk Management

The Allen Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Allen Parish Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Allen Parish Clerk of Court. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Notes to Financial Statements – Continued

June 30, 2004

(10) Changes in Accounting Principles

For the year ended June 30, 2004, the Clerk has implemented GASB Standard No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the Clerk’s financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for the individual major fund rather than by fund type which has been the mode of presentation in previously issued financial statements. The Clerk also implemented GASB Standard No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

The implementation of GASB Statement No. 34 caused the opening fund balance at June 30, 2003 to be restated in terms of “net assets” as follows:

Total fund balances – Governmental Fund at June 30, 2003		\$ 367,072
Add: Cost of capital assets at June 30, 2003	\$ 498,322	
Less: Accumulated depreciation at June 30, 2003	<u>215,711</u>	<u>282,611</u>
Net assets at June 30, 2003		<u>\$ 649,683</u>

REQUIRED SUPPLEMENTAL INFORMATION

ALLEN PARISH CLERK OF COURT
 Budget Comparison Schedule
 General Fund
 Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Licenses and permits	\$ 4,500	\$ 5,450	\$ 950
Fees, charges, and commission for services -			
Court costs, fees and charges	62,920	91,390	28,470
Fees for recording legal documents	539,500	624,676	85,176
Fees for certified copies	40,000	54,584	14,584
Interest earnings	<u>8,000</u>	<u>4,062</u>	<u>(3,938)</u>
Total revenues	<u>654,920</u>	<u>780,162</u>	<u>125,242</u>
Expenditures:			
Current -			
Personal services and related benefits	565,845	560,194	5,651
Operating services	101,400	94,213	7,187
Materials and supplies	30,100	50,810	(20,710)
Intergovernmental – Excess fund balance	-	22,260	(22,260)
Capital Outlay	<u>20,000</u>	<u>29,676</u>	<u>(9,676)</u>
Total expenditures	<u>717,345</u>	<u>757,153</u>	<u>(39,808)</u>
Excess (deficiency) of revenues over expenditures	(62,425)	23,009	85,434
 Fund balance, beginning of year	 <u>367,072</u>	 <u>367,072</u>	 <u>-</u>
 Fund balance, end of year	 <u>\$304,647</u>	 <u>\$390,081</u>	 <u>\$ 85,434</u>

The accompanying notes are an integral part of these financial statements.

OTHER SUPPLEMENTAL INFORMATION

ALLEN PARISH CLERK OF COURT
Combining Statement of Fiduciary Net Assets – Agency Funds
June 30, 2004

	<u>Advance Deposits Fund</u>	<u>Registry of Court Fund</u>	<u>Juvenile Support Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
ASSETS					
Non-Interest bearing demand deposits \$	-	\$ 21,787	\$ -	\$ -	\$ 21,787
Interest-bearing deposits	355,828	190,822	23,139	895	570,684
Time deposits/Certificates of deposit	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
TOTAL ASSETS	<u>\$ 555,828</u>	<u>\$ 212,609</u>	<u>\$ 23,139</u>	<u>\$ 895</u>	<u>\$ 792,471</u>
LIABILITIES					
Due to Litigants and Others	<u>\$ 555,828</u>	<u>\$ 212,609</u>	<u>\$ 23,139</u>	<u>\$ 895</u>	<u>\$ 792,471</u>

ALLEN PARISH CLERK OF COURT
Combing Statement of Changes in Fiduciary Due to Litigants and Others – Agency Funds
June 30, 2004

	<u>Advance Deposits Fund</u>	<u>Registry of Court Fund</u>	<u>Juvenile Support Fund</u>	<u>Civil Jury Fund</u>	<u>Total</u>
Balances, beginning of year	<u>\$510,702</u>	<u>\$ 134,458</u>	<u>\$ 20,978</u>	<u>\$ 541</u>	<u>\$ 666,679</u>
Additions:					
Suits and successions	544,346	88,281	-	-	632,627
Fines and costs	-	-	21,248	13,618	34,866
Interest	<u>3,419</u>	<u>814</u>	<u>106</u>	<u>10</u>	<u>4,349</u>
Total Additions	<u>547,765</u>	<u>89,095</u>	<u>21,354</u>	<u>13,178</u>	<u>671,842</u>
Subtotal	1,058,467	223,553	42,332	14,169	1,338,521
Reductions					
Deposits settled to –					
State agencies	2,275	-	-	-	2,275
Sheriffs	52,746	-	3,275	-	56,021
Clerk of Court Salary Fund	299,211	-	15,918	-	315,129
Other Clerks of Court	765	-	-	-	765
Judges' Supplemental Fund	11,991	-	-	-	11,991
Jurors	-	-	-	13,274	13,274
Litigants and attorneys	135,579	10,944	-	-	146,523
Other reductions	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>
Total Reductions	<u>502,639</u>	<u>10,944</u>	<u>19,193</u>	<u>13,274</u>	<u>546,050</u>
Balances, end of year	<u>\$ 555,828</u>	<u>\$ 212,609</u>	<u>\$ 23,139</u>	<u>\$ 895</u>	<u>\$ 792,471</u>



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American Institute of
Certified Public Accountants

Member
Society of Louisiana
Certified Public Accountants

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

HONORABLE GERALD HARRINGTON
ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

I have audited the basic financial statements of Allen Parish Clerk of Court, a component unit of the Allen Parish Police Jury, as of and for the year ended June 30, 2004, and have issued my report thereon dated December 29, 2004. I conducted my 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 Allen Parish Clerk of Court's basic financial statements are free of material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclose one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs at item 2004-01.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Allen Parish Clerk of Court's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My 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

ALLEN PARISH CLERK OF COURT
Compliance and Internal Control Report (Continued)

material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Allen Parish Clerk of Court, the Allen Parish Police Jury and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Royce T. Scimemi, CPA, APAC
December 29, 2004

Royce T. Scimemi, CPA, APAC

ALLEN PARISH CLERK OF COURT
Oberlin, Louisiana

Schedule of Findings and Questioned Costs

Year Ended June 30, 2004

1) Summary of Auditor's Results:

- a) Auditor issued an unqualified opinion on the financial statements
- b) No reportable conditions in internal control over financial reporting and its operation were disclosed by the audit of the financial statements
- c) No noncompliance which is material to the financial statements was disclosed by the audit of the financial statements.

2) Findings Relating to the Financial Statements Which Are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Item 2004-01:

Description: The General Fund actual expenditures exceeded budgeted expenditures by more than 5%.

Planned Corrective Action: The Clerk agrees with this finding. The over-expenditure is a direct result of the accrual of the excess fund balance expenditure that occurs in every fourth year. This expenditure was not included in the budget. However, the Clerk will include this expenditure in the budget for the year ended June 30, 2008.

Contact Person: Gerald Harrington, Allen Parish Clerk of Court

3) Findings and Questioned Costs for Federal Awards

N/A

4) Prior Year Findings:

There were no prior year findings.